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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 9,675,000 shares in Hatcher for an aggregate consideration of approximately HK\$11,881,000 (excluding transaction costs) through a series of trades executed on the Stock Exchange on 10 February 2023. The average selling price (excluding transaction costs) of each share in Hatcher is approximately HK\$1.23.

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

From 5 September 2022 to 16 September 2022, Future Empire disposed of an aggregate of 2,495,000 shares in Hatcher for a consideration of approximately HK\$951,000 (excluding transaction costs) through a series of trades executed on the Stock Exchange. The 2,495,000 shares in Hatcher represent approximately 0.31% of the issued share capital of Hatcher as at the date of this announcement.

The disposal of 2,495,000 shares in Hatcher under the Previous Disposal was completed before the date of this announcement. The consideration from the Previous Disposal of approximately HK\$951,000 was 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 notifiable transaction of the Company under Chapter 14 of the Listing Rules.

IMPLICATIONS UNDER THE LISTING RULES

As one of the relevant applicable percentage ratios (calculated in accordance with the Listing Rules) in respect of the Disposal is more than 5% but less than 25%, the Disposal constitutes 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.

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 all of the relevant applicable percentage ratios (calculated in accordance with the Listing Rules) in respect of the Disposal and the Previous Disposal when aggregated are less than 25%, the Disposal and the Previous Disposal when aggregated do not constitute a major transaction of the Company under Chapter 14 of the Listing Rules.

THE DISPOSAL

The Board announced that Future Empire disposed of 9,675,000 shares in Hatcher for an aggregate consideration of approximately HK\$11,881,000 (excluding transaction costs) through a series of trades executed on the Stock Exchange on 10 February 2023. The average selling price (excluding transaction costs) of each share in Hatcher is approximately HK\$1.23.

Listed securities to be disposed of

The 9,675,000 shares in Hatcher 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 Standards 9 Financial Instruments with a carrying amount of approximately HK\$8,514,000.

The 9,675,000 shares in Hatcher represent approximately 1.21% of the issued share capital of Hatcher as at the date of this announcement.

Hatcher is an exempted company with limited liability incorporated in the Cayman Islands and the issued shares of which are listed on GEM of the Stock Exchange under stock code: 8365. Hatcher is an investment holding company and the principal activities of its subsidiaries consists of provision of asset management services, corporate finance advisory services, placing and underwriting services, securities brokerage, margin financing, accounting and taxation services, business consulting services, corporate secretarial services, ESG advisory services, human resources services and risk management and internal control advisory services.

The following audited financial information is extracted from the annual report of Hatcher for the year ended 30 September 2022:

	For the year ended 30 September 2022	For the year ended 30 September 2021
	<i>HK\$'000</i> (audited)	<i>HK\$'000</i> (audited)
Revenue	72,157	30,934
Loss before tax	(2,430)	(16,664)
Loss for the year	(8,179)	(20,088)
Total assets	266,607	69,445
Net assets value	69,339	37,299

Consideration

The aggregate consideration from the Disposal is approximately HK\$11,881,000 (excluding 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 (excluding transaction costs) of each share in Hatcher is approximately HK\$1.23.

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

Purchasers of the 9,675,000 shares in Hatcher

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 9,675,000 shares in Hatcher.

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 Independent Third Party.

Completion

Completion of each trade of the Disposal 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 DISPOSAL AND USE OF PROCEEDS FROM THE DISPOSAL

The Directors consider that the recent increase in the share price of Hatcher provides an opportunity to realise Future Empire's investment in Hatcher and obtain 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.

The Directors intend to use the aggregate consideration from the Disposal as general working capital of the Group.

THE PREVIOUS DISPOSAL

From 5 September 2022 to 16 September 2022, Future Empire disposed of an aggregate of 2,495,000 shares in Hatcher for a consideration of approximately HK\$951,000 (excluding transaction costs) through a series of trades executed on the Stock Exchange. The 2,495,000 shares in Hatcher represent approximately 0.31% of the issued share capital of Hatcher as at the date of this announcement.

The disposal of 2,495,000 shares in Hatcher under the Previous Disposal was completed before the date of this announcement. The consideration from the Previous Disposal of approximately HK\$951,000 was 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 notifiable transaction of the Company under Chapter 14 of the Listing Rules.

FINANCIAL EFFECTS OF THE DISPOSAL

Upon completing the Disposal, Future Empire will not hold any share in Hatcher.

Future Empire expects to recognise a gain on the Disposal (before taxation) of approximately HK\$3,367,000, which is the difference between the aggregate consideration for the Disposal of approximately HK\$11,881,000 (excluding transaction costs) and the carrying amount of the 9,675,000 shares in Hatcher of approximately HK\$8,514,000.

IMPLICATIONS UNDER THE LISTING RULES

As one of the relevant applicable percentage ratios (calculated in accordance with the Listing Rules) in respect of the Disposal is more than 5% but less than 25%, the Disposal constitutes 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.

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 all of the relevant applicable percentage ratios (calculated in accordance with the Listing Rules) in respect of the Disposal and the Previous Disposal when aggregated are less than 25%, the Disposal and the Previous Disposal when aggregated do not constitute a major transaction of the Company 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
“Board”	the board of Directors
“Company”	China Healthwise Holdings Limited, a company incorporated in the Cayman Islands with limited liability and the shares of the Company 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 9,675,000 shares in Hatcher by Future Empire at an aggregate consideration of approximately HK\$11,881,000 (excluding transaction costs) through a series of trades executed on the Stock Exchange on 10 February 2023
“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
“Hatcher”	Hatcher Group Limited, an exempted company with limited liability incorporated in the Cayman Islands and the issued shares of which are listed on GEM of the Stock Exchange (stock code: 8365)
“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
“Previous Disposal”	the disposal of an aggregate of 2,495,000 shares in Hatcher for a consideration of approximately HK\$951,000 (excluding transaction costs) on the Stock Exchange from 5 September 2022 to 16 September 2022
“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, 10 February 2023

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.