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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)

DISCLOSEABLE TRANSACTION – DISPOSAL OF SHARES IN GLOBAL MASTERMIND HOLDINGS LIMITED

DISPOSAL

On 14 June 2018 (after trading hours of the Stock Exchange), each of the Company and Future Empire entered into the Agreements with the Purchaser, pursuant to which the Company and Future Empire conditionally agreed to sell an aggregate of 1,020,000,000 Sale Shares held by them to the Purchaser at an aggregate consideration of HK\$153 million at the Selling Price of HK\$0.15 per Sale Share. The aggregate number of 1,020,000,000 Sale Shares representing approximately 23.93% of the entire issued share capital of Global Mastermind as at the date of this announcement.

IMPLICATIONS UNDER THE LISTING RULES

As two of the relevant percentage ratios (as defined under the Listing Rules) in respect of the Disposal are more than 5% but all are less than 25%, the Disposal 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.

THE DISPOSAL

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(I) AGREEMENT A

Date: 14 June 2018

The vendor: the Company

The purchaser: the Purchaser

Assets disposed of: 800,000,000 ordinary shares of the issued share capital of Global Mastermind

Consideration: The consideration payable to the Company by the Purchaser shall be HK\$120 million and shall be payable by the Purchaser to the Company (or its nominee) in the following manner:

- (i) as to HK\$60 million, being the refundable deposit and the part payment towards the consideration, shall be payable by the Purchaser to the Company (or its nominee) upon signing of the Agreement A; and
- (ii) as to the remaining balance of the consideration of HK\$60 million, which shall be payable by the Purchaser to the Company (or its nominee) upon Completion.

The refundable deposit shall be immediately returned to the Purchaser without interest in the event of non-completion of Agreement A for whatever reason.

The consideration is based on the Selling Price of HK\$0.15 per Sale Share. The Selling Price was agreed between the Company and the Purchaser on an arm's length basis and on normal commercial terms after taking into account of the prevailing trading price of the Global Mastermind Share. The Board considers that the consideration is fair and reasonable.

Conditions precedent:

Completion of Agreement A is conditional upon the following conditions being fulfilled and/or waived by the Company:

- (a) the Global Mastermind Shares remaining listed and traded on the GEM at all times from the date of Agreement A to the date of Completion, save for any temporary suspension not exceeding 20 consecutive trading days, or such longer period as the Purchaser may accept in writing, and no indication being received on or before the date of Completion from the SFC and/or the Stock Exchange to the effect that the listing of the Global Mastermind Shares on the GEM will or may be withdrawn or objected to (or conditions will or may be attached thereto);
- (b) the publication of an announcement of the Company in relation to Agreement A and the transactions contemplated thereunder in compliance with Chapter 14 of the Listing Rules;
- (c) the publication of an announcement of Eternity Investment in relation to Agreement A and the transactions contemplated thereunder in compliance with Chapter 14 of the Listing Rules;
- (d) the Company's warranties given under Agreement A remaining true and accurate in all material respects; and
- (e) the Purchaser's warranties given under Agreement A remaining true and accurate in all material respects.

The parties to Agreement A shall use all reasonable endeavours to procure satisfaction of the above conditions and in particular, shall procure that all information and documents required pursuant to the Listing Rules, and other applicable rules, codes and regulations are duly given promptly to the Stock Exchange, the SFC and other relevant regulatory authorities.

The Purchaser may at any time by notice in writing to the Company waive the condition set out in (d) above. The Company may at any time by notice in writing to the Purchaser waive the condition set out in (e) above.

If any of the above conditions have not been fulfilled or waived (if applicable) on or before 5:00 p.m. on the Longstop Date A, Agreement A shall cease and determine (save and except clause regarding confidentiality which shall continue to have full force and effect) and none of the parties shall have any obligations and liabilities thereunder save for any antecedent breaches of the terms thereof.

Completion: Completion shall take place on or before 30 June 2018 after the fulfillment and/or waiver of the last of the conditions precedent in Agreement A or such later date as the Company and the Purchaser may agree in writing.

(II) AGREEMENT B

Date: 14 June 2018

The vendor: Future Empire

The purchaser: the Purchaser

Assets disposed of: 220,000,000 ordinary shares of the issued share capital of Global Mastermind

Consideration: The consideration payable to Future Empire by the Purchaser shall be HK\$33 million and shall be payable by the Purchaser to Future Empire (or its nominee) in the following manner:

- (i) as to HK\$16.5 million, being the refundable deposit and the part payment towards the consideration, shall be payable by the Purchaser to Future Empire (or its nominee) upon signing of the Agreement B; and
- (ii) as to the remaining balance of the consideration of HK\$16.5 million, which shall be payable by the Purchaser to Future Empire (or its nominee) upon Completion.

The refundable deposit shall be immediately returned to the Purchaser without interest in the event of non-completion of Agreement B for whatever reason.

The consideration is based on the Selling Price of HK\$0.15 per Sale Share. The Selling Price was agreed between Future Empire and the Purchaser on an arm's length basis and on normal commercial terms after taking into account of the prevailing trading price of the Global Mastermind Share. The Board considers that the consideration is fair and reasonable.

Conditions precedent:

Completion of Agreement B is conditional upon the following conditions being fulfilled and/or waived by Future Empire and/or the Purchaser:

- (a) the Global Mastermind Shares remaining listed and traded on the GEM at all times from the date of Agreement B to the date of Completion, save for any temporary suspension not exceeding 20 consecutive trading days, or such longer period as the Purchaser may accept in writing, and no indication being received on or before the date of Completion from the SFC and/or the Stock Exchange to the effect that the listing of the Global Mastermind Shares on the GEM will or may be withdrawn or objected to (or conditions will or may be attached thereto);
- (b) the publication of an announcement of the Company in relation to Agreement B and the transactions contemplated thereunder in compliance with Chapter 14 of the Listing Rules;
- (c) the publication of an announcement of the Eternity Investment in relation to Agreement B and the transactions contemplated thereunder in compliance with Chapter 14 of the Listing Rules;
- (d) the Future Empire's warranties given under Agreement B remaining true and accurate in all material respects; and

- (e) the Purchaser's warranties given under Agreement B remaining true and accurate in all material respects.

The parties to Agreement B shall use all reasonable endeavours to procure satisfaction of the above conditions and in particular, shall procure that all information and documents required pursuant to the Listing Rules, and other applicable rules, codes and regulations are duly given promptly to the Stock Exchange, the SFC and other relevant regulatory authorities.

The Purchaser may at any time by notice in writing to Future Empire waive the condition set out in (d) above. Future Empire may at any time by notice in writing to the Purchaser waive the condition set out in (e) above.

If any of the above conditions have not been fulfilled or waived (if applicable) on or before 5:00 p.m. on the Longstop Date B, Agreement B shall cease and determine (save and except clause regarding confidentiality which shall continue to have full force and effect) and none of the parties shall have any obligations and liabilities thereunder save for any antecedent breaches of the terms thereof.

Completion:

Completion shall take place on or before 30 June 2018 after the fulfillment and/or waiver of the last of the conditions precedent in Agreement B or such later date as Future Empire and the Purchaser may agree in writing.

Sale Shares

The aggregate of the 1,020,000,000 Sale Shares represents approximately 23.93% of the issued share capital of Global Mastermind (based on 4,262,867,050 Global Mastermind Shares in issue as at the date of this announcement, according to public information).

Selling Price

The Selling Price of HK\$0.15 per Sale Share represents:

- (i) a discount of approximately 3.2% to the closing price of HK\$0.155 per Sale Share as quoted on the Stock Exchange on 14 June 2018, being the date of the Agreements; and
- (ii) a discount of approximately 1.3% to the average closing price of approximately HK\$0.152 per Sale Share in the last five consecutive trading days immediately prior to 14 June 2018, being the date of the Agreements.

The Selling Price is determined after arm's length negotiations between each of the Company and Future Empire and the Purchaser with reference to, among other things, the prevailing trading price of the Global Mastermind Share.

The Directors (excluding Mr. Lei Hong Wai, Mr. Lee Chan Wah and Mr. Wong Tak Chuen who have abstained from voting in the Board's meeting approving the Agreements) consider that the Selling Price is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

INFORMATION OF THE COMPANY AND FUTURE EMPIRE

The Company is an investment holding company and its subsidiaries are 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.

Future Empire is an investment holding company incorporated in the British Virgin Islands with limited liability and wholly-owned by the Company.

INFORMATION OF THE PURCHASER

The Purchaser is a company incorporated in British Virgin Islands with limited liability and is a wholly-owned subsidiary of Eternity Investment. Eternity Investment is a company incorporated in Bermuda with limited liability and the issued shares of which are listed on the Main Board of the Stock Exchange (stock code: 764). As at the date of this announcement, the Purchaser holds 708,396,000 Shares, representing approximately 8.31% of the entire issued share capital of the Company.

Save as disclosed above, to the best of the Directors' knowledge, information and belief having made all reasonable enquiries, as at the date of this announcement, the Purchaser and its ultimate beneficial owners (if applicable) are Independent Third Parties.

INFORMATION OF GLOBAL MASTERMIND

Global Mastermind is a company incorporated in the Cayman Islands with limited liability, the issued shares of which are listed on GEM (stock code: 8063). The principal activity of Global Mastermind is investment holding and the principal activities of its subsidiaries are provision and operation of travel business, treasury management business, money lending business and provision of securities and asset management services.

Set out below is the audited financial information of Global Mastermind for the years ended 31 December 2016 and 31 December 2017:

	For the year ended 31 December 2017 HK\$'000 (audited)	For the year ended 31 December 2016 HK\$'000 (audited)
Revenue	50,770	43,012
Net loss before tax	(30,099)	(59,492)
Net loss for the year	(28,449)	(55,792)

The audited consolidated total assets and net asset value of Global Mastermind as at 31 December 2017 were HK\$732,568,000 and HK\$668,056,000 respectively.

REASONS FOR THE DISPOSAL AND USE OF PROCEEDS FROM THE DISPOSAL

The purpose of the Disposal is to enhance the liquidity of the Company such that more financial resources could be reallocated to satisfy the strong demand of the Group's money lending business. Despite the shareholding of 23.95% issued capital in Global Mastermind, the Company has no board seat and remain as a passive investor of Global Mastermind. While the Disposal would generate a gain from disposal of available-for-sale investments of approximately HK\$0.3 million and the expected return of money lending business would be higher, the Directors (excluding Mr. Lei Hong Wai, Mr. Lee Chan Wah and Mr. Wong Tak Chuen who have abstained from voting in the Board's meeting approving the Agreements) are of the view that the Disposal is fair and reasonable, on normal commercial terms and in the interests of the Company and its Shareholders as a whole.

The aggregate gross proceeds from the Disposal will be HK\$153 million and the net proceeds from the Disposal will be approximately HK\$153 million. The Company intends to allocate the net proceeds from the Disposal for its money lending business and general working capital for the Group.

FINANCIAL EFFECTS OF THE DISPOSAL

As a result of the Disposal, the Group is expected to recognise a gain of approximately HK\$0.3 million, which is calculated on the basis of the difference between the cost of the Sale Shares of approximately HK\$152.7 million and the gross proceeds of approximately HK\$153 million from the Disposal.

APPROVAL BY THE BOARD

Given that:

- (a) Mr. Lei Hong Wai, the Chairman of the Board and an executive Director, is the chairman of the board of directors, an executive director, and a substantial shareholder by virtue of his 50% shareholding interest in Twin Success of Eternity Investment;

- (b) Mr. Lee Chan Wah, an executive Director, is the company secretary of Global Mastermind;
and
- (c) Mr. Wong Tak Chuen, an independent non-executive Director, is an independent non-executive director of Eternity Investment,

Mr. Lei Hong Wai, Mr. Lee Chan Wah and Mr. Wong Tak Chuen abstained from voting on the relevant resolutions to approve the Agreements and the transactions contemplated thereunder at the meeting of the Board held on 14 June 2018.

IMPLICATIONS UNDER THE LISTING RULES

As two of the relevant percentage ratios (as defined under the Listing Rules) in respect of the Disposal are more than 5% but all are less than 25%, the Disposal 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.

DEFINITIONS

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

“associate(s)”	has the same meaning ascribed thereto under the Listing Rules
“Agreements”	collectively, the Agreement A and the Agreement B
“Agreement A”	the sale and purchase agreement dated 14 June 2018 entered into between the Company and the Purchaser in relation to the Disposal
“Agreement B”	the sale and purchase agreement dated 14 June 2018 entered into between Future Empire and the Purchaser in relation to the Disposal
“Board”	the board of Directors
“Company”	China Healthwise Holdings Limited, a company incorporated in the Cayman Islands with limited liability and the issued shares of which are listed on the Main Board of the Stock Exchange (stock code: 348)
“Completion”	completion of the Disposal
“Director(s)”	the director(s) of the Company

“Disposal”	the disposal of aggregate 1,020,000,000 Sale Shares owned by the Company and Future Empire pursuant to the Agreements
“Eternity Investment”	Eternity Investment Limited, a company incorporated in Bermuda with limited liability and the issued shares of which are listed on the Main Board of the Stock Exchange (stock code: 764)
“Future Empire”	Future Empire Limited, a company incorporated in the British Virgin Islands with limited liability and wholly-owned by the Company
“GEM”	The GEM of the Stock Exchange
“Global Mastermind”	Global Mastermind Holdings Limited, a company incorporated in the Cayman Islands with limited liability and the issued Global Mastermind Shares are listed on GEM (stock code: 8063)
“Global Mastermind Shares”	the ordinary share(s) of HK\$0.01 each in the share capital of Global Mastermind
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party(ies)”	any person(s) or company(ies) and their respective ultimate beneficial owner(s), to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, are third parties independent of and not connected with any directors, chief executive or substantial shareholders of the Company or its subsidiaries or any of their respective associates
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Longstop Date A”	30 June 2018 (or such other date as may be agreed by the Company and the Purchaser in writing)
“Longstop Date B”	30 June 2018 (or such other date as may be agreed by the Future Empire and the Purchaser in writing)
“Purchaser”	Eternity Finance Group Limited, a company incorporated in the British Virgin Islands with limited liability and a wholly-owned subsidiary of Eternity Investment

“Sale Share(s)”	an aggregate of 1,020,000,000 Global Mastermind Shares to be sold by each of the Company and Future Empire to the Purchaser pursuant to the Agreements
“Selling Price”	HK\$0.15 per Sale Share
“SFC”	the Securities and Futures Commission
“Share(s)”	the ordinary share(s) of HK\$0.1 each in the share capital of the Company
“Shareholder(s)”	the holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“substantial shareholder(s)”	has the meaning ascribed thereto under the Listing Rules
“Twin Success”	Twin Success International Limited, a company incorporated in the British Virgin Islands with limited liability which is beneficially owned as to 50% by Mr. Lei Hong Wai, the Chairman of the Board and an executive Director, holding approximately 15.29% interest in the issued share capital of Eternity Investment
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

By order of the Board
China Healthwise Holdings Limited
Leung Alex
Vice Chairman and Executive Director

Hong Kong, 14 June 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.