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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 — ACQUISITION OF LISTED SECURITIES

THE ACQUISITION

The Board announced that Future Empire acquired of 700,000 shares in Huanxi for an aggregate consideration of HK\$960,100 (excluding transaction costs) through a series of trades executed on the Stock Exchange on 28 January 2022. The average purchase price (excluding transaction costs) of each share in Huanxi is approximately HK\$1.37.

The Acquisition is financed by the internal resources of the Company.

Upon completion of the Acquisition, the 700,000 shares in Huanxi will be 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.

Upon completion of the Acquisition, Future Empire will hold 22,960,000 shares in Huanxi, representing approximately 0.63% of the issued share capital of Huanxi.

THE PREVIOUS ACQUISITION

From 31 March 2021 to 21 September 2021, Future Empire acquired of an aggregate of 5,400,000 shares in Huanxi for a consideration of HK\$10,869,700 (excluding transaction costs) through a series of trades executed on the Stock Exchange.

IMPLICATIONS UNDER THE LISTING RULES

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

As the Acquisition takes place within a 12-month period from the date of the Previous Acquisition, the Acquisition is required to aggregate with the Previous Acquisition 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 Acquisition and the Previous Acquisition when aggregated is more than 5% but less than 25%, the Acquisition and the Previous Acquisition 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 ACQUISITION

The Board announced that Future Empire acquired of 700,000 shares in Huanxi for an aggregate consideration of HK\$960,100 (excluding transaction costs) through a series of trades executed on the Stock Exchange on 28 January 2022. The average purchase price (excluding transaction costs) of each share in Huanxi is approximately HK\$1.37.

Listed securities to be acquired of

The 700,000 shares in Huanxi represent approximately 0.02% of the issued share capital of Huanxi as at the date of this announcement.

Huanxi 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 under stock code: 1003. Huanxi is an investment holding and film investment company and its subsidiaries are principally engaged in media and entertainment related businesses which include development and investment in film and TV programmes rights, as well as operation of an online video platform.

As at the date of this announcement, Mr. Wong Tak Chuen, an independent non-executive Director of the Company, is also an independent non-executive director of Huanxi.

The following audited financial information is extracted from the annual report of Huanxi for the year ended 31 December 2020:

	For the year ended 31 December 2020	For the year ended 31 December 2019
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(audited)	(audited)
Revenue	633,176	814,425
(Loss)/profit before tax	(240,157)	186,188
(Loss)/profit for the year	(236,391)	105,103
Total assets	1,745,611	1,855,506
Net assets value	1,446,433	1,130,230

Consideration

The aggregate consideration from the Acquisition is HK\$960,100 (excluding transaction costs) and the consideration of each trade of the Acquisition is based on the bid and ask prices quoted on the Stock Exchange at the time of the trade executed.

The average purchase price (excluding transaction costs) of each share in Huanxi is approximately HK\$1.37.

The aggregate consideration from the Acquisition is settled in cash upon completion.

Sellers of the 700,000 shares in Huanxi

As the trades of the Acquisition are executed on the Stock Exchange, the Directors are not aware of the identities of the sellers of the 700,000 shares in Huanxi.

To the best of the knowledge, information and belief of the Directors, having made all reasonable enquires, each of the sellers and, if applicable, its ultimate beneficial owners is Independent Third Party.

Funding of the Acquisition

The Acquisition is financed by the internal resources of the Company.

Completion

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

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

REASONS FOR THE ACQUISITION

The Directors have been actively exploring new investment opportunities with an aim to achieve the best use of the Group's resources and improve its portfolio diversification. The Directors believe that the Acquisition would broaden the investment portfolio of the Group. Given that (i) the trades of the Acquisition are executed on the Stock Exchange; (ii) the consideration of each trade of the Acquisition is based on the bid and ask prices quoted on the Stock Exchange at the time of the trade being executed; and (iii) the above benefits expect to accrue to the Group as a result of the Acquisition, the Directors (excluding Mr. Wong Tak Chuen who has abstained from voting on the relevant resolutions to approve the Acquisition contemplated thereunder at the meeting of the Board held on 28 January 2022) believe that the Acquisition is on normal commercial terms, fair and reasonable, and in the interests of the Company and its shareholders as a whole.

Upon completion of the Acquisition, the 700,000 shares in Huanxi will be 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.

Upon completion of the Acquisition, Future Empire will hold 22,960,000 shares in Huanxi, representing approximately 0.63% of the issued share capital of Huanxi.

THE PREVIOUS ACQUISITION

From 31 March 2021 to 21 September 2021, Future Empire acquired of an aggregate of 5,400,000 shares in Huanxi for a consideration of HK\$10,869,700 (excluding transaction costs) through a series of trades executed on the Stock Exchange.

IMPLICATIONS UNDER THE LISTING RULES

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

As the Acquisition takes place within a 12-month period from the date of the Previous Acquisition, the Acquisition is required to aggregate with the Previous Acquisition 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 Acquisition and the Previous Acquisition when aggregated is more than 5% but less than 25%, the Acquisition and the Previous Acquisition 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:

“Acquisition”	the Acquisition of 700,000 shares in Huanxi by Future Empire at an aggregate consideration of HK\$960,100 (excluding transaction costs) through a series of trades executed on the Stock Exchange on 28 January 2022
“associate(s)”	has the same meaning ascribed thereto under the Listing Rules
“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)
“Director(s)”	the director(s) of the Company

“Future Empire”	Future Empire Limited, a company incorporated in the British Virgin Islands with limited liability and wholly-owned by the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Huanxi”	Huanxi Media Group 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: 1003)
“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
“Previous Acquisition”	the Acquisition of an aggregate of 5,400,000 shares in Huanxi for a consideration of HK\$10,869,700 (excluding transaction costs) on the Stock Exchange from 31 March 2021 to 21 September 2021
“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, 28 January 2022

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.