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If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult a stock broker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in China Healthwise Holdings Limited (the “**Company**”), you should at once hand this circular and the accompanying form of proxy to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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This circular appears for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for the securities of the Company.

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)

ISSUE OF BOND WITH CONDITIONAL CONVERSION RIGHTS
UNDER THE SPECIFIC MANDATE
AND
NOTICE OF EXTRAORDINARY GENERAL MEETING

A notice convening the extraordinary general meeting of the Company to be held at MJC Members' Clubhouse, 1/F., China Merchants Tower, Shun Tak Centre, 200 Connaught Road Central, Hong Kong on Thursday, 15 November 2018 at 11:00 a.m. is set out on pages EGM-1 to EGM-3 of this circular.

Whether or not you are able to attend, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return the same to the office of the Company's branch share registrar in Hong Kong, Tricor Abacus Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible but in any event not less than 48 hours before the time of the meeting.

Completion and return of the proxy form will not preclude you from attending and voting at the meeting or any adjournment thereof (as the case may be) should you so wish.

30 October 2018

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DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions have the following meanings:

“Announcement”	the announcement of the Company date 8 October 2018 in relation to, among other things, the Subscription Agreement and the issue and subscription of the Bond
“Board”	the board of Directors
“Bond”	initially a straight bond, but subject to the satisfaction of the CB Conditions Precedent on or before the CB Long Stop Date to automatically become a convertible bond, in an aggregate principal amount of HK\$120 million to be issued by the Company to the Subscriber pursuant to the Subscription Agreement
“Bondholder(s)”	holder(s) of the Bond and in whose name such Bond is for the time being registered in the register of bondholder(s) kept by the Company
“Business Day”	a day (other than a Saturday, Sunday or public holidays or days on which a typhoon signal 8 or above or black rainstorm signal is hoisted in Hong Kong at 10:00 a.m.) on which banks in Hong Kong are generally open for business
“CB Conditions Precedent”	the conditions precedent in relation to the Conversion Rights attached to the Bond
“CB Long Stop Date”	60 days following the date of the Subscription Agreement, or such other date to be agreed between the Company and the Subscriber in writing
“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 under stock code: 348
“Completion”	completion of the issue of the Bond by the Company to the Subscriber pursuant to the Subscription Agreement

DEFINITIONS

“connected person(s)”	has the same meaning ascribed thereto under the Listing Rules
“Conversion Period”	subject to the satisfaction of the CB Conditions Precedent, the period commencing 60 days following the date of issue of the Bond up to 4:00 pm (Hong Kong time) immediately prior to and exclusive of the Maturity Date
“Conversion Price”	HK\$0.1, being the initial conversion price per Share at which the Bond may be converted into Conversion Shares, subject to the terms and conditions of the Bond, and subject to adjustments (if any)
“Conversion Rights”	subject to the satisfaction of the CB Conditions Precedent, the conditional rights attached to the Bond to convert the principal amount (or any part(s) thereof) of the Bond into Conversion Shares at the Conversion Price during the Conversion Period, subject to the terms and conditions of the Bond
“Conversion Share(s)”	the Share(s) which may fall to be allotted and issued upon exercise of the Conversion Rights, subject to the terms and conditions of the Bond
“Director(s)”	the director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be convened and held to consider and, if thought fit, to approve the Specific Mandate and the Conversion Rights
“Group”	the Company and its subsidiaries
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“Last Trading Day”	8 October 2018, being the last full trading day of the Shares on the Stock Exchange immediately prior to the publication of the Announcement
“Latest Practicable Date”	26 October 2018, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein

DEFINITIONS

“Listing Committee”	the listing committee of the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Maturity Date”	the second (2 nd) anniversary of the date of issue of the Bond
“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 issued Share(s)
“Specific Mandate”	the specific mandate for the allotment and issue of the Conversion Shares to be granted to the Directors by the Shareholders at the EGM
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscriber”	Heng Tai Finance Limited, a company incorporated in Hong Kong with limited liability and a subsidiary of Heng Tai Consumables Group Limited (a company incorporated in the Cayman Islands and the shares of which are listed on the Main Board of the Stock Exchange under stock code: 197)
“Subscription Agreement”	the conditional subscription agreement dated 8 October 2018 and entered into between the Company and the Subscriber in relation to the issue of the Bond by the Company to the Subscriber in an aggregate principal amount of HK\$120 million
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

LETTER FROM THE BOARD

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)

Executive Directors:

Lei Hong Wai (*Chairman*)
Leung Alex (*Vice Chairman*)
Tse Chi Keung
Lee Chan Wah
Lo Ming Wan

Registered Office:

P.O. Box 309
Ugland House
Grand Cayman
KY1-1104
Cayman Islands

Non-executive Director:

Diao Yunfeng

Principal Place of Business:

Unit 1209, Shun Tak Centre
West Tower
168-200 Connaught Road Central
Hong Kong

Independent Non-executive Directors:

Wong Tak Chuen
Lai Hok Lim
Lien Wai Hung

30 October 2018

To the Shareholders

Dear Sir or Madam,

ISSUE OF BOND WITH CONDITIONAL CONVERSION RIGHTS UNDER THE SPECIFIC MANDATE

We refer to the Announcement in relation to, among other things, the Subscription Agreement and the issue and subscription of the Bond.

INTRODUCTION

On 8 October 2018, the Company entered into the Subscription Agreement with the Subscriber, pursuant to which the Subscriber has conditionally agreed to subscribe, and the Company has conditionally agreed to issue the Bond in an aggregate principal amount of HK\$120 million.

The purpose of this circular is to provide you with, among other things, further information in relation to the issue of the Bond and a notice of the EGM.

LETTER FROM THE BOARD

THE SUBSCRIPTION AGREEMENT

Date: 8 October 2018

Issuer: the Company

Subscriber: Heng Tai Finance Limited

To the best of the Director's knowledge, information and belief, having made all reasonable enquiries, as at the Latest Practicable Date, the Subscriber and its ultimate beneficial owner(s) are third parties independent of the Company and its connected persons.

The Subscriber is a company incorporated in Hong Kong with limited liability and is principally engaged in the provision of treasury services.

Issue and subscription of the Bond

Subject to the fulfilment of the conditions precedent of the Subscription Agreement as set out below, the Company shall issue and the Subscriber shall subscribe for the Bond in an aggregate principal amount of HK\$120 million and the said amount shall be satisfied in cash.

Conditions Precedent

Completion of the Subscription Agreement shall be conditional upon:

- (a) the publication of the Announcement and an announcement by the parent company of the Subscriber in relation to the Subscription Agreement and the issue and subscription of the Bond;
- (b) the representations, warranties and undertakings of the Company contained in the Subscription Agreement remaining true, accurate and complete in all material respects and not misleading in any material respect; and
- (c) all necessary consents and approvals required to be obtained on the part of the Company and the Subscriber (including approval by the shareholders of the Company and/or the Subscriber, if necessary) in respect of the Subscription Agreement and the transactions contemplated thereby having been obtained other than the CB Conditions Precedent.

If the above conditions precedent are not fulfilled on or before 16 October 2018 (or such other date as may be agreed by the Company and the Subscriber in writing), the Subscription Agreement (save and except the clauses regarding notice, costs and expenses, confidentiality and governing law) shall lapse and become null and void and the parties shall be released from all obligations hereunder (save and except the aforesaid clauses), save for any liability arising out of any antecedent breaches thereof.

LETTER FROM THE BOARD

Subject to the fulfilment of the above conditions precedent, the Completion shall take place on or before the second (2nd) Business Day following the date on which the conditions precedent are fulfilled (or such later date as the Company and the Subscriber may agree in writing).

As all the conditions precedent under the Subscription Agreement as set out above had been fulfilled, Completion took place on 11 October 2018, upon which the Bond was issued by the Company to the Subscriber.

PRINCIPAL TERMS OF THE BOND

The Bond is initially a straight bond, but subject to the satisfaction of the CB Conditions Precedent on or before the CB Long Stop Date will automatically become a convertible bond. Details of the principal terms of the Bond are set out as follows:

Principal amount

HK\$120 million

Issue price

100% of the principal amount of the Bond

Interest

The Bond shall bear interest from and including the date of its issue at the following rate of interests on the outstanding principal amount thereof:

- (a) 6% per annum if the CB Conditions Precedent are fulfilled; or
- (b) 8% per annum if the CB Conditions Precedent are not fulfilled.

Maturity date

The date falling on the second (2nd) anniversary of the date of issue of the Bond

Conversion Rights

The Conversion Rights are subject to the following CB Conditions Precedent, which the Company has undertaken under the Subscription Agreement to use its best endeavour to fulfil:

- (a) the passing by the Shareholders at the EGM of the necessary resolutions to approve the Specific Mandate and the Conversion Rights;
- (b) the Stock Exchange granting or agreeing to grant and not having withdrawn or revoked the listing of, and permission to deal in, the Conversion Shares; and

LETTER FROM THE BOARD

- (c) all other necessary consents and approvals required to be obtained on the part of the Company in respect of the Specific Mandate and the Conversion Rights having been obtained.

If any of the above CB Conditions Precedent are not satisfied by the CB Long Stop Date, the Bond shall unconditionally become a straight bond and all terms and conditions under the instrument constituting the Bond relating to any Conversion Rights shall be deemed never have become operational.

If the above CB Conditions Precedent are satisfied on or before the CB Long Stop Date, the Conversion Rights attached to the Bond shall become unconditional and irrevocable, and any failure by the Company to produce evidence to the Subscriber under the terms of the Subscription Agreement shall not affect the Conversion Rights.

Conversion Price

HK\$0.1 per Conversion Share, which shall be subject to adjustment provided in the Bond. The Conversion Price presents:

- (i) a premium of approximately 69.49% over the closing price per Share of HK\$0.059 as quoted on the Stock Exchange on the Last Trading Day;
- (ii) a premium of approximately 67.22% over the average closing price per Share of HK\$0.0598 as quoted on the Stock Exchange for the last five consecutive trading days up to and including the Last Trading Day;
- (iii) a premium of approximately 100.80% over the net asset value of approximately HK\$0.0498 per Share, based on the audited consolidated net assets of the Company of approximately HK\$274,150,000 as at 31 March 2018, the net proceeds of approximately HK\$150.0 million from the previous placing of new Shares by the Company completed on 19 April 2018 and 8,521,308,360 Shares as at the Latest Practicable Date; and
- (iv) a premium of approximately 66.67% over the closing price per Share of HK\$0.060 as quoted on the Stock Exchange on the Latest Practicable Date.

The initial Conversion Price was determined after arm's length negotiations between the Company and the Subscriber after considering the current market sentiment, the recent market prices and performance of the Shares, the historical financial performance and the business prospects of the Group.

LETTER FROM THE BOARD

Adjustments to the Conversion Price

The initial Conversion Price shall be, from time to time, subject to adjustment upon occurrence of any of the following events:

- (i) consolidation or sub-division of Shares;
- (ii) capitalisation of profits or reserves;
- (iii) capital distribution;
- (iv) offer of new Shares for subscription by way of a rights issue, an open offer or a grant of options or warrants to subscribe for new Shares, at a price which is less than 90% of the market price at the date of the announcement of the terms of such offer or grant per Share to Shareholders;
- (v) issue wholly for cash being made by the Company of securities convertible into or exchangeable for or carrying rights of subscription for new Shares, if in any case the total effective consideration per new Share receivable is less than 90% of the market price at the date of the announcement of the terms of issue of such securities, or the conversion, exchange or subscription rights of any such issue are altered so that the said total effective consideration receivable per Share initially is less than 90% of such market price at the date of announcement of the terms of such issue;
- (vi) issue of Shares being made wholly for cash at a price less than 90% of the market price per Share at the date of announcement of the terms of such issue; and
- (vii) issue of Shares for the acquisition of asset at a total effective consideration per new Share receivable is less than 90% of the market price at the date of the announcement of the terms of such issue.

Any adjustment to the Conversion Price shall be made to the nearest one-tenth of a cent so that any amount under half of one-tenth of a cent shall be rounded down and any amount of half of one-tenth of a cent or more shall be rounded up. No adjustment shall be made to the Conversion Price in any case in which the amount by which the same would be reduced would be less than one-tenth of cent and any adjustment which would otherwise then be required shall not be carried forward.

The Company shall take all necessary action prior to carrying out any action that may render the Conversion Price being adjusted so that on conversion the Conversion Shares shall fall to be issued at a discount to their nominal value, failing which the Company shall compensate the Bondholder all losses as a result thereto including but not limited to such amount that the Bondholder would be entitled under the adjustment but was being prevented and all costs and expenses.

LETTER FROM THE BOARD

If any adjustment to be made will render the total number of the Conversion Shares exceeding the Specific Mandate, the Bondholder shall be entitled to convert up to the maximum number of the Conversion Shares and the remaining portion of the principal amount shall be redeemed on the Maturity Date on a dollar-to-dollar basis together with accrued interests.

Conversion Shares

Based on the initial Conversion Price of HK\$0.1, a maximum number of 1,200,000,000 Conversion Shares may fall to be allotted and issued upon exercise of the Conversion Rights in full, which represent:

- (i) approximately 14.08% of the existing issued share capital of the Company as at the Latest Practicable Date; and
- (ii) approximately 12.34% of the issued share capital of the Company as enlarged by the allotment and issue of the Conversion Shares upon exercise of the Conversion Right in full (assuming that there is no other change in the existing shareholding of the Company).

The Conversion Shares shall be allotted and issued under the Specific Mandate to be sought at the EGM.

Ranking of the Conversion Shares

The Conversion Shares, when allotted and issued, will rank *pari passu* in all respects with the Shares in issue.

Conversion Period

Subject to the satisfaction of the CB Conditions Precedent on or before the CB Long Stop Date, the Bondholder shall be entitled to exercise the Conversion Rights during the Conversion Period, i.e. from the date of issue of the Bond up to 4:00 p.m. (Hong Kong time) immediately prior to and exclusive of the Maturity Date.

Redemption

The Company may at any time before the Maturity Date by serving at least seven (7) days' prior written notice to the Bondholder with the total amount proposed to be redeemed from the Bondholder specified therein, redeem the Bond (in whole or in part) at par together with accrued interests provided always that no conversion notice has been served by the Bondholder on or prior to the date the redemption notice is served by the Company to the Bondholder(s). If a conversion notice is served on the same date as a redemption notice is served by the Company, the Bondholder's conversion notice will deem to take priority.

LETTER FROM THE BOARD

If an event of default has occurred, each Bondholder may require the Company to redeem all or a portion of its Bond, and the Company shall, in addition to and without prejudice to any of its other payment obligations under the instrument constituting the Bond, pay to such Bondholder an additional amount of interest as default interest which shall be payable monthly in cash, such that a total interest rate of 10% per annum shall accrue on the aggregate unpaid principal, interest and/or other amounts owed by the Company to such Bondholder from the relevant due date of such unpaid amount until the date on which has been fully paid by the Company to such Bondholder.

Transferability

Unless the Bondholder(s) transfers the Bond to its subsidiaries or a holding company of the Bondholder(s), the Bondholder(s) may only assign or transfer the Bond to the transferee (other than a connected person (as defined in the Listing Rules) of the Company who/which could not be a transferee) subject to the written consent of the Company. The Bond may be assigned or transferred in whole or in part (in whole multiples of HK\$5 million) of its outstanding principal amount upon the payment in full and the Company shall facilitate any such assignment or transfer of the Bond, including making any necessary applications to the Stock Exchange for the said approval (if required).

Status of the Bond

The Bond constitutes direct, unconditional, unsubordinated and unsecured obligations of the Company and shall at all times rank pari passu and without any preference among themselves. The payment obligations of the Company under the Bond shall, save for such exceptions as may be provided by applicable legislation, at all times rank at least equally with all its other present and future unsecured and unsubordinated obligations.

Voting

The Bondholder(s) shall not be entitled to attend or vote at any meetings of the Company by reason only it being the Bondholder(s).

Listing

No application will be made to the Listing Committee for the listing of the Bond on the Stock Exchange or any other stock exchange.

An application will be made by the Company to the Listing Committee for the listing of, and permission to deal in, the Conversion Shares on the Stock Exchange.

LETTER FROM THE BOARD

REASONS FOR THE ISSUE OF THE BOND AND USE OF PROCEEDS

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

The estimated gross proceeds and net proceeds from the issue of the Bond (after deducting all related expenses) amounted to approximately HK\$120 million and HK\$119.5 million respectively. The net price of each Conversion Share to be issued is approximately HK\$0.0996.

The Company intends to apply the net proceeds from the issue of the Bond as to (i) approximately HK\$104.5 million on the money lending business; and (ii) approximately HK\$15.0 million as general working capital and/or future investment opportunities. As at the Latest Practicable Date, the Company had not utilised any of the net proceeds.

Since November 2017, the Company has been engaged in the money lending business mainly through Good Cheer Global Limited, a wholly-owned subsidiary of the Company and a licensed money lender in Hong Kong under the Money Lenders Ordinance (Chapter 163 of the laws of Hong Kong). Under this business segment, customers comprising individuals and corporations are sourced from referral. As part of the loan policy, loan officers will conduct credit assessment, which consists of credit history checking through credit reference agency and/or review of potential customers' income proof and/or asset proof (for individual customers) or financial statements (for corporate customers). These allow loan officers to assess whether potential customers have sufficient income and/or assets to repay the loan, or whether there are any outstanding or contingent liabilities which may affect the repayment ability. Loan officers will submit the results from the above assessment and the terms of loan for final approval from the management. Based on the repayment ability of potential customers, higher interest rates, collaterals and/or personal/corporate guarantees may be required as compensation for the additional risk, or the management may even reject the applications.

The sources of funds for the loans are mainly from the Group's internal resources and fund raising activities of the Group. As at the Latest Practicable Date, the loan portfolio managed by the Group amounted to approximately HK\$231 million, with annual interest rates ranging from 8% to 15% and an average of 10%. Given the stable interest income generated from the money lending business of the Group, the Directors consider that the use of proceeds from the issue of the Bond for further development of this business segment is fair and reasonable and in the interest of the Company and the Shareholders as a whole.

LETTER FROM THE BOARD

Taking into account, among other things, that upon fulfilment of the CB Conditions Precedent, the interest rate of the Bond will be lowered from 8% per annum to 6% per annum, while there will be no immediate dilution effect on the shareholding of the existing shareholders, the Directors consider that the terms of the Subscription Agreement and the Bond (including the Conversion Rights), which were arrived at after arm's length negotiations between the Company and the Subscriber, are on normal commercial terms, fair and reasonable, and in the interests of the Company and the Shareholders as a whole.

EQUITY FUND RAISING ACTIVITIES OF THE COMPANY IN THE PAST 12 MONTHS

Set out below are the equity fund raising activities of the Company in the past 12 months immediately preceding the Latest Practicable Date:

Date of announcement	Fund raising activity	Net proceeds	Proposed use of proceeds	Actual use of proceeds
21 March 2018	Placing of 1,420,000,000 new Shares at a placing price HK\$0.11 per Share	Approximately HK\$150 million	(i) approximately HK\$120 million was intended to be used on money lending business; and (ii) approximately HK\$30 million was intended to be used as general working capital and/or future investment opportunities	All net proceeds were used up as intended

Save as disclosed above, the Company had not carried out any other equity fund raising activities in the past 12 months immediately preceding the Latest Practicable Date.

LETTER FROM THE BOARD

EFFECT ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

Subject to the satisfaction of the CB Conditions Precedent on or before the CB Long Stop Date, the shareholding structure of the Company (i) as at the Latest Practicable Date; and (ii) immediately upon full conversion of the Bond at the initial Conversion Price pursuant to the Subscription Agreement (assuming that there is no other change in the existing shareholding of the Company) are set out as follows:

	As at the Latest Practicable Date		Immediately upon full conversion of the Bond at the initial Conversion Price pursuant to the Subscription Agreement (assuming that there is no other change in the existing shareholding of the Company)	
	<i>Number of Shares held</i>	<i>Approximate % of total Shares in issue</i>	<i>Number of Shares held</i>	<i>Approximate % of total Shares in issue</i>
Lung Cheong Investment Limited <i>(Note 1)</i>	775,332,240	9.10	775,332,240	7.98
Eternity Finance Group Limited <i>(Note 2)</i>	708,396,000	8.31	708,396,000	7.29
Public Shareholders	7,037,580,120	82.59	7,037,580,120	72.39
Subscriber	–	–	<u>1,200,000,000</u>	<u>12.34</u>
	<u>8,521,308,360</u>	<u>100.00</u>	<u>9,721,308,360</u>	<u>100.00</u>

Notes:

1. Lung Cheong Investment Limited is wholly-owned by Rare Diamond Limited. Rare Diamond Limited is beneficially owned as to 70% by Mr. Leung Lun, M.H. and 30% by Mr. Leung Chung Ming, who is the brother of Mr. Leung Lun, M.H.
2. Eternity Finance Group Limited is wholly-owned by Riche (BVI) Limited, which in turn, is wholly-owned by Eternity Investment Limited.

LETTER FROM THE BOARD

THE EGM

The Company will convene the EGM for the Shareholders to consider and, if thought fit, approve the Specific Mandate and the Conversion Rights. A notice convening the EGM to be held at MJC Members' Clubhouse, 1/F., China Merchants Tower, Shun Tak Centre, 200 Connaught Road Central, Hong Kong on Thursday, 15 November 2018 at 11:00 a.m. is set out on pages EGM-1 to EGM-3 of this circular.

The votes of the Shareholders on the resolution for approving the Specific Mandate and the Conversion Rights will be taken by way of poll at the EGM. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, no Shareholder is required to abstain from voting on the relevant resolutions to be proposed at the EGM to approve the Specific Mandate and the Conversion Rights.

Whether or not you are able to attend, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return the same to the office of the Company's branch share registrar in Hong Kong, Tricor Abacus Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible but in any event not less than 48 hours before the time of the meeting. Completion and return of the proxy form will not preclude you from attending and voting at the meeting or any adjournment thereof (as the case may be) should you so wish.

WARNING

The Bond was issued by the Company to the Subscriber on 11 October 2018. However, the Conversion Rights are subject to the satisfaction of the CB Conditions Precedent and the Bond may or may not become a convertible bond. Accordingly, Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

RESPONSIBILITY STATEMENT

This circular, for which the Directors of the Company collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

LETTER FROM THE BOARD

RECOMMENDATION

The Directors consider that the terms of the Specific Mandate and the Conversion Rights are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend the Shareholders to vote in favour of the resolutions to be proposed at the EGM to approve the Specific Mandate and the Conversion Rights.

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

NOTICE OF EGM

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)

NOTICE IS HEREBY GIVEN THAT the extraordinary general meeting of China Healthwise Holdings Limited (the “**Company**”) will be held at MJC Members’ Clubhouse, 1/F., China Merchants Tower, Shun Tak Centre, 200 Connaught Road Central, Hong Kong on Thursday, 15 November 2018 at 11:00 a.m., for the purpose of considering and, if thought fit, passing with or without modification the following resolutions as ordinary resolutions of the Company:

ORDINARY RESOLUTION

1. “**THAT**

- (i) the conditional rights attached to the bond issue by the Company in an aggregate principle amount of HK\$120 million at an initial conversion price of HK\$0.1 per share (subject to adjustments) (the “**Convertible Rights**”) pursuant to the subscription agreement dated 8 October 2018 (the “**Subscription Agreement**”) between the Company and Heng Tai Finance Limited (a copy of which having been produced to the meeting marked “A” and initialed by the chairman of the meeting for identification purposes) be and are hereby approved;
- (ii) conditional upon the listing committee of The Stock Exchange of Hong Kong Limited approving the listing of, and granting permission to deal in, the Conversion Shares (as defined below) to be issued and allotted upon the conversion of the Convertible Shares, the directors of the Company (the “**Directors**”) be and are hereby granted a specific mandate to issue and allot up to 1,200,000,000 ordinary shares of HK\$0.1 each of the Company to be issued upon exercise of the Conversion Rights at an initial conversion price of HK\$0.1 per share (subject to adjustments) (the “**Conversion Shares**”); and

NOTICE OF EGM

- (iii) any one or more of the Directors be and is/are hereby authorised to do all such acts and things and sign and execute all such documents and to take such steps as he/they may consider necessary, desirable or expedient for the purpose of, or in connection with, the implementation of and giving effect to the Subscription Agreement and the transaction contemplated thereby, including but not limited to the Convertible Rights and the issue and allotment of the Conversion Shares.”

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

Hong Kong, 30 October 2018

Registered Office:

P.O. Box 309
Ugland House
Grand Cayman
KY1-1104
Cayman Islands

Principal Place of Business:

Unit 1209, Shun Tak Centre
West Tower
168-200 Connaught Road Central
Hong Kong

Notes:

- (1) At the extraordinary general meeting of the Company (“EGM”), the Chairman of the EGM will put each of the above resolution to be voted by way of a poll pursuant to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.
- (2) A member of the Company entitled to attend and vote at the EGM (or any adjournment thereof) is entitled to appoint another person as his/her/their proxy to attend and vote instead of him/her/them. A member who is the holder of two or more shares in the capital of the Company may appoint more than one proxy to attend and vote on the same occasion. A proxy need not be a member of the Company.
- (3) To be valid, the form of proxy in the prescribed form together with the power of attorney or other authority (if any) under which it is signed or a notarially certified copy thereof, must be deposited with the Company’s branch share registrar in Hong Kong, Tricor Abacus Limited at Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong, not less than 48 hours before time fixed for holding the EGM (or any adjournment thereof). Delivery of the form of proxy shall not preclude a member of the Company from attending and voting in person at the meeting convened and in such event the form of proxy shall be deemed to be revoked.
- (4) The register of members of the Company will be closed from Monday, 12 November 2018 to Thursday, 15 November 2018 (both days inclusive), for the purpose of determining shareholders’ entitlement to attend and vote at the EGM, during which period no transfer of shares will be registered. In order to qualify for attending and voting at the EGM, all transfer documents accompanied by the relevant share certificates must be lodged with the Company’s branch share registrar in Hong Kong, Tricor Abacus Limited at Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong for registration not later than 4:30 p.m. on Friday, 9 November 2018.

NOTICE OF EGM

- (5) Where there are joint holders of any share in the Company, any one of such joint holders may vote at the EGM, either in person or by proxy, in respect of such share as if he/she/they were solely entitled thereto, but if more than one of such joint holders be present at the EGM, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the vote(s) of other holder(s) and, for this purpose, seniority shall be determined by the order in which the names stand in the register of members of the Company in respect of the joint holding.
- (6) A circular containing the particulars in connection with the issue of the Bond by the Company to the Subscriber has been despatched to members of the Company.
- (7) As at the date of this notice, 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.