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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 LISTED SECURITIES

THE DISPOSAL

The Board announced that Future Empire disposed of 60,480,000 shares in Huayi Tencent at an aggregate consideration of approximately HK\$36.1 million (net of transaction costs) through a series of trades executed on the Stock Exchange on 1 March 2021. The average selling price (including transaction costs) of each share in Huayi Tencent is approximately HK\$0.60.

Given that the Disposal is made on the Stock Exchange at the prevailing market prices, the Directors (including the independent non-executive Directors) consider that the Disposal is on normal commercial terms, fair and reasonable, and in the interests of the Company and its shareholders as a whole.

THE PREVIOUS DISPOSAL

On 26 February 2021, Future Empire disposed of an aggregate of 15,000,000 shares in Huayi Tencent at an aggregate consideration of approximately HK\$8.8 million (including transaction costs) on the Stock Exchange at the then prevailing market prices. The aggregate consideration from the Previous Disposal will be used as general working capital of the Group.

As none of the relevant applicable percentage ratios (calculated in accordance with the Listing Rules) in respect of the Previous Disposal was more than 5%, the Previous Disposal did not constitute a transaction of the Company under Chapter 14 of the Listing Rules.

LISTING RULES IMPLICATIONS

As the Disposal takes place within a 12-month period from the date of the Previous Disposal, the Disposal is required to aggregate with the Previous Disposal in accordance with Rule 14.22 of the Listing Rules for the purpose of transaction classification set out in Rule 14.06 of the Listing Rules.

As one of the relevant applicable percentage ratios (calculated in accordance with the Listing Rules) in respect of the Disposal and the Previous Disposal when aggregated is more than 5% but less than 25%, the Disposal and the Previous Disposal constitute a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is only subject to the announcement requirement of the Listing Rules.

THE DISPOSAL

The Board announced that Future Empire disposed of 60,480,000 shares in Huayi Tencent at an aggregate consideration of approximately HK\$36.1 million (net of transaction costs) through a series of trades executed on the Stock Exchange on 1 March 2021. The average selling price (including transaction costs) of each share in Huayi Tencent is approximately HK\$0.60.

Listed securities disposed of

The 60,480,000 shares in Huayi Tencent have been accounted for as financial assets at fair value through profit or loss in the consolidated financial statements of the Group in accordance with Hong Kong Financial Reporting Standard 9 Financial Instruments with a carrying amount of approximately HK\$11.8 million as at 31 December 2020.

The 60,480,000 shares in Huayi Tencent represent approximately 0.45% of the issued share capital of Huayi Tencent as at the date of this announcement.

Huayi Tencent is 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 under stock code: 419. Huayi Tencent is an investment holding company and its subsidiaries are principally engaged in (i) entertainment and media business; and (ii) provision of offline healthcare and wellness services.

The following audited financial information is extracted from the annual report of Huayi Tencent for the year ended 31 December 2019:

	For the year ended 31 December 2019 <i>HK\$'000</i>	For the year ended 31 December 2018 <i>HK\$'000</i>
Revenue	96,951	109,168
Loss before taxation	(27,985)	(66,325)
Loss after taxation	(28,770)	(66,455)
Total assets	1,215,808	880,864
Net assets value	833,210	868,792
Dividend paid/payable per share	Nil	Nil

Upon completion of the Disposal, Future Empire holds 2,000,000 shares in Huayi Tencent.

Consideration

The aggregate consideration for the Disposal is approximately HK\$36.1 million (net of transaction costs) and the consideration of each trade of the Disposal is based on the bid and ask prices quoted on the Stock Exchange at the time of the trade executed.

The average selling price (including transaction costs) of each share in Huayi Tencent is approximately HK\$0.60.

The aggregate consideration for the Disposal is settled in cash upon completion.

Purchasers of the 60,480,000 shares in Huayi Tencent

As the trades of the Disposal are executed on the Stock Exchange, the Directors are not aware of the identities of the purchasers of the 60,480,000 shares in Huayi Tencent.

To the best of the knowledge, information and belief of the Directors, having made all reasonable enquires, each of the purchasers and, if applicable, its ultimate beneficial owners is a third party independent of the Company and its connected persons (as defined in the Listing Rules).

Completion

Completion of each trade of the Disposal takes place on the second trading day following the execution date of the trades.

Information on the Group and Future Empire

The Company is an investment holding company and the Group is principally engaged in sales of Chinese health products, money lending business and investment in financial instruments.

Future Empire, a wholly-owned subsidiary of the Company, is incorporated in the British Virgin Islands with limited liability and engaged in investment in financial instruments business.

Reasons for and benefits of the Disposal

The Directors consider that the recent increase in the share price of Huayi Tencent provides an opportunity to realise part of the Group's investment in Huayi Tencent and obtain an additional cash flow. Given that the Disposal is made on the Stock Exchange at the prevailing market prices, the Directors (including the independent non-executive Directors) consider that the Disposal is on normal commercial terms, fair and reasonable, and in the interests of the Company and its shareholders as a whole.

Upon completion, the Group expects to recognise a gain on the Disposal (before taxation) of approximately HK\$24.3 million, which is the difference between the aggregate consideration for the Disposal of approximately HK\$36.1 million (net of transaction costs) and the carrying amount of the 60,480,000 shares in Huayi Tencent of approximately HK\$11.8 million as at 31 December 2020. The Directors intend to use the aggregate consideration from the Disposal as general working capital of the Group.

THE PREVIOUS DISPOSAL

On 26 February 2021, Future Empire disposed of an aggregate of 15,000,000 shares in Huayi Tencent at an aggregate consideration of approximately HK\$8.8 million (including transaction costs) on the Stock Exchange at the then prevailing market prices. The aggregate consideration from the Previous Disposal will be used as general working capital of the Group.

As none of the relevant applicable percentage ratios (calculated in accordance with the Listing Rules) in respect of the Previous Disposal was more than 5%, the Previous Disposal did not constitute a transaction of the Company under Chapter 14 of the Listing Rules.

LISTING RULES IMPLICATIONS

As the Disposal takes place within a 12-month period from the date of the Previous Disposal, the Disposal is required to aggregate with the Previous Disposal in accordance with Rule 14.22 of the Listing Rules for the purpose of transaction classification set out in Rule 14.06 of the Listing Rules.

As one of the relevant applicable percentage ratios (calculated in accordance with the Listing Rules) in respect of the Disposal and the Previous Disposal when aggregated is more than 5% but less than 25%, the Disposal and the Previous Disposal constitute a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is only subject to the announcement requirement 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:

“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)
“Director(s)”	the director(s) of the Company
“Disposal”	the disposal of 60,480,000 shares in Huayi Tencent by Future Empire at an aggregate consideration of approximately HK\$36.1 million (net of transaction costs) through a series of trades executed on the Stock Exchange on 1 March 2021
“Future Empire”	Future Empire Limited, a company incorporated in the British Virgin Islands with limited liability and a wholly-owned subsidiary of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China

“Huayi Tencent”	Huayi Tencent Entertainment Company 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: 419)
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Previous Disposal”	the disposal of an aggregate of 15,000,000 shares in Huayi Tencent by Future Empire at an aggregate consideration of approximately HK\$8.8 million (including transaction costs) on the Stock Exchange at the then prevailing market prices on 26 February 2021
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent.

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

Hong Kong, 1 March 2021

As at the date of this announcement, the Executive Directors are Mr. Lei Hong Wai (Chairman), Mr. Cheung Kwok Wai Elton (Vice Chairman), Mr. Leung Alex, Ms. Lo Ming Wan, Mr. Tse Chi Keung and Mr. Yuan Huixia; and the independent non-executive Directors are Mr. Lai Hok Lim, Mr. Lien Wai Hung and Mr. Wong Tak Chuen.