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CHINA HEALTHWISE HOLDINGS LIMITED
中國智能健康控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 348)

**(I) DISCLOSEABLE TRANSACTION –
PROVISION OF FINANCIAL ASSISTANCE
AND
(II) CHANGE IN USE OF PROCEEDS**

(I) PROVISION OF FINANCIAL ASSISTANCE

The Board announces that, on 9 May 2018 (after trading hours of the Stock Exchange), the Loan Agreement was entered into between the Company as lender and Customer C as borrower. Pursuant to the Loan Agreement, the Company has conditionally agreed to grant the Loan of a principal amount of HK\$60 million to Customer C for a term of 3 months from the date on which the Loan Agreement becoming unconditional.

The principal terms and conditions of the Loan Agreement are set out in the paragraph headed “The Loan Agreement” in this announcement.

IMPLICATIONS UNDER THE LISTING RULES

As three of the relevant percentage ratios (as defined under the Listing Rules) in respect of the grant of the Loan under the Loan Agreement are more than 5% but all are less than 25%, the grant of the Loan under the Loan Agreement constitutes a discloseable transaction for the Company under the Listing Rules and is subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

(II) CHANGE IN USE OF PROCEEDS

References are made to the announcements of the Company dated 11 May 2017, 24 May 2017 and 12 June 2017 (collectively, the “Announcements”) in relation to, among others, the placing of new Shares under the General Mandate. Unless otherwise defined, capitalised terms used in this announcement shall have the same meanings as those defined in the Announcements.

Following the completion of the placing on 12 June 2017, the net proceeds of approximately HK\$110 million has been raised. As disclosed in the announcements of the Company dated 24 May 2017 and 12 June 2017, the Group intended to apply the net proceeds of (i) approximately HK\$95 million from the placing on future investment opportunities and; (ii) approximately HK\$15 million from the placing as general working capital required for the development of the trading and retail business of 參茸 (Sum Yung) and dried seafood products in Hong Kong (“Nam Pei Hong business”) following the acquisition of Nam Pei Hong.

While HK\$95 million was used up as intended, the Company intends to reallocate HK\$15 million of the net proceeds originally allocated for the Nam Pei Hong business to money lending business as a result of the strong demand on money lending business. The Board considers that such change in the use of the Net Proceeds is in the best interests of the Company and the Shareholders as a whole.

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The Loan Agreement

The principal terms and conditions of the Loan Agreement are summarised as follows:

Date	:	9 May 2018
Lender	:	The Company
Borrower	:	Customer C
Principal amount of the Loan	:	HK\$60 million
Interest rate	:	12% per annum
Default interest rate	:	12% per annum on overdue sums from the due date until payment in full.
Security	:	No security is provided by Customer C.
Repayment date	:	The date immediately after the expiry of a period of three months as from the date of drawdown.

- Repayment : Customer C shall repay the outstanding principal amount of the Loan in full together with any accrued and unpaid interest in one lump sum on the repayment date.
- Prepayment : Customer C may at any time during the term of the Loan prepay the Loan in full together with the accrued interest by giving not less than ten business days' prior written notice to the Company before the repayment date.
- Conditions precedent : The Loan Agreement is conditional upon the fulfillment of the following conditions:
- (a) the publication of an announcement of the Company in relation to the Loan Agreement and the transactions contemplated thereunder in compliance with Chapter 14 of the Listing Rules;
 - (b) all representations and warranties made by Customer C in the Loan Agreement or in connection therewith being true and correct with the same effect as though made on and as of the date of drawing with reference to the facts and circumstances then subsisting;
 - (c) no event of default having occurred and no potential event of default having occurred (or being likely to occur as a result of the Loan being made); and
 - (d) the Company having received and found satisfactory such additional information and documents relating to Customer C as the Company may reasonably require.
- Long stop date : 23 May 2018 (or such later date as Customer C and the Company may agree in writing).

Funding of the Loan

The Loan will be financed by internal resources of the Group.

Information on Customer C

Customer C is a company incorporated in the British Virgin Islands with limited liability and its principal activity is investment holding. To the best of the knowledge, information and belief of the Directors having made all reasonable enquires, Customer C is a third party independent of the Company and its connected persons (as defined under the Listing Rules).

Information on the Company and the Group

The Company is an investment holding company and the Group is principally engaged in development, engineering, manufacturing and sale of toys, commercial kitchen and consumer electronic products, sales of Chinese health products, trading in securities and money lending.

Reasons for and benefits of the grant of the Loan under the Loan Agreement

As money lending is one of the principal activities of the Group, the grant of the Loan under the Loan Agreement to Customer C is in the ordinary and usual course of business of the Group.

The terms of the Loan Agreement are negotiated on an arm's length basis between the Company and Customer C. The Directors are of the view that the terms of the Loan Agreement are on normal commercial terms. Given that a stable interest income is generated from the Loan during the term of the Loan Agreement, the Directors consider that the grant of Loan under the Loan Agreement is fair and reasonable and in the interests of the Company and its shareholders as a whole.

IMPLICATIONS UNDER THE LISTING RULES

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Following the completion of the placing on 12 June 2017, the net proceeds of approximately HK\$110 million has been raised. As disclosed in the announcements of the Company dated 24 May 2017 and 12 June 2017, the Group intended to apply the net proceeds of (i) approximately HK\$95 million from the placing on future investment opportunities and; (ii) approximately HK\$15 million from the placing as general working capital required for the development of the trading and retail business of 參茸 (Sum Yung) and dried seafood products in Hong Kong ("Nam Pei Hong business") following the acquisition of Nam Pei Hong.

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DEFINITIONS

In this announcement, the following words and expressions shall, unless the context otherwise requires, have the same meanings when used herein:

“Board”	the board of Directors
“Company”	China Healthwise Holdings Limited, a company incorporated in the Cayman Islands with limited liability and the Shares are listed on the Main Board of the Stock Exchange (stock code: 348)
“Customer C”	A company incorporated in the British Virgin Islands with limited liability
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Loan”	the unsecured loan in the principal amount of HK\$60 million
“Loan Agreement”	the conditional loan agreement dated 9 May 2018 and entered into between the Company as lender and Customer C as borrower relating to the grant of the Loan
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

By order of the Board
China Healthwise Holdings Limited
Lei Hong Wai
Chairman and Executive Director

Hong Kong, 9 May 2018

As at the date of this announcement, the executive Directors are Mr. Lei Hong Wai (Chairman), Mr. Leung Alex (Vice Chairman), Mr. Tse Chi Keung, Mr. Lee Chan Wah and Ms. Lo Ming Wan; the non-executive Director is Mr. Diao Yunfeng; and the independent non-executive Directors are Mr. Wong Tak Chuen, Mr. Lai Hok Lim and Mr. Lien Wai Hung