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## **HENG TAI CONSUMABLES GROUP LIMITED**

**亨泰消費品集團有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock code: 00197)**

### **MAJOR TRANSACTION SUBSCRIPTION OF BONDS OF CHINA HEALTHWISE HOLDINGS LIMITED**

On 19 August 2024, the Subscriber, a wholly-owned subsidiary of the Company, agreed to subscribe for the Bonds in the aggregate principal amount of HK\$72,300,000 (of which HK\$16,800,000 is the principal amount of the Convertible Bonds and HK\$55,500,000 is the principal amount of the Straight Bonds) pursuant to the Subscription Agreement. Completion of the Subscription Agreement is conditional upon the fulfilment of the Conditions Precedent.

The Convertible Bonds shall bear interest at a rate of 6% per annum on the outstanding principal amount of the Convertible Bonds from and including the date of its issue. Interest of the Convertible Bonds shall be accrued daily on a 365 days basis and is payable annually in arrears.

The Straight Bonds shall bear interest at a rate of 8% per annum on the outstanding principal amount of the Straight Bonds from and including the date of its issue. Interest of the Straight Bonds shall be accrued daily on a 365 days basis and is payable annually in arrears.

The consideration for the subscription of the Bonds will be set off against the Outstanding Principal Amount of HK\$72,300,000 under the Outstanding Bonds, which together with the interest accrued therein, will become due and payable on 10 October 2024. Since the subscription of the Bonds pursuant to the Subscription Agreement constitutes financial assistance to China Healthwise, the applicable percentage ratios of which are more than 25%, the transactions contemplated under the Subscription Agreement constitute a major transaction on the part of the Company under Chapter 14 of the Listing Rules and are subject to the reporting, announcement, circular and Shareholders' approval requirements pursuant to Chapter 14 of the Listing Rules.

An EGM will be convened to consider and, if thought fit, to approve the Subscription Agreement and the transactions contemplated thereunder.

**Shareholders and potential investors of the Company should note that the completion of the Subscription Agreement is subject to fulfilment of the Conditions Precedent. As the Subscription may or may not proceed, Shareholders and potential investors of the Company are reminded to exercise caution when dealing in the Shares.**

## **BACKGROUND**

References are made to (i) the announcements of the Company dated 8 October, 11 October and 22 November 2018 in relation to the subscription of the Outstanding Bonds by the Subscriber; and (ii) the announcements of the Company dated 28 August and 12 October 2020 and the circular dated 18 September 2020 in relation to, among other things, the extension of the original maturity date of the Outstanding Bonds; and (iii) the announcements of the Company dated 17 August and 10 October 2022 and the circular dated 20 September 2022 in relation to, among other things, the amendments to the terms and conditions of the Outstanding Bonds.

The Subscriber is the holder of the Outstanding Bonds in the Outstanding Principal Amount of HK\$72,300,000, which together with the interest accrued therein, will become due and payable on 10 October 2024. China Healthwise has conditionally agreed to issue the Bonds and the Subscriber has conditionally agreed to subscribe for the Bonds to set off in full the Outstanding Principal Amount upon and subject to the terms and conditions set out in the Subscription Agreement.

## **THE SUBSCRIPTION AGREEMENT**

The principal terms of the Subscription Agreement are summarised below:

### **Date**

19 August 2024 (after trading hours of the Stock Exchange)

### **Parties**

- (1) China Healthwise, as the issuer of the Bonds
- (2) Heng Tai Finance Limited, as the Subscriber

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, China Healthwise and its ultimate beneficial owners are third parties independent of the Company and the connected persons (as defined in the Listing Rules) of the Company.

## **Consideration**

Subject to the fulfilment of the Conditions Precedent set out below, China Healthwise shall issue and the Subscriber shall subscribe for the Bonds in the aggregate principal amount of HK\$72,300,000 (of which HK\$16,800,000 is the principal amount of the Convertible Bonds and HK\$55,500,000 is the principal amount of the Straight Bonds) at its face value.

The consideration for the subscription of the Bonds shall be satisfied by the Subscriber by way of setting off in full the Outstanding Principal Amount under the Outstanding Bonds upon and subject to the terms and conditions set out in the Subscription Agreement.

## **Conditions Precedent**

Completion of the Subscription Agreement is conditional upon the fulfilment (or waiver by the Subscriber as the case may be) of the following Conditions Precedent:

- (a) the passing by the Shareholders at the EGM of the necessary resolution(s) to approve the Subscription Agreement and the transactions contemplated thereunder;
- (b) the passing by the shareholders of China Healthwise at the extraordinary general meeting of China Healthwise of the necessary resolution(s) to approve the Subscription Agreement and the transactions contemplated thereunder (including but not limited to the grant of the Specific Mandate for the allotment and issue of a maximum of 190,909,090 shares of China Healthwise upon full conversion of the Convertible Bonds to the directors of China Healthwise);
- (c) the Warranties remaining true, accurate and not misleading in all respects;
- (d) the Subscriber being satisfied that there is no Material Adverse Change on China Healthwise;
- (e) the Stock Exchange having granted to China Healthwise the listing of, and permission to deal in, the new Shares to be allotted and issued by China Healthwise upon full conversion of the Convertible Bonds; and
- (f) China Healthwise having delivered to the Subscriber a cashier's order or a cheque issued by a bank licensed in Hong Kong in the amount of HK\$4,338,000 payable to the Subscriber, being the outstanding accrued interests up to the due date of the Outstanding Bonds (i.e. 10 October 2024).

China Healthwise shall apply to the Stock Exchange as soon as practicable after the signing of the Subscription Agreement for the grant of the listing and permission to deal in the new shares to be allotted and issued by China Healthwise upon full conversion of the Convertible Bonds. Each of the parties thereto shall use its best endeavours to arrange for the convening of the extraordinary general meeting as soon as practicable after the signing of the Subscription Agreement so as to seek its shareholders' approval of the Subscription Agreement and the transactions contemplated thereunder referred to in Conditions Precedent (a) and (b).

The Conditions Precedent (c) and (d) are waivable by the Subscriber at its absolute discretion and subject to such conditions as may be imposed on China Healthwise by the Subscriber. All other Conditions Precedent are not waivable. In the event all the conditions not being fulfilled (or waived by the Subscriber as the case may be) by 10 October 2024 (or such other time and date as may be agreed by the parties to the Subscription Agreement), the Subscription Agreement shall cease and determine and all rights, obligations and liabilities of the parties thereunder shall cease and determine and neither party shall have any claim against the other, save for any antecedent breaches of the terms hereof.

## **Completion**

Completion of the Subscription of the Bonds shall take place on the Completion Date (or such later date as China Healthwise and the Subscriber may agree) after the fulfilment (or waiver by the Subscriber as the case may be) of all the Conditions Precedent and upon Completion:

- (a) China Healthwise shall issue the Bonds to the Subscriber in accordance with the Subscription Agreement; and
- (b) the consideration for the subscription of the Bonds in the aggregate principal amount of HK\$72,300,000 payable by the Subscriber to China Healthwise shall be set off against the equivalent amount of the Outstanding Principal Amount under the Outstanding Bonds payable by China Healthwise to the Subscriber on a dollar-for-dollar basis.

## **PRINCIPAL TERMS OF THE CONVERTIBLE BONDS**

The principal terms of the Convertible Bonds were arrived at after arm's length negotiations between the Subscriber and China Healthwise and are summarised as follows:

Principal amount:	HK\$16,800,000
Issue price:	100% of the principal amount of the Convertible Bonds
Form and denomination:	The Convertible Bonds are in registered form in the authorised denomination of HK\$800,000 each (or the multiples thereof), save that if the outstanding amount of the Convertible Bonds to be issued is less than HK\$800,000, the Convertible Bonds may be issued in such amount
Interest rate:	The Convertible Bonds shall bear interest from and including the date of its issue at the rate of six per cent. (6%) per annum on the outstanding principal amount thereof. Interest shall be accrued daily on a 365 days basis and is payable annually in arrears
Maturity date:	The date falling on the day being two years from the CB Issue Date

Redemption on maturity:	Any amount of the Convertible Bonds outstanding as at the CB Maturity Date shall be redeemed automatically on the CB Maturity Date at its then outstanding principal amount together with accrued interests
Redemption on notice by China Healthwise:	China Healthwise may at any time after the CB Issue Date and before the CB Maturity date by serving at least seven (7) days' prior written notice to the CB Bondholder with the total amount proposed to be redeemed from the CB Bondholder specified therein, redeem the Convertible Bonds (in whole or in part) at par together with accrued interests provided always that no conversion notice has been served by the CB Bondholder on or prior to the date the redemption notice is served by China Healthwise to the CB Bondholder
Redemption upon event of default	If an event of default has occurred, the CB Bondholder may require China Healthwise to redeem all or a portion of its Convertible Bonds, and China Healthwise shall, in addition to and without prejudice to any of its other payment obligations under the Convertible Bonds Instrument, pay to the CB 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 China Healthwise to such CB Bondholder from the relevant due date of such unpaid amount until the date on which has been fully paid by China Healthwise to such CB Bondholder
Event of default:	The Convertible Bonds will contain customary events of default provisions which provide that, on the occurrence of certain events of default specified in the terms and conditions of the Convertible Bonds, the Convertible Bonds shall be immediately redeemable
Status of the Convertible Bonds:	The Convertible Bonds constitute direct, unconditional, unsubordinated and unsecured obligations of China Healthwise and shall at all times rank pari passu and without any preference among themselves. The payment obligations of China Healthwise under the Convertible Bonds 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
Conversion Period:	The period commencing from the date of the issue of the Convertible Bonds Instrument constituting the Convertible Bonds up to 4:00 pm (Hong Kong time) immediately prior to and exclusive of the CB Maturity Date

Conversion Price:

The conversion price at which the Bonds is to be converted into a Conversion Share, which shall be HK\$0.088 per Conversion Share, subject to the adjustments provisions as follows:

- (i) an alteration of the nominal amount of the shares of China Healthwise by reason of any consolidation or subdivision;
- (ii) an issue (other than in lieu of a cash dividend) by China Healthwise of its shares credited as fully paid by way of capitalisation of profits or reserves (including any share premium account, contributed surplus account or capital redemption reserve fund);
- (iii) a Capital Distribution (as defined in the Convertible Bonds Instrument) being made by China Healthwise, whether on a reduction of capital or otherwise, to holders of its shares in their capacity as such;
- (iv) an offer or grant being made by China Healthwise to holders of its shares by way of rights or of options or warrants to subscribe for new shares at a price which is less than 90 per cent. of the market price (calculation as provided in the Convertible Bonds Instrument);
- (v) an issue wholly for cash being made by China Healthwise of securities convertible into or exchangeable for or carrying rights of subscription for new shares, if in any case the total Effective Consideration per Share (as defined in the Convertible Bonds Instrument) initially receivable for such securities is less than 90 per cent. of the market price (calculation as provided in the Convertible Bonds Instrument), or the terms of any such rights of conversion or exchange or subscription attached to any such securities being modified so that the said total Effective Consideration per share initially receivable for such securities is less than 90 per cent. of the market price;
- (vi) an issue being made by China Healthwise wholly for cash of shares at a price per share less than 90 per cent. of the market price (calculation as provided in the Convertible Bonds Instrument); and
- (vii) an issue being made by China Healthwise of its shares for the acquisition of asset at a total Effective Consideration per share (as defined in the Convertible Bonds Instrument) less than 90 per cent. of the market price (calculation as provided in the Convertible Bonds Instrument).

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 a cent and any adjustment which would otherwise then be required shall not be carried forward.

China Healthwise 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 par value, failing which China Healthwise shall compensate the CB Bondholder all losses as a result thereto including but not limited to such amount that the CB Bondholder would be entitled under the adjustment but was being prevented and all costs and expenses.

If any adjustment to be made will render the total number of the Conversion Shares exceeding the Specific Mandate, the CB 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 CB Maturity Date on a dollar-to-dollar basis together with accrued interests.

Conversion Shares:

Based on the Conversion Price of HK\$0.088 per Conversion Shares, a maximum of 190,909,090 new shares may be allotted and issued by China Healthwise (fractions of shares will not be issued on conversion) under the Convertible Bonds upon exercise of the Conversion Rights, subject to the terms of the Convertible Bonds Instrument, or otherwise pursuant to the terms of the Convertible Bonds Instrument. As at the date of this announcement, China Healthwise has 770,480,836 ordinary shares of HK\$0.01 each in issue. Upon full conversion to the Conversion Shares at the Conversion Price, the Conversion Shares represent:

- (a) approximately 24.78% of the existing issued share capital of China Healthwise; and
- (b) approximately 19.86% of the issued share capital of China Healthwise as enlarged by the allotment and issue of the Conversion Shares to be allotted and issued upon the exercise of the Conversion Rights in full (assuming there is no other change in the share capital of China Healthwise).

Ranking of Conversion Shares:	The Conversion Shares will in all respects rank pari passu with the shares of China Healthwise in issue on the date of allotment and issue of such Conversion Shares and accordingly shall entitle the holders to participate in all dividends or other distributions declared, paid or made on or after the relevant conversion date other than any dividend or other distribution previously declared or recommended or resolved to be paid or made if the record date therefor shall be on or before the relevant conversion date
Listing:	No application will be made for a listing of the Convertible Bonds on the Stock Exchange or any other stock exchange
Transferability:	The CB Bondholder may only assign or transfer the Convertible Bonds to the transferee subject to the consent of China Healthwise. The Convertible Bond may be assigned or transferred in whole or in part (in whole multiples of HK\$800,000) of its outstanding principal amount.

## **PRINCIPAL TERMS OF THE STRAIGHT BONDS**

The principal terms of the Straight Bonds were arrived at after arm's length negotiations between the Subscriber and China Healthwise and are summarised as follows:

Principal amount:	HK\$55,500,000
Issue price	100% of the principal amount of the Straight Bonds
Interest rate:	The Straight Bonds shall bear interest from the SB Issue Date at the rate of eight per cent. (8%) per annum on the principal amount thereof outstanding from time to time. Interest shall be accrued daily on a 365 days basis and is payable annually in arrears
Maturity date:	The date falling on the day being two years from the SB Issue Date
Redemption on maturity:	China Healthwise shall redeem the Straight Bond(s) which remains outstanding on the SB Maturity Date at the redemption amount at 100% of the principal amount of the Straight Bonds outstanding, together with accrued interest up to the actual date of redemption



Redemption on notice by China Healthwise:	China Healthwise may at any time after the SB Issue Date and before the SB Maturity Date by serving at least seven (7) days' prior written notice to the SB Bondholder with the total amount proposed to be redeemed from the SB Bondholder specified therein, redeem the Straight Bonds (in whole or in part) at 100% face value of the Straight Bonds together with interests accrued thereon from the SB Issue Date and up to the date of redemption, less any interest paid by China Healthwise on such Straight Bond(s) previously.
Redemption upon event of default	On the occurrence of an event of default, the SB Bondholder may by notice in writing to China Healthwise demand immediate redemption of the Straight Bond(s) of which it is the holder at an amount equal to the outstanding principal amount of such Straight Bond(s) plus an interest accrued thereon from the SB Issue Date and up to the date of redemption calculated at the rate of 12% per annum, less any interest paid by China Healthwise on such Bonds previously.
Event of default:	The Straight Bonds will contain customary events of default provisions which provide that, on the occurrence of certain events of default specified in the terms and conditions of the Straight Bonds, the Straight Bonds shall be immediately redeemable
Status of the Straight Bonds:	The obligations of China Healthwise arising under the Straight Bonds constitute direct, general, unconditional, unsubordinated and unsecured obligations of China Healthwise and shall at all times rank equally among themselves and at least pari passu with all other present and future unsecured and unsubordinated obligations of China Healthwise except for obligations accorded preference by mandatory provisions of applicable law
Listing:	No application will be made for a listing of the Straight Bonds on the Stock Exchange or any other stock exchange
Transferability:	The Straight Bonds may only be transferred or assigned in whole or in part (if in part, in minimum amount of HK\$500,000 or in whole multiple thereof) to any person subject to the consent of China Healthwise at any time from the SB Issue Date and prior to the SB Maturity Date.

## **INFORMATION ON CHINA HEALTHWISE**

As at the date of this announcement, China Healthwise is an investment holding company and principally engaged in investment in financial instruments and together with its subsidiaries, are principally engaged in sale of Chinese health products, money lending business and investment in financial instruments.

As stated in the annual report of China Healthwise as at 31 December 2023, China Healthwise had audited consolidated net assets of approximately HK\$4,398,000. The net loss of China Healthwise for the year ended 31 December 2023 were approximately HK\$134,558,000.

## **REASONS FOR AND BENEFITS OF THE ENTERING INTO OF THE SUBSCRIPTION AGREEMENT**

The Group is principally engaged in (i) the trading of packaged foods, beverages and household consumable products; (ii) the trading of agri-products and the upstream farming business; and (iii) other businesses primarily arising from the securities brokerage and margin financing business.

The Subscriber is the holder of the Outstanding Bonds in the Outstanding Principal Amount of HK\$72,300,000, which together with the interest accrued therein, will become due and payable on 10 October 2024. As the Outstanding Bonds will soon become due, China Healthwise has conditionally agreed to issue the Bonds and the Subscriber has conditionally agreed to subscribe for the Bonds to set off in full the Outstanding Principal Amount upon and subject to the terms and conditions set out in the Subscription Agreement.

The Directors are of the view that the Subscription is favourable to the Company and its Shareholders as a whole and would generate better interest income for the Group since the rate of return of the Bonds of 6% or 8% per annum (as the case may be) is generally more favourable and higher than the interest rates of fixed deposits in Hong Kong dollars between up to 3.2% per annum for one-year fixed deposits and up to 3.6% per annum for three-month fixed deposits offered by well-recognised financial institutions in Hong Kong.

The Directors also considered that the risk of default of China Healthwise is low given that (i) China Healthwise has fulfilled its obligations and made the full and timely payment of interest on the Outstanding Bonds since its issuance in 2018 and completion of the Subscription is conditional upon, among others, the payment by China Healthwise of the outstanding interests under the Outstanding Bonds in the amount of HK\$4,338,000 accrued up to the due date of the Outstanding Bonds (i.e. 10 October 2024); (ii) there have been no events of default with respect to the Outstanding Bonds; and (iii) China Healthwise is a reputable and recognised listed company, in particular, China Healthwise, through its wholly-owned subsidiary, is engaged in the business of trading and retail of “Sum Yung”(參茸) and dried seafood products (“Chinese Health Products Business”) since 1977 under the brand name of “Nam Pei Hong”(南北行), which is well-known in Hong Kong and Southern Mainland China. By the Subscription with China Healthwise who is also the issuer of the Outstanding Bonds, the Company can reduce additional costs, risks and workload on conducting market research, due diligence and negotiation with other third parties for similar investments in convertible securities.

In addition, the Directors are of the opinion that the Conversion Price of HK\$0.088 per Conversion Share is favourable to the Company and its Shareholders as a whole considering the Conversion Price is HK\$0.088 which represents (a) a premium of approximately 57.1% to the closing price of HK\$0.056 per share of China Healthwise as quoted on the Stock Exchange on the date of this announcement; and (b) a premium of approximately 54.9% to the average closing price of approximately HK\$0.0568 per share of China Healthwise as quoted on the Stock Exchange for the last five consecutive trading days immediately

preceding the date of this announcement, which is much lower than the premiums represented by the existing conversion price of the Outstanding Bonds of HK\$0.38. Assuming that the Subscriber intends to convert the Convertible Bonds in full, immediately after full conversion of the Convertible Bonds at the Conversion Price of HK\$0.088, the Subscriber will hold 190,909,090 shares of China Healthwise and become the largest substantial shareholder of China Healthwise, holding approximately 19.86% of China Healthwise's issued share capital as enlarged by the issue and allotment of the Conversion Shares. The Company expects that becoming the largest substantial shareholder of China Healthwise will strengthen their relationships and will facilitate the any potential business cooperation in future. Nevertheless, the Company will closely monitor the trading prices of the shares of China Healthwise and evaluate the then financial performance and prospects of China Healthwise in determining whether to convert the Convertible Bonds into Conversion Shares.

The Directors are of the view that the terms of the Subscription Agreement and the transaction contemplated thereunder are fair and reasonable and in the interests of the Company and the shareholders of the Company as a whole.

## **LISTING RULES IMPLICATIONS**

The consideration for the subscription of the Bonds will be set off against the Outstanding Principal Amount of HK\$72,300,000 under the Outstanding Bonds, which together with the interest accrued therein, will become due and payable on 10 October 2024. Since the subscription of the Bonds pursuant to the Subscription Agreement constitutes financial assistance to China Healthwise, certain applicable percentage ratios of which are more than 25%, the transactions contemplated under the Subscription Agreement constitute a major transaction on the part of the Company under Chapter 14 of the Listing Rules and are subject to the reporting, announcement, circular and Shareholders' approval requirements pursuant to Chapter 14 of the Listing Rules.

An EGM will be convened to consider and, if thought fit, to approve the Subscription Agreement and the transactions contemplated thereunder. To the best of the Directors' knowledge, information and belief, no Shareholder is required to abstain from voting if the Company were to convene a general meeting for approving the Subscription Agreement and the transactions contemplated thereunder.

The Company expects that a circular containing, inter alia, further details of the Subscription Agreement and the transactions contemplated thereunder and a notice of EGM will be despatched to the Shareholders as soon as practicable and not later than 20 September 2024, which is more than 15 business days after the publication of this announcement, as additional time is required for the Company to prepare and finalise certain information, in particular the financial information of the Group, to be included in the circular.

## **GENERAL**

**Shareholders and potential investors of the Company should note that the completion of the Subscription is subject to fulfilment of the Conditions Precedent. As the Subscription may or may not proceed, Shareholders and potential investors of the Company are reminded to exercise caution when dealing in the Shares.**

## DEFINITIONS

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

“Board”	the board of Directors
“Bonds”	collectively, the Convertible Bonds and the Straight Bonds
“Business Day”	any day (excluding a Saturday, Sunday and public holiday) on which banks in Hong Kong are generally open for business throughout their normal business hours
“CB Bondholder”	holder of the Convertible Bonds
“CB Issue Date”	the date of issue of the Convertible Bonds
“CB Maturity Date”	the date falling on the day being two years from the CB Issue Date
“China Healthwise”	China Healthwise Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the issued shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 00348)
“Company”	Heng Tai Consumables Group Limited, a company incorporated in the Cayman Islands with limited liability and its issued Shares of which are listed on the Main Board of the Stock Exchange
“Completion Date”	10 October 2024 (or such later date as China Healthwise and the Subscriber may agree)
“Conditions Precedent”	the conditions precedent under the Subscription Agreement that have to be satisfied (or waived by the Subscriber as the case may be) before Completion
“connected person”	has the meaning ascribed to it under the Listing Rules
“Conversion Period”	the period commencing from the date of the issue of the Convertible Bonds Instrument constituting the Convertible Bonds up to 4:00 pm (Hong Kong time) immediately prior to and exclusive of the CB Maturity Date
“Conversion Price”	the conversion price per Conversion Share, being HK\$0.088 (subject to adjustment)
“Conversion Rights”	rights of the CB Bondholder to convert the principal amount outstanding under the Convertible Bonds into Conversion Shares at the Conversion Price during the Conversion Period, subject to the conditions of the Convertible Bonds

“Conversion Shares”	new share(s) of China Healthwise to be allotted and issued upon exercise of the Conversion Rights attached to the Convertible Bonds
“Convertible Bonds”	the convertible bonds due 2026 in the principal amount of HK\$16,800,000 to be issued by China Healthwise
“Convertible Bonds Instrument”	the instrument to be executed by China Healthwise by deed constituting the Convertible Bonds
“Directors”	directors of the Company
“EGM”	the extraordinary general meeting of the Company to be held for the purpose of approving the Subscription Agreement and the transactions contemplated thereunder
“Group”	the Company and its subsidiaries
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Material Adverse Change”	(a) any change in circumstances that has, or constitutes or would result in a Material Adverse Effect; or (b) any change in any relevant laws in any of the jurisdictions or sectors in which China Healthwise and/or its subsidiaries do/does business that could reasonably be expected to materially and adversely affect China Healthwise and/or its subsidiaries taken as a whole
“Material Adverse Effect”	a material adverse effect on (a) the business, operations, prospect, property or condition (financial or otherwise) of China Healthwise and/or its subsidiaries taken as a whole; (b) the share price of China Healthwise; (c) the ability of China Healthwise to perform its obligations under the Subscription Agreement and the Bonds; or (d) the validity or enforceability of the Subscription Agreement and the Bonds or the rights or remedies of any holder of the Bonds
“Outstanding Bonds”	the convertible bonds issued by China Healthwise to the Subscriber on 11 October 2018 which will become due and payable on 10 October 2024
“Outstanding Principal Amount”	the outstanding principal amount of the Outstanding Bonds of HK\$72,300,000
“SB Bondholder”	holder of the Straight Bonds
“SB Issue Date”	the date of issue of the Straight Bonds

“SB Maturity Date”	the date falling on the day being two years from the SB Issue Date
“Shareholders”	holders of the Shares
“Shares”	ordinary shares in the Company of HK\$0.01 each
“Specific Mandate”	the specific mandate for the allotment and issuance of the Conversion Shares to be granted to the directors of China Healthwise subject to approval of the shareholders of China Healthwise at the extraordinary general meeting of China Healthwise to be convened
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Straight Bonds”	the straight bonds due 2026 in the principal amount of HK\$55,500,000 to be issued by China Healthwise
“Straight Bonds Instrument”	the instrument to be executed by China Healthwise by deed constituting the Straight Bonds
“Subscriber”	Heng Tai Finance Limited, a wholly-owned subsidiary of the Company
“Subscription”	the subscription of the Bonds pursuant to the Subscription Agreement
“Subscription Agreement”	the subscription agreement dated 19 August 2024 entered into between the Subscriber and China Healthwise in relation to the subscription of the Bonds
“Warranties”	the representations, warranties and undertakings by China Healthwise under the Subscription Agreement
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

By order of the Board  
**Heng Tai Consumables Group Limited**  
**Lam Kwok Hing**  
*Chairman*

Hong Kong, 19 August 2024

*As at the date of this announcement, the Board comprises five executive directors, namely Mr. Lam Kwok Hing (Chairman), Ms. Lee Choi Lin Joecy, Ms. Gao Qin Jian, Mr. Chan Cheuk Yu Stephen and Mr. Mok Tsan San; and three independent non-executive directors, namely Ms. Mak Yun Chu, Mr. Poon Yiu Cheung Newman and Mr. Hung Hing Man.*