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**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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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 stockbroker or other registered dealer in securities, a 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, together with the enclosed 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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**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)**

**PROPOSED ISSUE OF BONDS INVOLVING  
CONVERTIBLE BONDS UNDER SPECIFIC MANDATE  
AND STRAIGHT BONDS  
AND  
NOTICE OF EXTRAORDINARY GENERAL MEETING**

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Resolution(s) will be proposed at the extraordinary general meeting of the Company to be held at Meeting Room (Soho 1), 6/F., ibis Hong Kong Central & Sheung Wan Hotel, No. 28 Des Voeux Road West, Sheung Wan, Hong Kong on Tuesday, 17 December 2024 at 11:00 a.m. (the “EGM”) to approve the matters referred to in this circular.

The notice convening the EGM together with the form of proxy for use at the EGM are enclosed with this circular. Such form of proxy is also published on the websites of Hong Kong Exchanges and Clearing Limited ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company ([www.healthwisehk.com](http://www.healthwisehk.com)).

Whether or not you are able to attend the EGM, you are requested to complete and sign the accompanying form of proxy in accordance with the instructions printed thereon and deliver it to the Company’s branch share registrar in Hong Kong, Tricor Abacus Limited, at Level 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the EGM or any adjournment thereof. Completion and delivery of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjournment thereof if you so wish and in such event, the proxy form shall be deemed to be revoked.

No gifts, food or beverages will be provided to attendees at the EGM.

27 November 2024

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## CONTENTS

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	<i>Page</i>
<b>Definitions</b> .....	1
<b>Letter from the Board</b> .....	4
<b>Notice of EGM</b> .....	18

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## DEFINITIONS

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

“2018 Convertible Bonds”	the convertible bonds in the aggregate principal amount of HK\$120.0 million, which was unsecured and was issued by the Company to the Subscriber on 11 October 2018 and matured on 10 October 2024, of which HK\$72.3 million remained outstanding and held by the Subscriber as at the Latest Practicable Date
“associate(s)”	has the meaning ascribed thereto under the Listing Rules
“Board”	the board of Directors
“Bondholder(s)”	holder(s) of the Convertible Bonds or the Straight Bonds (as the case may be)
“Bonds”	collectively, the Convertible Bonds and the Straight Bonds
“Business Day(s)”	any day(s) (excluding a Saturday, Sunday and public holiday) on which banks in Hong Kong are generally open for business throughout their normal business hours
“Company”	China Healthwise Holdings Limited, a company incorporated in the Cayman Islands with limited liability and the issued Shares are listed on the Main Board of the Exchange (stock code: 348)
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“Conversion Price”	HK\$0.088, being the conversion price per Share at which the Convertible Bonds may be converted into Conversion Shares, subject to the terms and conditions of the Convertible Bonds, and subject to adjustments (if any)
“Conversion Shares”	a maximum of 190,909,090 new Shares to be allotted and issued by the Company upon the exercise of the conversion right attached to the Convertible Bonds
“Convertible Bonds”	the convertible bonds (at the Conversion Price of HK\$0.088 and convertible into 190,909,090 Conversion Shares, representing approximately 24.78% of the existing issued share capital of the Company) in the principal amount of HK\$16.8 million to be issued by the Company
“Director(s)”	the director(s) of the Company

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## DEFINITIONS

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“EGM”	the extraordinary general meeting of the Company to be convened and held at Meeting Room (Soho 1), 6/F., ibis Hong Kong Central & Sheung Wan Hotel, No. 28 Des Voeux Road West, Sheung Wan, Hong Kong on Tuesday, 17 December 2024 at 11:00 a.m. to consider and, if thought fit, to approve the Subscription Agreement and the transactions contemplated thereunder (including the Specific Mandate)
“Exchange”	The Stock Exchange of Hong Kong Limited
“First Supplemental Agreement”	the supplemental agreement dated 8 October 2024 entered into between the Company and the Subscriber in relation to the extension of the long stop date and completion date of the Subscription Agreement
“Good Cheer”	Good Cheer Global Limited, a wholly-owned subsidiary of the Company
“Group”	the Company and its subsidiaries
“Heng Tai”	Heng Tai Consumables Group Limited, a company incorporated in the Cayman Islands with limited liability and the shares of which are listed on the Main Board of the Exchange (stock code: 197)
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party(ies)”	third party(ies) independent of the Company and its subsidiaries and not connected with any of the connected persons of the Company or any of their respective associates
“Latest Practicable Date”	22 November 2024, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Exchange
“Maturity Date”	the date falling on the day being two years from the date of issue of the Convertible Bonds or Straight Bonds (as the case may be)

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## DEFINITIONS

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“Second Supplemental Agreement”	the supplemental agreement dated 15 November 2024 entered into between the Company and the Subscriber in relation to (i) the inclusion of a new condition precedent to the Subscription Agreement; and (ii) further extension of the long stop date and completion date of the Subscription Agreement
“Share(s)”	the ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Share Pledge”	the pledge of 100% of the total issued shares of Good Cheer (in such form to the satisfaction of the Subscriber) as security for the payment obligations of the Company under the Bonds
“Shareholder(s)”	holder(s) of the 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
“Straight Bonds”	the straight bonds in the principal amount of HK\$55.5 million to be issued by the Company
“Subscriber”	Heng Tai Finance Limited, a wholly-owned subsidiary of Heng Tai
“Subscription”	the subscription of the Bonds pursuant to the Subscription Agreement
“Subscription Agreement”	the subscription agreement dated 19 August 2024 (as supplemented by the Supplemental Agreements) entered into between the Company and the Subscriber in relation to the Subscription
“Supplemental Agreements”	collectively, the First Supplemental Agreement, the Second Supplemental Agreement and the Third Supplemental Agreement
“Third Supplemental Agreement”	the supplemental agreement dated 22 November 2024 entered into between the Company and the Subscriber in relation to the extension of the long stop date and completion date of the Subscription Agreement
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

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**LETTER FROM THE BOARD**

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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)**

*Executive Directors:*

Lei Hong Wai (*Chairman*)  
Cheung Kwok Wai Elton (*Vice Chairman*)  
Leung Alex  
Lo Ming Wan  
Yuan Huixia

*Registered Office:*

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

*Independent Non-executive Directors:*

Lai Hok Lim  
Lien Wai Hung  
Tsang Chin Pang

*Head Office and Principal Place of  
Business in Hong Kong:*

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

27 November 2024

*To the Shareholders*

Dear Sir/Madam,

**PROPOSED ISSUE OF BONDS INVOLVING  
CONVERTIBLE BONDS UNDER SPECIFIC MANDATE  
AND STRAIGHT BONDS  
AND  
NOTICE OF EXTRAORDINARY GENERAL MEETING**

**INTRODUCTION**

References are made to the announcements of the Company dated 19 August 2024, 9 September 2024, 20 September 2024, 8 October 2024, 8 November 2024, 15 November 2024 and 22 November 2024 in relation to the Subscription.

On 19 August 2024, 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 Bonds in an aggregate amount of HK\$72.3 million, which include (i) the Convertible Bonds in a principal amount of HK\$16.8 million; and (ii) the Straight Bonds in a principal amount of HK\$55.5 million.

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## LETTER FROM THE BOARD

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On 8 October 2024, the Company and the Subscriber entered into the First Supplemental Agreement to extend the long stop date and completion date of the Subscription Agreement. On 15 November 2024, the Company and the Subscriber entered into the Second Supplemental Agreement to (i) include a new condition precedent to the Subscription Agreement; and (ii) further extend the long stop date and completion date of the Subscription Agreement. On 22 November 2024, the Third Supplemental Agreement was entered into by the parties to further extend the long stop date and completion date. In addition to the Supplemental Agreements, at the request of the Subscriber, the interest payment term of the Bonds amended from payable annually to semi-annually. Other than such amendments above and the corresponding amendments to the Subscription Agreement or the instrument of the Bonds in light of such changes, no other terms and conditions of the Subscription Agreement or the instrument of the Bonds have been changed.

The purpose of this circular is to provide you with further details of the issue of the Bonds and a notice of the EGM.

### THE SUBSCRIPTION AGREEMENT

The principal terms of the Subscription Agreement are summarised below:

#### Date

19 August 2024

#### Parties

The issuer:                   the Company

The subscriber:           Heng Tai Finance Limited

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Subscriber and its ultimate beneficial owners are Independent Third Parties.

#### Subject matter

Pursuant to the Subscription Agreement, the Subscriber has conditionally agreed to subscribe, and the Company has conditionally agreed to issue the Bonds in an aggregate amount of HK\$72.3 million, which include (i) the Convertible Bonds in a principal amount of HK\$16.8 million; and (ii) the Straight Bonds in a principal amount of HK\$55.5 million.

#### Conditions precedent

Completion of the subscription of the Bonds shall be conditional upon the followings:

- (a) the passing by the shareholders of Heng Tai at the extraordinary general meeting of Heng Tai of the necessary resolution(s) to approve the Subscription Agreement and the transactions contemplated thereunder;

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## LETTER FROM THE BOARD

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- (b) the passing by the Shareholders at the extraordinary general meeting of the Company 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 upon full conversion of the Convertible Bonds to the Directors);
- (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 the Company;
- (e) the Exchange having granted to the Company the listing of, and permission to deal in, the new Shares to be allotted and issued by the Company upon full conversion of the Convertible Bonds;
- (f) the Company having delivered to the Subscriber a cashier's order or a cheque issued by a bank licensed in Hong Kong payable to the Subscriber in the amount equivalent to all the outstanding accrued interests of the 2018 Convertible Bonds up to the date of issue of the Bonds; and
- (g) the entering into of the Share Pledge by Ultra Classic Investments Limited, the sole shareholder of Good Cheer and a wholly-owned subsidiary of the Company, in favour of the Subscriber as security for the payment obligations of the Company under the Bonds.

The conditions precedent (c) and (d) above are waivable by the Subscriber at its absolute discretion and subject to such conditions as may be imposed on the Company by the Subscriber. All other conditions precedent above are not waivable by any parties to the Subscription Agreement. In the event all the conditions above not being fulfilled (or waived as the case may be) on or before 31 December 2024 (or such other time and date as may be agreed by the parties to the Subscription Agreement), the Subscription Agreement (save and except clauses as stated in the Subscription Agreement which shall remain in full force and effect) 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 thereof.

As at the Latest Practicable Date, none of the above conditions had been fulfilled.

### **The Share Pledge**

Completion of the Subscription Agreement is conditional upon, among other things, the entering into of the Share Pledge by Ultra Classic Investments Limited, the sole shareholder of Good Cheer and a wholly-owned subsidiary of the Company, in favour of the Subscriber as security for the payment obligations of the Company under the Bonds.



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## LETTER FROM THE BOARD

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Immediately upon execution of the Share Pledge, the Company is required to deliver to the Subscriber all the relevant necessary documents so as to effect the waiver to waive all the borrowings from the Group upon the enforcement of the Share Pledge by the Subscriber.

### **Completion**

Completion of the Subscription shall take place on or before 31 December 2024 (or such later date as the Company and the Subscriber may agree) after the fulfilment (or waiver as the case may be) of all the conditions precedent above.

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

#### **Principal amount**

HK\$16.8 million

#### **Issue price**

100% of the principal amount of the Convertible Bonds

#### **Interest**

The Convertible Bonds shall bear interest on the outstanding principal amount from and including the date of its issue at 6% per annum. Interest shall be accrued daily on a 365 days basis and is payable semi-annually or with respect to the last payment, on the Maturity Date.

#### **Maturity date**

The date falling on the day being two years from the issue date.

#### **Conversion price**

HK\$0.088 per Conversion Share, which shall be subject to adjustments provided in the instrument of the Convertible Bonds. The Conversion Price of HK\$0.088 per Conversion Share represents:

- (a) a premium of approximately 57.14% over the closing price of HK\$0.056 per Share as quoted on the Exchange on date of the Subscription Agreement;
- (b) a premium of approximately 54.93% over the average closing price of HK\$0.0568 per Share as quoted on the Exchange for the last five consecutive trading days immediately prior to the date of the Subscription Agreement; and
- (c) a premium of approximately 4.76% over the closing price of HK\$0.084 per Share as quoted on the Exchange on the Latest Practicable Date.

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## LETTER FROM THE BOARD

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### Adjustments to the Conversion Price

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

- (i) consolidation or sub-division of the 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 the 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 the 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 the 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 a 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 par 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.

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## LETTER FROM THE BOARD

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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 Conversion Price of HK\$0.088, a maximum number of 190,909,090 Conversion Shares may fall to be allotted and issued upon exercise of the conversion rights in full, which represent:

- (i) approximately 24.78% of the existing issued share capital of the Company as at the Latest Practicable Date; and
- (ii) approximately 19.86% 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 aggregate nominal value of the 190,909,090 Conversion Shares is HK\$1,909,090.90.

The Conversion Price was arrived at after arm's length negotiation between the Company and the Subscriber with reference to, among others, the prevailing market price of the Shares. The Directors consider that the Conversion Price is fair and reasonable and is in the interests of the Company and the Shareholders as a whole.

As at the Latest Practicable Date, the Company had not decided whether to transfer treasury Shares upon the exercise of the conversion rights attached to the Convertible Bonds, if applicable.

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**

The period commencing from the date of the issue the Convertible Bonds up to 4:00 p.m. (Hong Kong time) immediately prior to and exclusive of the Maturity Date.

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## LETTER FROM THE BOARD

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### **Redemption**

The Company may at any time after the date of issue of the Convertible Bonds and 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 Convertible Bonds (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.

If an event of default has occurred, each Bondholder may require the Company to redeem all or a portion of its Convertible Bonds, and the Company shall, in addition to and without prejudice to any of its other payment obligations under the instrument constituting the Convertible Bonds, 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 Convertible Bonds to its wholly-owned subsidiaries or a holding company of the Bondholder(s), the Bondholder(s) may only assign or transfer the Convertible Bonds to the transferee subject to the consent of the Company. The Convertible Bonds may be assigned or transferred in whole or in part (in whole multiples of HK\$800,000) of its outstanding principal amount upon the payment in full and the Company shall facilitate any such assignment or transfer of the Convertible Bonds, including making any necessary applications to the Exchange for the said approval (if required).

### **Status of the Convertible Bonds**

The Convertible Bonds constitute 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 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.

### **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).

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## LETTER FROM THE BOARD

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### **Listing**

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

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

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

#### **Principal amount**

HK\$55.5 million

#### **Issue price**

100% of the principal amount of the Straight Bonds

#### **Interest**

The Straight Bonds bear interest from the issue date at the rate of 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 semi-annually in arrears.

#### **Maturity date**

The date falling on the day being two years from the issue date.

#### **Redemption**

The Company may at any time after the issue date of the Straight Bonds and before the Maturity Date by serving at least seven (7) days' written notice to the Bondholder with the total amount proposed to be redeemed from the Bondholder specified therein, redeem the Straight Bonds (in whole or in part) of 100% face value of the Straight Bonds together with interests accrued thereon from the issue date of the Straight Bonds and up to the date of redemption, less any interest paid by the Company on the Straight Bonds previously.

On the occurrence of an event of default, a Bondholder may by notice in writing to the Company demand immediate redemption of the Straight Bonds of which it is the holder at an amount equal to the outstanding principal amount of the Straight Bonds plus an interest accrued thereon from the issue date of the Straight Bonds and up to the date of redemption, less any interest paid by the Company on the Straight Bonds previously. The Company shall pay a default interest on such sum to the relevant Bondholder(s) from the relevant due date to the date of actual payment in full (both before and after judgment) calculated at the rate of 12% per annum.

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## LETTER FROM THE BOARD

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### 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 the Company at any time from the issue date of the Straight Bonds and prior to the Maturity Date.

### Status of the Straight Bonds

The obligations of the Company arising under the Straight Bonds constitute direct, general, unconditional, unsubordinated and unsecured obligations of the Company 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 the Company except for obligations accorded preference by mandatory provisions of applicable law.

### 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 of the Exchange for the listing of the Straight Bonds on the Exchange or any other stock exchange.

### INFORMATION OF THE SUBSCRIBER

The Subscriber is a company incorporated in Hong Kong with limited liability and is principally engaged in investment holding and provision of treasury services to its group companies. The Subscriber is a wholly-owned subsidiary of Heng Tai, a company listed on the Main Board of the Exchange under stock code: 197.

### INFORMATION OF GOOD CHEER

Good Cheer is a wholly-owned subsidiary of the Company and is principally engaged in money lending business.

As at 30 September 2024, Good Cheer recorded loan receivables from money lending business of approximately HK\$298.1 million and allowance for expected credit loss on such loan receivables of approximately HK\$296.3 million, resulting in net loan receivables of approximately HK\$1.8 million. Good Cheer also had approximately HK\$309.3 million borrowings from the Group as at 30 September 2024. Pursuant to the Subscription Agreement, such borrowings will be waived by the Group (the “**Waiver**”) in the event that the Company is in default of payment under the Bonds and the Subscriber enforces the Share Pledge. Taking into account the Waiver, the net asset value of Good Cheer shall be approximately HK\$11.1 million as at 30 September 2024.

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## LETTER FROM THE BOARD

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### REASONS FOR THE ISSUE OF THE BONDS AND USE OF PROCEEDS

The 2018 Convertible Bonds matured on 10 October 2024, which means that the Company should redeem the 2018 Convertible Bonds in a principal amount of HK\$72.3 million since the Subscriber had not converted the 2018 Convertible Bonds into the new Shares owing to the current market circumstances and the fact that the conversion price of the 2018 Convertible Bonds (being HK\$0.38 per conversion Share (subject to adjustments pursuant to the terms and conditions of the 2018 Convertible Bonds)) was significantly higher than the then market price per Share.

Before arriving at the decision to the entering into of the Subscription Agreement, the Company has taken into account other alternative fund raising methods (including debt financing and equity fund raising methods such as placing of new Shares, rights issue and open offer) to redeem the 2018 Convertible Bonds. The Directors consider that debt financing from banks or other financial institutions may involve (i) lengthy due diligence procedures which may be relatively costly and time consuming; and (ii) higher interest rate (ranging from 8% to 12% based on the existing borrowings of the Group as compared to 6% to 8% of the Bonds). In respect of equity fund raising methods, (i) to attract subscription by potential investors or existing Shareholders, the subscription price would have to be set at a deep discount to the prevailing market price of the Shares which would result in higher dilution on the shareholding of the existing Shareholders; and (ii) regarding rights issue and open offer, they usually require a relatively longer period and more stringent documentary requirements including negotiation with the underwriter on the terms and conditions of the underwriting agreement, preparation of listing document and application forms and registration for listing document. Having taken into account the above and to strike a balance between interest rate cost and potential dilution to the shareholding interest of the Shareholders, the Board is of the view that the issue of a combination of the Convertible Bonds and the Straight Bonds is an appropriate mean to deal with the 2018 Convertible Bonds upon its maturity.

The issue of the Bonds would allow the Company to settle the outstanding amount of the principal under the 2018 Convertible Bonds without immediate cash outflow as a result of its redemption of the 2018 Convertible Bonds. It would also provide flexibility to the Company's to working capital management and deployment of its financial resources to fund its business operations and development as well as the planning of its working capital requirements. If the resolutions to approve the Subscription Agreement and the transactions contemplated thereunder (including the Specific Mandate) are vetoed, the Company will continue to liaise with the Subscriber for extending the redemption date of the 2018 Convertible Bonds under different terms and in the meantime will seek other means for fund raising as discussed above to redeem the 2018 Convertible Bonds. However, Shareholders should note that the new terms for extending or redeeming the 2018 Convertible Bonds may not be as favourable as the terms of the Subscription Agreement. In the worst case, the Company could potentially default on the 2018 Convertible Bonds, which could lead to a major liquidity challenge for the Group.



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## LETTER FROM THE BOARD

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The annual interest rate of the Convertible Bonds is same as that of the 2018 Convertible Bonds. In determining the annual interest rate of the Straight Bonds, the Board has taken into consideration that comparing with typical bonds, convertible bonds offer an additional option for the holders to become shareholders of the issuer by converting the bonds into the shares of the issuer. While regular bonds are simply debt instruments, convertible bonds provide investors the opportunity to benefit from the premium of the issuer's stock price over the conversion price and possible future growth of the issuer's stock price. As such, it is common that convertible bonds typically offer lower interest rates compared to regular bonds because of the added potential for equity participation through conversion. Based on the above and the interest rate of the Straight Bonds of 8% is within the range of the existing borrowings of the Group of 8% to 12% as disclosed above, the Board considers that the interest rates of the Bonds are reasonable.

At the request of the Subscriber, the interest payment term of the Bonds amended from payable annually to semi-annually. Such changes have been accepted by the Board after considering that the interest payment period would not affect the aggregate interest amount of the Bonds to be paid by the Group. The Board considers that such amendments would not have material impact on the Group.

The conversion price of the 2018 Convertible Bonds is HK0.38, which represents a premium of approximately 578.57% to the closing price of the Shares of HK\$0.056 as at the date of the Subscription Agreement. Under the Subscription Agreement, the Conversion Price of HK\$0.088 represents a premium of approximately 57.14% to the closing price of the Shares as at the date of the Subscription Agreement. It shall be more feasible for the Subscriber to exercise the conversion rights attaching to the Convertible Bonds and convert the Convertible Bonds into the Shares. The Board is of the view that as comparing to the conversion price of the 2018 Convertible Bonds, the Conversion Price provides a more practical alternative to the Subscriber to capitalise the debt owed by the Company, thereby alleviating the financial burden of the Company.

Upon entering into the Subscription Agreement, the Group did not provide any pledges. However, after reviewing the initial terms of the Subscription Agreement by the Subscriber who has further considered (i) the net liabilities position of the Group as of 30 June 2024; and (ii) the net asset value of Good Cheer taking into account the Waiver, which was approximately HK\$11.1 million as of 30 September 2024, the Subscriber requested additional assets pledge from the Company as a condition precedent to the Subscription Agreement. The Board considers that without securing the Bonds, the Company could potentially default on the 2018 Convertible Bonds, which could lead to a major liquidity challenge for the Group. Therefore, the Board is of the view that including this condition, which would be enforceable only in the event of default, is fair and reasonable, and in the best interests of the Company and the Shareholders as a whole.

Based on the above, the Directors consider that the terms of the Subscription Agreement are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.



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## LETTER FROM THE BOARD

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The issue of the Bonds is to set off in full the outstanding amount of the principal under the 2018 Convertible Bonds. As such, no proceeds will be received by the Company from the issue of the Bonds.

### EFFECT ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

Set out below is the shareholding structure of the Company (i) as at the Latest Practicable Date and (ii) immediately after the full conversion of the Convertible Bonds (assuming that there is no other change in the existing shareholding of the Company) is as follows:

Name of the Shareholder	As at the Latest Practicable Date		Immediately after the full conversion of the Convertible Bonds (assuming that there is no other change in the existing shareholding of the Company)	
	No. of Shares	Approx. %	No. of Shares	Approx. %
Eternity Investment Limited (Note 1)	169,042,824	21.94	169,042,824	17.58
Mr. Lei Hong Wai (Note 2)	56,663,636	7.35	56,663,636	5.89
The Subscriber	—	—	190,909,090	19.86
Public Shareholders	<u>544,774,376</u>	<u>70.71</u>	<u>544,774,376</u>	<u>56.67</u>
Total	<u>770,480,836</u>	<u>100.00</u>	<u>961,389,926</u>	<u>100.00</u>

*Notes:*

1. These Shares were registered in the name of Eternity Finance Group Limited, a wholly-owned subsidiary of RICHE (BVI) LIMITED, which in turn is wholly-owned by Eternity Investment Limited (“Eternity”), the shares of which are listed on the Main Board of the Exchange under stock code: 764.
2. Mr. Lei, an executive Director, is also an executive director of Eternity and by virtue of the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong), is deemed to be interested in approximately 25.99% of the issued share capital of Eternity.

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

The Company had not conducted any equity fund raising activities in the past 12 months immediately preceding the Latest Practicable Date.

### EGM

The EGM will be convened and held at Meeting Room (Soho 1), 6/F., ibis Hong Kong Central & Sheung Wan Hotel, No. 28 Des Voeux Road West, Sheung Wan, Hong Kong on Tuesday, 17 December 2024 at 11:00 a.m. to consider and, if thought fit, approve the Subscription Agreement and the transactions contemplated thereunder (including the Specific Mandate). A notice convening the EGM is set out on pages 18 to 20 of this circular.

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## LETTER FROM THE BOARD

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A form of proxy for use at the EGM is enclosed with this circular. Whether or not you are able to attend the EGM, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and deposit the same at the Company's branch share registrar and transfer office in Hong Kong, Tricor Abacus Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the EGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjournment thereof should you so wish.

To the best of the knowledge, information and belief of the Directors, no Shareholder has a material interest in the Subscription Agreement and the transactions contemplated thereunder (including the Specific Mandate). As such, no Shareholder will be required to abstain from voting on the resolutions to approve the above matter. Any vote exercised by the Shareholders at the EGM shall be taken by way of poll.

### **CLOSURE OF REGISTER OF MEMBERS**

For determining the entitlement to attend and vote at the EGM, the register of members of the Company will be closed from Thursday, 12 December 2024 to Tuesday, 17 December 2024 (both days inclusive), during which period no transfer of Shares will be registered. In order for a Shareholder to be eligible to attend and vote at the EGM, all transfer forms accompanied by the relevant share certificates must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Tricor Abacus Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration not later than 4:30 p.m. on Wednesday, 11 December 2024.

### **RESPONSIBILITY STATEMENT**

This circular, for which the Directors 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.

### **RECOMMENDATION**

Having considered the reasons set out above, the Directors consider that the Subscription Agreement and the transactions contemplated thereunder (including the Specific Mandate) is in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend the Shareholders to vote in favour of the relevant resolution(s) to be proposed at the EGM.

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## LETTER FROM THE BOARD

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### MISCELLANEOUS

The English text of this circular shall prevail over the Chinese text for the purpose of interpretation.

**Shareholders and potential investors should note that the Subscription Agreement is conditional upon fulfilment of all conditions precedent therein. The transactions contemplated under the Subscription Agreement may or may not materialise. Shareholders and potential investors are advised to exercise caution when dealing in the Shares.**

Yours faithfully,  
For and on behalf of the Board  
**China Healthwise Holdings Limited**  
**Lei Hong Wai**  
*Chairman and Executive Director*

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## NOTICE OF EGM

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*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this notice, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this notice.*

### 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 OF EXTRAORDINARY GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that an extraordinary general meeting of China Healthwise Holdings Limited (the “**Company**”) will be held at Meeting Room (Soho 1), 6/F., ibis Hong Kong Central & Sheung Wan Hotel, No. 28 Des Voeux Road West, Sheung Wan, Hong Kong on Tuesday, 17 December 2024 at 11:00 a.m. for the following purposes:

#### AS ORDINARY RESOLUTION

1. “**THAT**

- (a) the subscription agreement dated 19 August 2024 (as supplemented by the supplemental agreements dated 8 October 2024, 15 November 2024 and 22 November 2024 entered into between the Company and Heng Tai Finance Limited) (the “**Subscription Agreement**”) entered into between the Company and Heng Tai Finance Limited (a copy of which has been produced to the meeting and marked “A” and initialed by the chairman of the meeting for identification purpose) in relation to the issue of the bonds in an aggregate amount of HK\$72.3 million, which include (i) the convertible bonds in a principal amount of HK\$16.8 million (the “**Convertible Bonds**”); and (ii) the straight bonds in a principal amount of HK\$55.5 million be and are hereby approved, confirmed and ratified;
- (b) conditional upon The Stock Exchange of Hong Kong Limited having approved the listing of and dealing in the relevant Conversion Shares (as defined below), the directors of the Company (the “**Directors**”) be and are hereby granted a specific mandate to allot and issue up to 190,909,090 ordinary shares of the Company (the “**Conversion Shares**”) at the conversion price of HK\$0.088 (subject to adjustments) per Conversion Share, upon exercise of conversion rights attaching to the Convertible Bonds in accordance with the terms of the Subscription Agreement; and

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## NOTICE OF EGM

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- (c) 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/she/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 transactions contemplated thereby, including but not limited to 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, 27 November 2024

*Notes:*

1. The resolutions at the meeting will be taken by poll pursuant to the Company’s articles of association and Rules Governing the Listing of Securities on the Exchange. The results of the poll will be published on the websites of Hong Kong Exchanges and Clearing Limited and the Company in accordance with the such rules.
2. The register of members of the Company will be closed from Thursday, 12 December 2024 to Tuesday, 17 December 2024 (both dates inclusive), during which period no transfer of shares of the Company will be registered.
3. In order to qualify for the attendance and voting at the meeting, all transfer documents accompanied by the relevant shares certificates for registration must be lodged with the Company’s branch share registrar in Hong Kong, Tricor Abacus Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not later than 4:30 p.m. on Wednesday, 11 December 2024.
4. Any shareholder of the Company entitled to attend and vote at the meeting is entitled to appoint one or more proxies (who must be an individual or individuals) to attend and vote instead of him. A proxy need not be a shareholder of the Company.
5. In order to be valid, the form of proxy together with the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of such power of attorney or authority must be delivered to the Company’s branch share registrar in Hong Kong, Tricor Abacus Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof. Completion and delivery of the form of proxy shall not preclude you from attending and voting in person at the meeting and any adjournment thereof if you so wish.
6. If a black rainstorm warning or a tropical cyclone warning signal number 8 or above is hoisted at or after 8:00 a.m. and before the scheduled meeting time, the above meeting will not be held on Tuesday, 17 December 2024. The date of the postponed meeting will be rescheduled as soon as practicable. Shareholders may contact Customer Service Hotline of Tricor Abacus Limited at (852) 2980-1333 from 9:00 a.m. to 5:00 p.m., Monday to Friday (excluding public holidays) for any enquiry regarding the aforesaid arrangement.
7. Where there are joint holders of any share in the Company, any one of such joint holders may vote at the meeting, 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 meeting, 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.
8. No gifts, food or beverages will be provided to attendees at the meeting.

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## NOTICE OF EGM

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9. References to time and dates in this notice are to Hong Kong time and dates.
10. The translation of this notice into Chinese language is for reference only. In case of any inconsistency, the English version shall prevail.

*As at the date of this notice, the executive Directors are Mr. Lei Hong Wai (Chairman), Mr. Cheung Kwok Wai Elton (Vice Chairman), Mr. Leung Alex, Ms. Lo Ming Wan and Mr. Yuan Huixia; and the independent non-executive Directors are Mr. Lai Hok Lim, Mr. Lien Wai Hung and Mr. Tsang Chin Pang.*