

---

## THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

---

**If you are in any doubt** as to any aspect of this circular or as to the action to be taken, you should consult your 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 **Cherish Sunshine International Limited**, you should at once hand this circular and the accompanying proxy form to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale was effected for transmission to the purchaser or transferee.

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this circular, 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 circular.

This circular appears for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for any securities of Cherish Sunshine International Limited.

---

## CHERISH SUNSHINE INTERNATIONAL LIMITED

### 承輝國際有限公司

*(Incorporated in Bermuda with limited liability)*

**(Stock code: 1094)**

- (1) PROPOSED GRANT OF AWARDED SHARES UNDER THE SHARE AWARD PLAN PURSUANT TO SPECIFIC MANDATE;**
- (2) CONNECTED TRANSACTION IN RELATION TO PROPOSED GRANT OF AWARDED SHARES TO CONNECTED PERSONS UNDER THE SHARE AWARD PLAN PURSUANT TO SPECIFIC MANDATE; AND**
- (3) NOTICE OF SPECIAL GENERAL MEETING**

**Independent Financial Adviser to  
the Independent Board Committee and the Independent Shareholders**



**紅日資本有限公司**  
**RED SUN CAPITAL LIMITED**

---

Capitalised terms used in this cover page shall bear the same meanings as those defined in the section headed “Definitions” in this circular unless the context requires otherwise.

A notice convening the SGM to be held at Room 21A, Aikang Building, Zhangjiagang City, Suzhou, Jiangsu Province, the PRC on Tuesday, 25 October 2022 at 11 a.m. is set out on pages 45 to 47 of this circular. A proxy form for use at the SGM is enclosed with this circular. Such proxy form is also published on the websites of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company ([www.sunshine1094.com](http://www.sunshine1094.com)).

Whether or not you are able to attend the SGM, you are advised to read the notice and to complete and sign the enclosed proxy form in accordance with the instructions printed thereon and return it to the Company’s Hong Kong Branch Share Registrar, Union Registrars Limited, at Suites 3301-04, 33/F., Two Chinachem Exchange Square, 338 King’s Road, North Point, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the SGM (i.e. not later than 11 a.m. on Sunday, 23 October 2022) or any adjournment thereof. Completion and return of the proxy form will not preclude you from attending and voting in person at the SGM or any adjournment thereof if you so wish. If you attend and vote at the SGM, the proxy form will be revoked.

References to time and dates in this circular are to Hong Kong time and dates.

6 October 2022

---

## CONTENTS

---

	<i>Page</i>
<b>Definitions</b> .....	1
<b>Letter from the Board</b> .....	5
<b>Letter from the Independent Board Committee</b> .....	20
<b>Letter from the Independent Financial Adviser</b> .....	22
<b>Appendix — General Information</b> .....	40
<b>Notice of the SGM</b> .....	45

---

## DEFINITIONS

---

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

“Announcement”	the announcement of the Company dated 2 September 2022 in relation to, among others, the grant of the Non-Connected Awarded Shares and the Connected Awarded Shares
“associate(s)”	has the meaning ascribed thereto in the Listing Rules
“Awarded Share(s)”	any Share(s) that may be offered by the Company to any selected participants under the Share Award Plan
“Company”	Cherish Sunshine International Limited, a company incorporated in Bermuda with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange
“Connected Awarded Shares”	5,714,000 Awarded Shares granted by the Company to the Connected Grantees
“Connected Grantee(s)”	the Grantee(s) who is/are the connected person(s) of the Company
“connected person(s)”	has the meaning ascribed thereto in the Listing Rules
“Date of Grant”	2 September 2022
“Director(s)”	the director(s) of the Company
“Grantee(s)”	the selected participant(s) granted or proposed to be granted the Awarded Shares under the Share Award Plan
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC

---

## DEFINITIONS

---

“Independent Board Committee”	an independent board committee of the Board, comprising all the independent non-executive Directors, established for the purpose of advising the Independent Shareholders on the proposed allotment and issue of Connected Awarded Shares to Connected Grantees and the transactions contemplated thereunder
“Independent Financial Adviser”	Red Sun Capital Limited, a licensed corporation to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO, and appointed by the Company as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in relation to the proposed allotment and issue of the Connected Awarded Shares to the Connected Grantees and the transactions contemplated thereunder
“Independent Shareholders”	independent Shareholders other than the Connected Grantees and their respective associates
“Latest Practicable Date”	30 September 2022, being the latest practicable date prior to the printing of this circular for ascertaining certain information in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Non-connected Awarded Shares”	5,055,000 Awarded Shares granted by the Company to the Non-connected Grantees
“Non-connected Grantee(s)”	the Grantee(s) who is/are, to the best of the Directors’ knowledge, information and belief having made all reasonable enquiry, third parties independent of the Group and connected persons of the Group
“PRC”	the People’s Republic of China, which for the purpose herein, excludes Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan

---

## DEFINITIONS

---

“RMB”	Renminbi, the lawful currency of the PRC
“SFO”	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong
“SGM”	the special general meeting of the Company to be convened and held at Room 21A, Aikang Building, Zhangjiagang City, Suzhou, Jiangsu Province, the PRC on Tuesday, 25 October 2022 at 11 a.m. to consider and, if thought fit, approve, among other things, resolutions in relation to the proposed allotment and issue of the Non-connected Awarded Shares and the Connected Awarded Shares pursuant to the Specific Mandate, or any adjournment thereof
“Share(s)”	the ordinary share(s) in the capital of the Company with nominal value of HK\$0.1 each
“Share Award Plan Rules”	the rules governing the Share Award Plan adopted by the Company
“Share Award Plan”	the Share Award Plan adopted by the Company on 29 April 2022
“Shareholder(s)”	the holder(s) of the Shares
“Share Option(s)”	the share option(s) to subscribe for Share(s) under the Share Option Scheme
“Share Option Scheme”	the share option scheme adopted by the Company on 3 August 2022
“Specific Mandate”	the specific mandate to be granted to the Board to allot and issue the Non-connected Awarded Shares to Non-connected Grantees and the Connected Awarded Shares to Connected Grantees at the SGM
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

---

## DEFINITIONS

---

“Trustee” the trustee for the time being of the trust administering the Share Award Plan, or its wholly owned entity, being Tricor Trust (Hong Kong) Limited (which is independent of and not connected with the Company and its connected persons)

“%” per cent

---

LETTER FROM THE BOARD

---

**CHERISH SUNSHINE INTERNATIONAL LIMITED**  
**承輝國際有限公司**

*(Incorporated in Bermuda with limited liability)*

**(Stock code: 1094)**

*Executive Directors:*

Ms. Wu Siyuan (*Chairman and Chief Executive*)

Ms. He Qian

*Non-executive Directors:*

Ms. Liu Qian

Mr. Li Shun

Mr. Li Guanghua

*Independent Non-executive Directors:*

Mr. Zhong Dengyu

Mr. Jiang Jun

Ms. Deng Hua

*Registered Office:*

Cricket Square

Clarendon House

2 Church Street

Hamilton HM11

Bermuda

*Principal Place of*

*Business in Hong Kong:*

Unit 705, 7/F

Nam Wo Hong Building

148 Wing Lok Street

Sheung Wan

Hong Kong

6 October 2022

*To the Shareholders*

Dear Sir/Madam,

**(1) PROPOSED GRANT OF AWARDED SHARES UNDER THE SHARE  
AWARD PLAN PURSUANT TO SPECIFIC MANDATE; AND  
(2) CONNECTED TRANSACTION IN RELATION TO PROPOSED GRANT OF  
AWARDED SHARES TO CONNECTED PERSONS UNDER THE SHARE  
AWARD PLAN PURSUANT TO SPECIFIC MANDATE**

**1. INTRODUCTION**

Reference is made to the Announcement of the Company dated 2 September 2022 in which it was announced, among other things, that the Board has resolved to grant a total of not more than 10,769,000 Awarded Shares to 44 Grantees pursuant to the Share Award Plan, of which, (i) not more than 5,055,000 Non-connected Awarded Shares were granted to 39 Non-connected Grantees and shall be satisfied by the allotment and issue of new Shares to the Trustee pursuant to the

---

## LETTER FROM THE BOARD

---

relevant Specific Mandate, subject to the approval of the Shareholders, and in accordance with the terms of the Share Award Plan Rules; and (ii) not more than 5,714,000 Connected Awarded Shares were granted to 5 Connected Grantees and shall be satisfied by the proposed allotment and issue of new Shares to the Trustee pursuant to the relevant Specific Mandate, subject to the approval of Independent Shareholders, and in accordance with the terms of the Share Award Plan Rules.

The purpose of this circular is to provide you with: (i) the further details of the proposed allotment and issue of the Awarded Shares to the Grantees pursuant to the Specific Mandate; (ii) a letter from the Independent Board Committee to the Independent Shareholders in respect of the proposed allotment and issue of the Connected Awarded Shares to the Connected Grantees and the transactions contemplated thereunder; (iii) a letter from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the proposed allotment and issue of the Connected Awarded Shares to the Connected Grantees and the transactions contemplated thereunder; (iv) the notice of the SGM, and (v) other information as required under the Listing Rules.

Red Sun Capital Limited has been appointed as Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in relation to the proposed allotment and issue of the Connected Awarded Shares to the Connected Grantees and the transactions contemplated thereunder.

## **2. GRANT OF AWARDED SHARES PURSUANT TO THE SHARE AWARD PLAN**

### **(a) The grant of the Non-connected Awarded Shares to the Non-connected Grantees and the Connected Awarded Shares to the Connected Grantees**

The Share Award Plan was adopted by the Company 29 April 2022 which forms part of the equity incentive package of the Group to provide a means for the Company to recognise the contributions made by the participants, to retain and attract current and future participants and encourage and motivate the participants to achieve individual performance goals as well as the corporate objectives, thus increasing the value of the Group and aligning the interests of the participants to the Shareholders through ownership of Shares.

On 2 September 2022, the Board has resolved to grant, subject to acceptance of the Grantees and other conditions, a total of not more than 10,769,000 Awarded Shares to 44 Grantees pursuant to the Share Award Plan, of which, (i) not more than 5,055,000 Non-connected Awarded Shares were granted to 39 Non-connected Grantees and shall be satisfied by the proposed allotment and issue of new Shares to the Trustee pursuant to the relevant Specific Mandate, subject to the approval of the Shareholders, and in accordance with the terms of the Share Award Plan Rules; and (ii) not more than 5,714,000 Connected Awarded Shares were proposed to be granted to 5



## LETTER FROM THE BOARD

Connected Grantees and shall be satisfied by the proposed allotment and issue of new Shares to the Trustee pursuant to the relevant Specific Mandate, subject to the approval of the Independent Shareholders, and in accordance with the terms of the Share Award Plan Rules. The Share Award Grantees are required to pay the grant price of HK\$0.46 per Awarded Share to the Company in consideration of the grant of the Awarded Shares.

Details of the grant of Awarded Shares to the Grantees are as follows:

Grantees	Number of Awarded Shares to be granted to the Grantees	Approximate market value of the Awarded Shares as at the date of the Announcement <i>HK\$</i> <i>(Note 1)</i>	Approximate market value of the Awarded Shares as at the Latest Practicable Date <i>HK\$</i> <i>(Note 2)</i>	Approximate percentage of total Shares in issue as at the Latest Practicable Date <i>%</i> <i>(Note 3)</i>
Non-connected Grantees	5,055,000	5,560,500	4,044,000	1.72
Connected Grantees				
— Ms. Wu Siyuan <i>(Note 4)</i>	1,258,000	1,383,800	1,006,400	0.43
— Ms. Liu Qian <i>(Note 5)</i>	2,717,000	2,988,700	2,173,600	0.93
— Mr. Li Shun <i>(Note 6)</i>	1,258,000	1,383,800	1,006,400	0.43
— Mr. Li Guanghua <i>(Note 7)</i>	306,000	336,600	244,800	0.10
— Mr. Li Shipeng <i>(Note 8)</i>	175,000	192,500	140,000	0.06
<b>Total</b>	<b>10,769,000</b>	<b>11,845,900</b>	<b>8,615,200</b>	<b>3.67</b>

*Notes:*

1. The market value of the Connected Awarded Shares is calculated based on the closing market price per Share of HK\$1.100 as at 2 September 2022, being the date of the Announcement.
2. The market value of the Connected Awarded Shares is calculated based on the closing market price per Share of HK\$0.800 as at the Latest Practicable Date.
3. As at the Latest Practicable Date, the total number of Shares in issue is 293,083,725.
4. On 2 September 2022, 2,018,000 Share Options were granted to Ms. Wu Siyuan pursuant to the Share Option Scheme and as at the Latest Practicable Date, none of the Share Options are vested or exercised.
5. On 2 September 2022, 1,453,000 Share Options were granted to Ms. Liu Qian pursuant to the Share Option Scheme and as at the Latest Practicable Date, none of the Share Options are vested or exercised.
6. On 2 September 2022, 673,000 Share Options were granted to Mr. Li Shun pursuant to the Share Option Scheme and as at the Latest Practicable Date, none of the Share Options are vested or exercised.

---

## LETTER FROM THE BOARD

---

7. On 2 September 2022, 1,182,000 Share Options were granted to Mr. Li Guanghua pursuant to the Share Option Scheme and as at the Latest Practicable Date, none of the Share Options are vested or exercised.
8. On 2 September 2022, 234,000 Share Options were granted to Mr. Li Shipeng pursuant to the Share Option Scheme and as at the Latest Practicable Date, none of the Share Options are vested or exercised.

Ms. Wu Siyuan, Ms. Liu Qian, Mr. Li Shun and Mr. Li Guanghua, the Directors as disclosed in the table above, have abstained from approving the relevant board resolutions on: (i) the grant of the relevant Connected Awarded Shares to them; and (ii) the proposed allotment and issue of the new Shares to satisfy the relevant Connected Awarded Shares granted to them.

The Grantees are held in high regard for their track record of continued contributions to the Group in their duly carrying out of their day-to-day job duties, whose performance have been recognised by their relevant supervisors with a meritorious individual appraisal score which was commensurate with their consistently excellent contributions in their annual appraisals. The Board believes that the roles of the Grantees in the management and execution of the businesses of the Group make them worthy for retention and are of the view the Awarded Shares could motivate these talents to contribute more and longer to the future long-term development of the Group.

The 39 Non-connected Grantees comprise only employees of the Group and extensively cover all the major departments from back office to front office of the Group, such as technical and business development, sales and marketing, control and management functions, carrying titles such as product design engineer, legal and compliance manager, senior sales manager and vice president etc., with the length of service in the range of 0.2 to 8.6 years as at the Latest Practicable Date, each of them has contributed to the improvement of the overall business operation of the Group in terms of operational efficiency, enhanced control procedures and processes, engagement of new customers etc. in their respective positions in the Group.

The 5 Connected Grantees are Directors of the Company and a director of several subsidiaries of the Company. At board level, each of them has utilised their respective past management experience to help strengthen and improve the corporate governance and risk management quality of the Company and the relevant subsidiaries by such as reviewing the internal control policies and procedures. At the business management level, they have also contributed to the business strategy review to help the Group break through its business growth bottleneck.

---

## LETTER FROM THE BOARD

---

The positions, years of services and roles, responsibilities and contributions of the 5 Connected Grantees are set out as follows:

<b>Name of Connected Grantees</b>	<b>Position</b>	<b>Years of services in the Group as at the Latest Practicable Date</b>	<b>Roles, responsibilities and contributions</b>
Ms. Wu Siyuan	Chairman, Chief Executive and executive Director	0.9	Responsible for the overall operation and development of the Group. Successfully introduced clients from the trading industry to adopt the IT solutions for procurement developed by the Group thereby furthering the Group's expansion into the private sector.
Ms. Liu Qian	Non-executive Director	1.0	Responsible for assisting the Group to formulate business strategies and pursuing high-quality strategic business opportunities for the Group. Successfully linked up the Group with several state-owned enterprises and laid the foundation for the Group's future expansion of its procurement service business to the new energy industry.

---

## LETTER FROM THE BOARD

---

Name of Connected Grantees	Position	Years of services in the Group as at the Latest Practicable Date	Roles, responsibilities and contributions
Mr. Li Shun	Non-executive Director and chief financial officer	1.0	Responsible for the investment and financing activities of the Group. Helped the Group successfully complete the convertible bond fundraising of the Group in 2022 and helped the Group engage with the wider investment community in Hong Kong and overseas.
Mr. Li Guanghai	Non-executive Director	0.6	Responsible for development of new businesses of the Group. Successfully helped the Group resume its energy management contracting business by introducing several power companies to the Group.
Mr. Li Shipeng	Director and chief executive of several subsidiaries of the Company	0.9	Responsible for the sales and market development of the IT business of the Group. Successfully re-structured the sales and marketing teams of the Group and led the team to achieve over 50% increase in terms of new customer engagements, particularly in Hubei Province, the PRC.

### (b) Vesting schedule

The Awarded Shares will be held on trust for the Grantees by the Trustee which shall transfer the Awarded Shares to the Grantees in four tranches as follows: (i) 25% shall be vested immediately following the first anniversary of the Date of Grant; (ii) 25% shall be vested

---

## LETTER FROM THE BOARD

---

immediately following the second anniversary of the Date of Grant; (iii) 25% shall be vested immediately following the third anniversary of the Date of Grant; and (iv) the remaining 25% shall be vested immediately following the fourth anniversary of the Date of Grant.

The vesting of the Awarded Shares is also subject to the fulfilment of certain performance targets and vesting conditions as specified by the Board in the letters of grant issued to each of the Grantees. The Company applies a unitary set of awarding and granting criteria to all Connected Grantees and Non-connected Grantees with no exception. All the Grantees have to remain to be an employee of the Group and to not have materially breached any laws or internal regulations of the Group on the date of vesting and both the Grantees and the Company have to fulfil the performance targets by the respective dates of vesting. The Group level performance targets to be achieved by the respective dates of vesting for the four tranches are revenue growth of not less than 60%, 400%, 600% and 1,000%, respectively, as compared to the audited consolidated revenue of the Group for the year ended 31 March 2022. On personal level, each Grantee will have to pass the annual corporate culture and values assessment and achieve a minimum individual appraisal score for their job which will be given based on their personal performance in carrying out the relevant job duties and responsibilities, such as completion of specified tasks on schedule, contribution towards operation efficiency enhancement, control procedure and process improvement, new customer and market development, etc. in the context of their respective positions, duties and responsibilities within the Group.

Unless otherwise determined by the Board or its delegate(s) at their absolute discretion, if the performance targets and/or vesting conditions are not fulfilled before vesting, the Awarded Shares granted will lapse and be returned to the trust administering the Share Award Plan in accordance with the Share Award Plan Rules. The grant price paid will be refunded to the relevant Grantees.

### **(c) Ranking of the Connected Awarded Shares**

All the new Shares to be issued by the Company to satisfy the Awarded Shares granted to the Grantees, when issued and fully paid, shall rank *pari passu* among themselves and with those Shares in issue, with the right to receive all dividends and other distributions declared, made or paid on or after the allotment date.

### **(d) Conditions precedent**

The proposed allotment and issue of not more than 5,055,000 Non-connected Awarded Shares to the Non-connected Grantees shall be subject to (i) the approval by the Shareholders at the SGM in respect of the grant of the relevant Specific Mandate for the allotment and issue of the Non-connected Awarded Shares; (ii) the Listing Committee of the Stock Exchange having granted

---

## LETTER FROM THE BOARD

---

the approval for the listing of, and permission to deal in the Non-connected Awarded Shares; (iii) the fulfilment of the performance targets and vesting conditions as specified by the Board in the letters of grant; and (iv) the acceptance of the Non-connected Grantees.

The proposed allotment and issue of 5,714,000 Connected Awarded Shares to the Connected Grantees shall be subject to (i) the approval by the Independent Shareholders at the SGM in respect of the grant of the relevant Specific Mandate for the allotment and issue of the Connected Awarded Shares and the grant of the Connected Awarded Shares to the Connected Grantees; (ii) the Listing Committee of the Stock Exchange having granted the approval for the listing of, and permission to deal in the Connected Awarded Shares; (iii) the fulfilment of the performance targets and vesting conditions as specified by the Board in the letters of grant; and (iv) the acceptance of the Connected Grantees.

Save for the acceptance of the grant of the Awarded Shares by the Grantees subject to the other conditions above being met, none of the above conditions precedent have been fulfilled as at the Latest Practicable Date.

**(e) Application for Listing**

Applications will be made by the Company to the Listing Committee of the Stock Exchange for the granting of the listing of, and permission to deal in a total of not more than 10,769,000 new Shares on the Stock Exchange with respect to the Awarded Shares issued to the Grantees.

## LETTER FROM THE BOARD

### (f) Effect of the issue of the Awarded Shares on the shareholding structure of the Company

As at the Latest Practicable Date, the total number of Shares in issue was 293,083,725 Shares. The shareholding effects of the grant of a total of not more than 10,769,000 Awarded Shares as at the Latest Practicable Date and immediately after the issuance, allotment and full vesting of the Awarded Shares to the Grantees is as follows:

Name of the Shareholders	As at the Latest Practicable Date		Immediately after the issuance, allotment and full vesting of the Awarded Shares to the Grantees (assuming no other change in the issued share capital of the Company)		Immediately after the issuance, allotment and full vesting of the Awarded Shares to the Grantees (assuming no other change in the issued share capital of the Company other than the issue of new Shares upon full exercise of the outstanding Share Options)	
	<i>No. of Shares</i>	<i>%</i>	<i>No. of Shares</i>	<i>%</i>	<i>No. of Shares</i>	<i>%</i>
Eastmount Global Limited	69,658,600	23.77	69,658,600	22.93	69,658,600	21.79
Connected Grantees						
Ms. Wu Siyuan ( <i>Note 1</i> )	0	0.00	1,258,000	0.41	3,276,000	1.02
Ms. Liu Qian	0	0.00	2,717,000	0.89	4,170,000	1.30
Mr. Li Shun	0	0.00	1,258,000	0.41	1,931,000	0.60
Mr. Li Guanghua	0	0.00	306,000	0.10	1,488,000	0.47
Mr. Li Shipeng	0	0.00	175,000	0.06	409,000	0.13
Non-connected Grantees	0	0.00	5,055,000	1.66	14,974,000	4.68
Grantees of Share Options who were not Grantees of Awarded Shares	0	0.00	0	0.00	405,000	0.13
Other public Shareholders	223,425,125	76.23	223,425,125	73.54	223,830,125	69.88
<b>Total</b>	<b>293,083,725</b>	<b>100.00</b>	<b>303,852,725</b>	<b>100.00</b>	<b>319,736,725</b>	<b>100.00</b>

---

## LETTER FROM THE BOARD

---

*Note:*

1. Ms. Wu Siyuan is a discretionary beneficiary under a family trust of which the trustee wholly owns Eastmount Global Limited. She is deemed to be interested in the shares of the Company held by Eastmount Global Limited by virtue of Part XV of the SFO.

As illustrated above, upon the issuance, allotment and full vesting of the Awarded Shares (assuming all outstanding Share Options are also fully vested and exercised and there are no other changes to the issued share capital of the Company), the dilution impact to other public Shareholders who were not Grantees of Awarded Shares or grantees of Share Options would be a dilution from approximately 76.23% to approximately 69.88% in around five years' time. Meanwhile, given that the vesting of the Awarded Shares and the Share Options are subject to fulfilment of certain financial performance targets on Group level and personal performance targets on personal level by the Grantees, in the event that the targets are fulfilled, theoretically, the other public Shareholders should be able to benefit from a potential increase in the price of the Shares due to an overall improved financial performance and business growth achieved by the Group owing to the contributions from the better performing employees.

Having considered that (i) the past and potential future contributions by the Grantees to the Group; (ii) the grant of the Awarded Shares is conditional upon the achievement of the Group level and personal level performance targets which could be conducive to an increase in the price of the Shares; (iii) the Awarded Shares will only vest in tranches over a period of five years; (iv) there will not be any actual cash outflow but actual cash inflow to the Group under the grant of the Awarded Shares in providing incentives to the Grantees; and (v) the average annual dilution effect on the shareholding structure is merely approximately 1.27% which is not material, the Directors consider that the terms and conditions of the grant of the Awarded Shares to the Grantees and are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

**(g) Reasons for and benefits of the grant of the Awarded Shares**

The Group is principally engaged in provision of procurement services, trading of different kinds of products, provision of corporate IT solution services, leasing of the Group's investment properties located in Wuhan, Hubei Province, the PRC and provision of energy management contracting services in the PRC.

The Share Award Plan forms part of the equity incentive package of the Group designed to offer to its potential eligible participants. The Board considers that the grant of the Awarded Shares to the Grantees is an effective means to (i) recognise the contributions made to the Group by the Grantees; (ii) retain and attract the current and future employees, whose contributions are beneficial to the continual operation, development and long-term growth of the Group; and (iii)



---

## LETTER FROM THE BOARD

---

encourage and motivate the Grantees to achieve individual performance goals as well as the corporate objectives, thus increasing the value of the Group and aligning the interests of the Grantees to the Shareholders through ownership of Shares.

In determining whether and how to grant the Awarded Shares to each of the Grantees in a fair and reasonable manner and in a manner that is in the interest of the Company and the Shareholders as a whole, the Board adhered to two principles:

- (i) aligning individual interests with the long-term growth and prosperity of the Company and preventing any Grantees from benefitting from short-term gains at the expense of the minority Shareholders as well as the Company's interests; and
- (ii) placing importance on the merits of the Grantees and their recognition and agreement with the corporate culture of the Company regardless of their gender or age to ensure equal treatment and diversity.

The Board has also taken into account the following factors:

**(i) *Vesting period***

The Group had designed the vesting schedule of four tranches and a vesting period of one year for each tranche to allow the Group to have sufficient time and opportunities to assess the values and contributions from each of the Grantees so as to minimise the error that may arise from any rushed or abrupt decisions or any bias at the time of making the grants. Although some of the Grantees, including the Connected Grantees, are relatively new joiners to the Company, they were hired by the Group after careful and strict selection and assessment of their potential values and contributions to the Group in the first place with reference to their past work experience and achievements and they have kept a satisfactory record and have made good contributions in their respective positions since joining the Group. Given that the earliest vesting date of Awarded Shares will only be the first anniversary of the Date of Grant i.e. 2 September 2023, by that time the Group will have had sufficient time to further assess these Grantees and these Grantees will have contributed to the overall performance of the Group by maintaining a good personal performance for another year if they could satisfy the personal level performance targets required for vesting.

**(ii) *Performance targets and vesting conditions***

The Board has specified the performance targets and vesting conditions in the letters of grant to the Grantees which are relevant to the overall revenue growth and performance of the Group. The Awarded Shares will only be vested with Grantees including the Connected

---

## LETTER FROM THE BOARD

---

Grantees if the overall Group level performance target as well as personal level performance targets and vesting conditions are satisfied. Such requirement is applied to both Connected Grantees and Non-connected Grantees without exceptions. In other words, all the Grantees will be motivated to contribute to the overall performance of the Group in order to earn the Awarded Shares. In addition, the Grantees will have to remain as employees of the Group and to not have materially breached any laws or internal regulations of the Group on the date of vesting. Otherwise, those granted but yet-to-be vested Awarded Shares will have to be forfeited and be returned to the trust administering the Share Award Plan. That means all Grantees will only be rewarded based on their past proven contributions to the Group and their continued good behaviour.

*(iii) Grant price*

All Non-connected Grantees and Connected Grantees will have to pay a grant price of HK\$0.46 per Awarded Share in consideration of the grant of Awarded Shares, which represents (i) a discount of approximately 58.18% to the closing price of the Shares on the Date of Grant of HK\$1.100; and (ii) a discount of approximately 61.86% to the average closing price of the Shares as quoted on the Stock Exchange for the five consecutive trading days immediately preceding the Date of Grant of HK\$1.206. The grants were not made at nil consideration as the Board believes that the consideration to be paid by the Grantees will be “sunk” costs from the perspective of the Grantees which will effectively create a strong bonding between the Group and the Grantees that may help to retain the valuable Grantees with the Group and have the Grantees grow together with the Group over time, while on the other hand, the Group could receive additional funds which could be applied for working capital purpose.

In determining the number of the Awarded Shares to be granted to each of the Grantees, the Board has considered various factors, including but not limited to, (i) the current contributions and values brought to the Group and the continuing contribution and potential values to the Group’s future development of the Grantees; (ii) the functions, job responsibilities and job seniorities of the Grantees within the Group; (iii) whether the grant is a fair and reasonable representation of the Grantees’ respective historical contributions to the Group with reference to their respective job responsibilities; (iv) whether the grant is sufficient to motivate and retain the Grantees within the Group; and (v) whether the grant is an effective means to align the interests of the Grantees with the long-term growth and development of the Group.

The Board has considered the benefits of granting the Awarded Shares as an incentive when compared to other alternatives such as cash bonuses and share options. The issue of the Awarded Shares will not involve any substantial cash outflow from the Group but actual cash

---

## LETTER FROM THE BOARD

---

inflow, whereas cash bonuses will involve immediate cash outflow by the Group. Without the essential elements of the Awarded Shares, namely the vesting period, the vesting conditions and the grant price as discussed above, there could also be a lower incentive for the employees to stay with the Company and to remain consistent in their work performance and contributions over a longer period after receiving the bonuses. For share options, even though there are also the vesting period and the vesting conditions, the exercise price that the grantees are required to pay upon exercising share options is pre-determined and the timing of exercise of share options will also have to depend on the market prices of the Shares. Such additional restraints may make share options less effective as an incentive to the grantees. Having considered the above, the Board considers that the grant of the Awarded Shares is a more preferable means for providing incentives and rewards to the Grantees, which is beneficial to the long-term development of the Group and therefore in the interest of the Shareholders and the Company as a whole.

### **(h) Listing Rules implications**

The Connected Grantees, being Directors of the Company and a director and the chief executive of certain subsidiaries of the Company, are connected persons of the Company pursuant to Rule 14A.07 of the Listing Rules. Therefore, the proposed allotment and issue of Connected Awarded Shares to the Connected Grantees under the Share Award Plan shall constitute connected transaction of the Company under Chapter 14A of the Listing Rules and shall be subject to, among others, the Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

### **3. INDEPENDENT BOARD COMMITTEE**

The Independent Board Committee comprising Mr. Zhong Dengyu, Mr. Jiang Jun and Ms. Deng Hua, all being the independent non-executive Directors, has been formed to advise the Independent Shareholders as to the fairness and reasonableness of the terms of the proposed grant of the Connected Awarded Shares to the Connected Grantees and the transactions contemplated thereunder. Red Sun Capital Limited has been appointed by the Company as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this regard.

### **4. RECOMMENDATION**

In view of the reasons for and benefits of the award of the Awarded Shares as set out in the paragraphs headed "Reasons for and benefits of the grant of the Awarded Shares" above, the Directors (including the independent non-executive Directors) consider that the proposed allotment and issue of new Shares to the Grantees is (i) fair and reasonable and in the interests of the

---

## LETTER FROM THE BOARD

---

Company and the Shareholders as a whole so far as the Independent Shareholders are concerned and (ii) incidental to the Group's development of its business and is in the ordinary course of business of the Group and on normal commercial terms. Accordingly, the Directors recommend the Shareholders to vote in favour of the relevant ordinary resolution to be proposed at the SGM to grant the relevant Specific Mandate for the allotment and issue of the Non-connected Awarded Shares to the Non-connected Grantees, and the Independent Shareholders to vote in favour of the relevant ordinary resolutions to be proposed at the SGM to grant the relevant Specific Mandate for the allotment and issue of the Connected Awarded Shares to the Connected Grantees and to approve the grant of the Connected Awarded Shares to the Connected Grantees.

Your attention is drawn to (i) the letter from the Independent Board Committee set out on pages 20 to 21 of this circular, which contains its recommendation to the Independent Shareholders as to the proposed allotment and issue of the Connected Awarded Shares to the Connected Grantees; and (ii) the letter from the Independent Financial Adviser set out on pages 22 to 39 of this circular, which contains its advice to the Independent Board Committee and the Independent Shareholders in relation to the proposed allotment and issue of the Connected Awarded Shares to the Connected Grantees and the transactions contemplated thereunder, and the principal factors and reasons considered by it in arriving at its opinions.

### **5. SGM**

The SGM will be convened and held at Room 21A, Aikang Building, Zhangjiagang City, Suzhou, Jiangsu Province, the PRC on Tuesday, 25 October 2022 at 11 a.m. for the purpose of considering and, if thought fit, approving the proposed allotment and issue of Non-connected Awarded Shares and the Connected Awarded Shares pursuant to the Specific Mandate.

Pursuant to the Listing Rules, any vote of shareholders at a general meeting must be taken by poll. Accordingly, all the proposed resolutions will be put to vote by way of poll at the SGM. An announcement on the poll vote results will be made by the Company after the SGM in the manner prescribed under Rule 13.39(5) of the Listing Rules.

Among the Connected Grantees, Ms. Wu Siyuan, the Chairman, Chief Executive and an executive Director, is a discretionary beneficiary under a family trust which wholly owns Eastmount Global Limited, which a substantial Shareholder of the Company holding 69,658,600 Shares, representing approximately 23.77% of the issued Shares as at the Latest Practicable Date. As a matter of good corporate governance, Eastmount Global Limited will abstain from voting in respect of the relevant resolutions approving the grant of the relevant Specific Mandate for the allotment and issue of new Shares to the Connected Grantees and the grant of the Connected Awarded Shares to the Connected Grantees. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, no other Shareholders has a material

---

## LETTER FROM THE BOARD

---

interest in the proposed allotment and issue of the Awarded Shares to the Grantees as at the Latest Practicable Date and accordingly, other than Eastmount Global Limited, no other Shareholder is required to abstain from voting at the SGM.

A notice convening the SGM is set out on pages 45 to 47 of this circular. A proxy form is enclosed with this circular. Whether or not you are able to attend the SGM, you are advised to read the notice and to complete and sign the enclosed proxy form in accordance with the instructions printed thereon and return it to the Company's Hong Kong Branch Share Registrar, Union Registrars Limited, at Suites 3301-04, 33/F., Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding of the SGM (i.e. not later than 11 a.m. on Sunday, 23 October 2022) or any adjournment thereof. Completion and return of the proxy form will not preclude you from attending and voting in person at the SGM or any adjournment thereof if you so wish. In such event, the proxy form shall be deemed to be revoked.

### **6. CLOSURE OF REGISTER OF MEMBERS**

For the purpose of ascertaining the shareholders' eligibility to attend and vote at the SGM, the register of members of the Company will be closed from Thursday, 20 October 2022 to Tuesday, 25 October 2022 (both days inclusive) during which period no share transfer will be effected. In order to qualify for attending and voting at the SGM, unregistered holders of shares of the Company should ensure that all completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's Hong Kong Branch Share Registrar, Union Registrars Limited, at Suites 3301-04, 33/F., Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong for registration no later than 4:00 p.m., on Wednesday, 19 October 2022.

Yours faithfully,  
By order of the Board  
**Wu Siyuan**  
*Chairman and Chief Executive*

**CHERISH SUNSHINE INTERNATIONAL LIMITED**

**承輝國際有限公司**

*(Incorporated in Bermuda with limited liability)*

**(Stock code: 1094)**

6 October 2022

*To the Independent Shareholders*

Dear Sir or Madam,

**CONNECTED TRANSACTION IN RELATION TO PROPOSED GRANT OF  
AWARDED SHARES TO CONNECTED PERSONS UNDER THE SHARE  
AWARD PLAN PURSUANT TO SPECIFIC MANDATE**

We refer to the circular of the Company dated 6 October 2022 (the “**Circular**”) to the Shareholders, of which this letter forms part. Capitalised terms used in this letter have the same meanings as those defined in the Circular unless the context otherwise requires.

We have been appointed by the Board as members to form the Independent Board Committee and to advise the Independent Shareholders in relation to the proposed allotment and issue of the Connected Awarded Shares to the Connected Grantees and the transactions contemplated thereunder (including the grant of the relevant Specific Mandate). Red Sun Capital Limited has been appointed by the Company as the Independent Financial Adviser to advise us and the Independent Shareholders in this regard. Details of its advice, together with the principal factors and reasons it has taken into consideration in giving its advice, are contained in its letter set out on pages 22 to 39 of the Circular. Your attention is also drawn to the letter from the Board set out on pages 20 to 21 of the Circular and the additional information set out in the appendix of the Circular.

After taking into account the factors and reasons considered by the Independent Financial Adviser and its conclusion and advice, we concur with its views and consider that the proposed allotment and issue of new Shares to the Connected Grantees and the transactions contemplated thereunder (including the grant of the relevant Specific Mandate) is (i) fair and reasonable so far as the Company and the Independent Shareholders are concerned and in the interests of the Company and the Independent Shareholders as a whole; and (ii) incidental to the Group’s development of its ordinary and usual course of business and is in the ordinary course of business of the Group and on normal commercial terms. Accordingly, we recommend that the Independent

---

**LETTER FROM THE INDEPENDENT BOARD COMMITTEE**

---

Shareholders should vote in favor of the resolutions to be proposed at the SGM to approve the proposed allotment and issue of the Connected Awarded Shares to the Connected Grantees and the transactions contemplated thereunder (including the grant of the relevant Specific Mandate).

Yours faithfully

For and on behalf of the  
Independent Board Committee

**Mr. Zhong Dengyu**

*Independent Non-executive*

*Director*

**Mr. Jiang Jun**

*Independent Non-executive*

*Director*

**Ms. Deng Hua**

*Independent Non-executive*

*Director*

---

## LETTER FROM INDEPENDENT FINANCIAL ADVISER

---

*The following is the text of the letter of advice from Red Sun Capital Limited to the Independent Board Committee and the Independent Shareholders in relation to the grant of the Connected Awarded Shares to the Connected Grantees pursuant to the Specific Mandate prepared for the purpose of incorporation in this circular.*



紅日資本有限公司

RED SUN CAPITAL LIMITED

Room 310, Floor 3,  
China Insurance Group Building,  
141 Des Voeux Road Central  
Central  
Hong Kong  
Tel: (852) 2857 9208  
Fax: (852) 2857 9100

6 October 2022

*To the Independent Board Committee and the Independent Shareholders of  
Cherish Sunshine International Limited*

Dear Sirs,

### **CONNECTED TRANSACTION IN RELATION TO PROPOSED GRANT OF AWARDED SHARES TO CONNECTED PERSONS UNDER THE SHARE AWARD PLAN PURSUANT TO SPECIFIC MANDATE**

#### **INTRODUCTION**

We refer to our appointment as the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the grant of the Connected Awarded Shares to the Connected Grantees pursuant to the Specific Mandate and the transactions contemplated thereunder, details of which are set out in the circular to the Shareholders dated 6 October 2022 (the “**Circular**”), of which this letter forms part. Unless otherwise stated, terms defined in the Circular have the same meanings in this letter.

As set out in the letter from the Board in the Circular (the “**Letter from the Board**”), and with reference to the announcements of the Company dated 29 April 2022 and 2 September 2022, the Board has resolved to adopt the Share Award Plan in line with the long-term business strategy of the Group, to recognise and reward the contribution of certain potential eligible participants to



---

## LETTER FROM INDEPENDENT FINANCIAL ADVISER

---

the growth and development of the Group and to give incentives to such potential eligible participants in order to encourage and retain them for the continual operation and development of the Group and to attract suitable personnel for further development of the Group.

On 2 September 2022, the Board has resolved to grant, subject to acceptance of the Grantees and other conditions, a total of not more than 10,769,000 Awarded Shares to 44 Grantees pursuant to the Share Award Plan, of which, (i) not more than 5,055,000 Non-connected Awarded Shares were granted to 39 Non-connected Grantees and shall be satisfied by the proposed allotment and issue of new Shares to the Trustee pursuant to the relevant Specific Mandate, subject to the approval of the Shareholders, and in accordance with the terms of the Share Award Plan Rules; and (ii) not more than 5,714,000 Connected Awarded Shares were granted to 5 Connected Grantees and shall be satisfied by the proposed allotment and issue of new Shares to the Trustee pursuant to the relevant Specific Mandate, subject to the approval of Independent Shareholders, and in accordance with the terms of the Share Award Plan Rules.

The Connected Grantees, include Directors of the Company and a director and the chief executive of certain subsidiaries of the Company, are connected persons of the Company pursuant to Rule 14A.07 of the Listing Rules. Therefore, the proposed allotment and issue of Connected Awarded Shares to the Connected Grantees under the Share Award Plan shall constitute connected transaction of the Company under Chapter 14A of the Listing Rules and shall be subject to, among others, the Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

As set out in the Letter from the Board, among the Connected Grantees, Ms. Wu Siyuan, the Chairman, Chief Executive and an executive Director, is a discretionary beneficiary under a family trust which wholly owns Eastmount Global Limited, which a substantial Shareholder of the Company holding 69,658,600 Shares, representing approximately 23.77% of the issued Shares as at the Latest Practicable Date. As a matter of good corporate governance, Eastmount Global Limited will abstain from voting in respect of the relevant resolutions approving the grant of the relevant Specific Mandate for the allotment and issue of new Shares to the Connected Grantees and the grant of the Connected Awarded Shares to the Connected Grantees.

Save for the above, to the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, no other Shareholders has a material interest in the proposed allotment and issue of the Awarded Shares to the Grantees as at the Latest Practicable Date and accordingly, other than Eastmount Global Limited, no other Shareholder is required to abstain from voting at the SGM.

---

## LETTER FROM INDEPENDENT FINANCIAL ADVISER

---

### THE INDEPENDENT BOARD COMMITTEE

The Independent Board Committee comprising all the independent non-executive Directors, namely, Mr. Zhong Dengyu, Mr. Jiang Jun and Ms. Deng Hua, has been formed to advise the Independent Shareholders in relation to the terms of the proposed grant of the Connected Awarded Shares to the Connected Grantees pursuant to the Specific Mandate and the transactions contemplated thereunder is in the ordinary and usual course of business of the Group, on normal commercial terms or better, fair and reasonable and in the interests of the Company and the Independent Shareholders as a whole. We have been appointed as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in this respect.

Our role as the independent financial adviser to the Independent Board Committee and the Independent Shareholders is to give our recommendation to the Independent Board Committee and the Independent Shareholders as to whether terms of the proposed grant of the Connected Awarded Shares to the Connected Grantees pursuant to the Specific Mandate and the transactions contemplated thereunder is in the ordinary and usual course of business of the Group, on normal commercial terms, fair and reasonable and in the interests of the Company and the Independent Shareholders as a whole.

### OUR INDEPENDENCE

As at the Latest Practicable Date, we were independent from and not connected with the Company or any of the Connected Grantees. Save for our appointment as the Independent Financial Adviser, Red Sun Capital did not act as an independent financial adviser to the independent board committee and/or independent shareholders of the Company in the past two years. Apart from the normal advisory fee payable to us in connection with our appointment as the Independent Financial Adviser, no arrangement exists whereby we shall receive any other fees or benefits from the Company or any other parties that could reasonably be regarded as relevant to our independence. Accordingly, we consider that we are independent pursuant to Rule 13.84 of the Listing Rules.

### BASIS OF OUR ADVICE

In formulating our advice to the Independent Board Committee and the Independent Shareholders, we have relied solely on the statements, information, opinions and representations contained in the Circular and the information and representations provided to us by the Company, the Directors and/or its senior management staff (the “**Management**”). We have assumed that all such statements, information, opinions and representations contained or referred to in the Circular

---

## LETTER FROM INDEPENDENT FINANCIAL ADVISER

---

or otherwise provided or made or given by the Company, the Directors and/or the Management (for which it is/they are solely and wholly responsible), were true and accurate and valid at the time they were made and given and continue to be true and valid as at the date of the Circular.

The Directors jointly and severally accept full responsibility for the accuracy of the statements, information and representations contained in the Circular and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in the Circular have been reasonably arrived at after due and careful consideration and there are no other material facts not contained in the Circular the omission of which would make any statement in the Circular misleading. We consider that we have been provided with sufficient information in order to form a reasonable basis for our opinion. We have no reason to suspect that any relevant information has been withheld, nor are we aware of any facts or circumstances which would render the information provided and representations made to us untrue, inaccurate or misleading. We consider that we have performed all necessary steps to enable us to reach an informed view and to justify our reliance on the information provided so as to provide a reasonable basis for our opinion.

We have not, however, for the purpose of this exercise, conducted any independent verification, investigation or audit into the information provided by the Directors and the Management, business or affairs or future prospects of the Company, their respective shareholder(s) and subsidiaries or affiliates, the Connected Grantees and the Non-connected Grantees, and their respective history, experience and track records, or, where relevant, the prospects of the markets in which they respectively operate.

This letter is issued for the Independent Board Committee and the Independent Shareholders solely in connection with their consideration of the grant of the Connected Awarded Shares to the Connected Grantees pursuant to the Specific Mandate and, except for its inclusion in the Circular, is not to be quoted or referred to, in whole or in part, nor shall this letter be used for any other purposes, without our prior written consent.

### **PRINCIPAL FACTORS AND REASONS CONSIDERED**

In formulating our opinion on the grant of the Connected Awarded Shares to the Connected Grantees pursuant to the Specific Mandate and the terms contemplated thereunder, we have taken into consideration the following principal factors and reasons:

---

## LETTER FROM INDEPENDENT FINANCIAL ADVISER

---

### **1. Background of and reasons for the grant of the Awarded Shares, including the Connected Awarded Shares to the Connected Grantees**

The Share Award Plan was adopted by the Company on 29 April 2022 to provide means for the Company to recognise the contribution of and to motivate certain Share Award Plan participants and to provide incentives and help the Company in retaining its existing employees and recruiting additional employees and to provide them with a direct economic interest in attaining the long-term business objectives of the Company. The Board considers that the grant of the Awarded Shares to the Grantees is an effective means to (i) recognise the contributions made to the Group by the Grantees; (ii) retain and attract the current and future employees, whose contributions are beneficial to the continual operation, development and long-term growth of the Group; and (iii) encourage and motivate the Grantees to achieve individual performance goals as well as the corporate objectives, thus increasing the value of the Group and aligning the interests of the Grantees to the Shareholders through ownership of Shares.

As advised by the Management, out of the 44 Grantees, 5 are Connected Grantees, which include Directors of the Company, a director and the chief executive of certain subsidiaries of the Company, and the remaining 39 are Non-connected Grantees (none of whom are directors or chief executive of any members of the Group), who are considered to have contributed towards the Group's continuous development and growth.

As set out in the Letter from the Board, in determining the number of the Awarded Shares to be granted to each of the Grantees, the Board has considered, various factors including but not limited to, (i) the current contributions and values brought to the Group and the continuing contribution and potential values to the Group's future development of the Grantees; (ii) the functions, job responsibilities and job seniorities of the Grantees within the Group; (iii) whether the grant is a fair and reasonable representation of the Grantees' respective historical contributions to the Group with reference to their respective job responsibilities; (iv) whether the grant is sufficient to motivate and retain the Grantees within the Group; and (v) whether the grant is an effective means to align the interests of the Grantees with the long-term growth and development of the Group.

In this connection, we have conducted the following work and analysis including, (i) discussed and understood from the Management that the grant of the Awarded Shares to the Grantees was after consideration of their respective roles, current contributions made to the Group and the continuing contribution and potential values to the Group's future development; (ii) the vesting of the Awarded Shares is subject to the fulfilment of certain performance targets and/or vesting conditions as specified by the Board in the letters of grant issued to each of the Grantees, which are considered by the Management to be beneficial to the continual operation, development and long-term growth of the Group, and would also align the interests of the Grantees with that of

---

## LETTER FROM INDEPENDENT FINANCIAL ADVISER

---

the Group in long term; (iii) obtained and reviewed sample of appraisal forms for performance assessment of the Grantees, including the Connected Grantees and the Non-connected Grantees; and (iv) conducted research and reviewed share award circulars of Main Board listed companies in the past 12 months immediately prior to the date of the Announcement to assess the reasonableness of the size of the grant of Connected Awarded Shares to the Connected Grantees, the vesting period and the grant price and whether such are in line with general market practice. For details of our work and analysis, please refer to the section headed “3. Our analysis on the Connected Awarded Shares to the Connected Grantees” in this letter below.

Having considered the above, we concur with the Management’s view that the grant of the Connected Awarded Shares to the Connected Grantees under the Specific Mandate to be in the interests of the Company and Independent Shareholders as a whole.

### **2. Grant of Awarded Shares pursuant to the Share Award Plan**

Based on the Letter from the Board, we have set out a summary on the grant of Awarded Shares pursuant to the Share Award Plan.

#### **(i) Grant of Awarded Shares**

On 2 September 2022, the Board has resolved to grant, subject to acceptance of the Grantees and other conditions, a total of not more than 10,769,000 Awarded Shares to 44 Grantees pursuant to the Share Award Plan, of which, (i) not more than 5,055,000 Non-connected Awarded Shares, representing approximately 1.72% of the total number of Shares in issue as at the Latest Practicable Date, were granted to 39 Non-connected Grantees and shall be satisfied by the proposed allotment and issue of new Shares to the Trustee pursuant to the relevant Specific Mandate, subject to the approval of the Independent Shareholders, and in accordance with the terms of the Share Award Plan Rules; and (ii) not more than 5,714,000 Connected Awarded Shares, representing approximately 1.95% of the total number of Shares in issue as at the Latest Practicable Date, were proposed to be granted to 5 Connected Grantees and shall be satisfied by the proposed allotment and issue of new Shares to the Trustee pursuant to the relevant Specific Mandate, subject to the approval of the Independent Shareholders, and in accordance with the terms of the Share Award Plan Rules.

---

## LETTER FROM INDEPENDENT FINANCIAL ADVISER

---

The Awarded Shares were awarded to, and accepted by, the following connected persons of the Company:

<b>Name of Connected Grantees</b>	<b>Position(s) in the Group</b>	<b>Number of Connected Awarded Shares to be granted to the Connected Grantees</b>
Ms. Wu Siyuan	Chairman, Chief Executive and executive Director	1,258,000
Ms. Liu Qian	Non-executive Director	2,717,000
Mr. Li Shun	Non-executive Director and chief financial officer	1,258,000
Mr. Li Guanghua	Non-executive Director	306,000
Mr. Li Shipeng	Director and chief executive of several subsidiaries of the Company	175,000
Total		<hr/> <u>5,714,000</u>

As set out in the Letter from the Board, the Awarded Shares will be held on trust for the Grantees by the Trustee before vesting of the Awarded Shares.

**(ii) Maximum number of Awarded Shares to be granted to the Connected Grantees and its market value**

Assuming (a) the maximum number of new Shares to be granted to the Grantees of 10,769,000 Shares, which represents approximately 3.674% of the total number of Shares in issue at the Latest Practicable Date; and (b) no other new Shares would be issued up to the date of issue and allotment of the Connected Awarded Shares and the transactions contemplated thereunder, the maximum number of 10,769,000 new Shares to be issued to the Grantees would represent approximately 3.544% of the total number of Shares in issue as enlarged by the allotment and issue of Awarded Shares. Out of the 10,769,000 Awarded Shares, 5,714,000 of which shall be Connected Awarded Shares to be issued and allotted to the Trustee, and shall be held on trust for the Connected Grants before the vesting of the Awarded Shares.

---

## LETTER FROM INDEPENDENT FINANCIAL ADVISER

---

Based on the closing price of the Shares as at the Latest Practicable Date, as quoted on the Stock Exchange of HK\$0.80 per Share, the market value of 5,714,000 Connected Awarded Shares and 5,055,000 Non-connected Awarded Shares are approximately HK\$4,571,200 and HK\$4,044,000, respectively.

### **(iii) Consideration and funds to be raised**

The Share Award Grantees upon acceptance of the grant of Awarded Shares are required to pay the grant price of HK\$0.46 per Awarded Share to the Company. On this basis, assuming all Awarded Shares are vetted and all of the Share Award Grantees accept the grant of Awarded Shares, an aggregate of HK\$4,953,740 will be received by the Company as a result of the allotment and issue of the new Shares.

### **(iv) Vesting schedule**

The Awarded Shares will be held on trust for the Grantees by the Trustee which shall transfer the Awarded Shares to the Grantees in four tranches as follows: (a) 25% shall be vested immediately following the first anniversary of the Date of Grant; (b) 25% shall be vested immediately following the second anniversary of the Date of Grant; (c) 25% shall be vested immediately following the third anniversary of the Date of Grant; and (d) the remaining 25% shall be vested immediately following the fourth anniversary of the Date of Grant.

The vesting of the Awarded Shares is also subject to the fulfilment of certain performance targets and/or vesting conditions as specified by the Board in the letters of grant issued to each of the Grantees. Unless otherwise determined by the Board or its delegate(s) at their absolute discretion, if the performance targets and/or vesting conditions are not fulfilled before vesting, the Awarded Shares granted will lapse and be returned to the trust administering the Share Award Plan in accordance with the Share Award Plan Rules. The grant price paid will be refunded to the relevant Grantees.

### **(v) Conditions precedent of the Connected Awarded Shares to the Connected Grantees**

As set out in the Letter from the Board, the proposed allotment and issue of 10,769,000 Awarded Shares to the Grantees shall be subject to (a) the approval by the Independent Shareholders at the SGM in respect of the grant of the relevant Specific Mandate for the allotment and issue of the Awarded Shares and the grant of the Awarded Shares to the Grantees; (b) the Listing Committee of the Stock Exchange having granted the approval for the listing of, and permission to deal in the Awarded Shares; (c) the fulfilment of the conditions as specified by the Board in the letters of grant; and (d) the acceptance of the Grantees.

---

## LETTER FROM INDEPENDENT FINANCIAL ADVISER

---

For other information in relation to the grant of Awarded Shares pursuant to the Share Award Plan, such as, ranking of the Connected Awarded Shares and application for Listing, please refer to the section headed “2. GRANT OF AWARDED SHARES PURSUANT TO THE SHARE AWARD PLAN” under the Letter from the Board.

### **3. Our analysis on the Connected Awarded Shares to the Connected Grantees**

We understand from the Management that the grant of the Awarded Shares to the Grantees was after consideration of their respective roles, current contributions made to the Group, the continuing contribution and potential values to the Group’s future development and remuneration packages.

Subject as provided under the Share Award Plan Rules, the condition(s) and/or performance target(s) must be duly fulfilled by the relevant Grantee and/or the Group before any of the Awarded Shares may be transferred to and vested in such Grantee under such award of the Awarded Shares. Such is applied to both Connected Grantees and Non-Connected Grantees.

The Management advised that the performance targets of the Grantees are determined based on their respective positions, duties and responsibilities within the Group against the backdrop of the overall corporate objectives and each Grantee is assessed based on the relevant indicators, including, where applicable, overall performance of the Group and/or at an individual performance level, as prescribed by the Management. The attributes of the personal level performance target relates to personal indicators as set by the relevant supervisor or the Management which may include, among others, relevant job duties and responsibilities, completion of specified tasks on schedule, contribution towards reduction of operation costs of the Group, sourcing and securing customers by the relevant Grantees, etc. As for the Company level performance target, such is assessed based on the attainment of certain financial targets of the Group, such as revenue growth, as prescribed by the Board.

In the event that the required level of performance is attained after the Group’s assessment, the relevant Awarded Shares will be vested according to the vesting schedule. However, if a Grantee fails to attain a prescribed level of performance which after the Group’s assessment, the Awarded Shares granted shall lapse and be returned to the trust administering the Share Award Plan in accordance with the Share Award Plan Rules. The grant price paid will be refunded to the relevant Share Award Grantees.

In this connection, we have obtained from the Management a sample of appraisal forms for performance assessment of the Grantees, including the Connected Grantees and the Non-connected Grantees. We noted from the sample appraisal forms obtained that performance targets are person specific which may include business-related performance targets and/or operation related



---

## LETTER FROM INDEPENDENT FINANCIAL ADVISER

---

performance targets, depending on the department, position and responsibilities of the subject Grantee. After the completion of the performance assessment, a score is given by the appraiser(s) designated by the Company.

Based on our discussion with the Management and our work performed, we noted that the purpose of setting out business-related performance targets and/or operation related performance targets as part of the performance assessment, with reference to the job responsibilities of the relevant individual, are to provide an objective evaluation on the contribution of the Grantees (including the Connected Grantees). Furthermore, vesting of the Awarded Shares is conditional upon the prescribed performance targets as set by the Company having been satisfied in respect of the relevant anniversary of the Date of Grant, such is intended to incentivise the Grantee for his/her past contributions to the Group as well as to retain and motivate the current employees, whose contributions are beneficial to the continual operation, development and long-term growth of the Group, which would also align the interests of the Grantees with that of the Group in long term. Therefore, we are of the view that the fulfilment of the performance targets as one of the vesting conditions is in line with the purpose of the Share Award Plan.

In addition, we also understand from the Management that, in accordance with the Company's remuneration policy, the remuneration package of both the Connected Grantees and Non-connected Grantees may consist of, where applicable, (i) a fixed remuneration in the form of a monthly salary; (ii) discretionary performance-related bonus as a short-term incentive; and (iii) share options under the share option schemes and/or share awards under the Share Award Plan which intends to align the long term interests of the Connected Grantees and Non-connected Grantees with the long-term financial performance of the Group and the interests of the Shareholders as a whole through the ownership of Shares.

In view of our analysis in respect of the vesting of the Awarded Shares as set out above, in particular, the vesting of the Awarded Shares to both the Connected Grantees and the Non-connected Grantees depends on his/her role and responsibilities and subject to their respective prescribed performance targets, we are of the view that the grant of the Connected Awarded Shares to the Connected Grantees being subject to vesting conditions, including fulfilment of prescribed performance targets as set by the Company, is reasonable as it serves the purpose of the Share Award Plan, such as providing motivation to the respective Grantees (including the Connected Grantees) and will facilitate the Group to retain and attract the current and future employees, whose contributions are beneficial to the continual operation, development and long-term growth of the Group.

With a view to further assess the fairness and reasonableness of the terms of the Awarded Shares, we have reviewed share award circulars of Main Board listed companies (excluding biopharmaceutical companies listed on the Stock Exchange under Chapter 18A of the Listing Rules

---

## LETTER FROM INDEPENDENT FINANCIAL ADVISER

---

given the general pre-profit nature of these biopharmaceutical companies and the fact that the remuneration package of their directors and/or senior management would typically comprised of a comparatively larger proportion of share-based incentives than the traditional industries which would make the biopharmaceutical companies less relevant for the purpose of this comparable analysis) in the past 12 months immediately prior to the date of the Announcement (i.e. from 1 September 2021 up to and including the date of Announcement) (the “**Review Period**”), whereby shares of the relevant subject listed company were granted to their connected person(s), such as member(s) of the board and/or director(s) at its subsidiary level, under the respective listed companies’ share award scheme/plan (the “**Criteria**”). We are of the view that the review period of 12 months to be appropriate as it is a reasonably lengthy duration and that we have identified eleven comparables based on such review period and criteria set, which is considered to be a meaningful reference to the Independent Shareholders on the general market practice in connection with recent share awards undertaken by other Main Board listed companies. Hence, we consider the Review Period to be fair and representative for the purpose of our analysis. It is also noted that such identified share awards granted to connected person(s) may be carried out at the same time as share awards to non-connected person(s) under certain Comparable Grants (defined hereafter), such as senior management and other employees, under their respective share award schemes. Based on the Criteria, we have identified eleven grants of share award on an exhaustive basis (the “**Comparable Grants**”).

## LETTER FROM INDEPENDENT FINANCIAL ADVISER

It should be noted that although the size, business nature, scale of operations and prospects of the Company may not be the same as the listed companies in connection with the Comparable Grants, this analysis is conducted with the view to identify a general reference to the recent market practice in relation to similar type of share awards, hence we consider the Comparable Grants to be a representative sample for the purpose of our analysis. Set out below is a summary of the Comparable Grants based on the information contained in the respective transaction circular issued by the subject listed company:

Date of circular	Company name (stock code)	Percentage of total/maximum number of awarded shares to connected person(s) to total number of shares in issue on the date of the announcement as included in the respective circular (approx.) (Note 1)	Percentage of awarded shares to be granted to individual connected person to the total share number of shares in issue on the date of the announcement as included in the respective circular (approx.)	Vesting date/period	Discount of the vesting price to the closing price of share as at the date of the subject announcement as included in the respective circular
1. 22 October 2021	Homeland Interactive Technology Ltd. (3798)	0.480%	0.048% to 0.159%	(i) 40% on 30 April 2022; (ii) 30% on 30 April 2023; (iii) 30% on 30 April 2024	99.99% (Note 2)
2. 26 November 2021	Concord New Energy Group Limited (182)	0.373%	0.012% to 0.047%	(i) 25% on 15 February 2022; (ii) 25% on 15 February 2023; (iii) 25% on 15 February 2024; (iv) 25% on 15 February 2025	100%
3. 29 November 2021	China ITS (Holdings) Co., Ltd. ("China ITS") (1900)	4.000%	1.00% to 3.00%	(i) 33% on 30 June 2022; (ii) 33% on 30 June 2023; (iii) 34% on 30 June 2024	18.75% (based on grant fee of HK\$0.13 per share and closing price of HK\$0.16 per share)
4. 10 January 2022	Elife Holdings Limited (223)	1.955%	0.09% to 0.87%	(i) 25% on the date of grant; (ii) 25% on the 90th day after the date of grant; (iii) 25% on the 180th day after the date of grant; (iv) 25% on the 270th day after the date of grant	100%

## LETTER FROM INDEPENDENT FINANCIAL ADVISER

Date of circular	Company name (stock code)	Percentage of total/maximum number of awarded shares to connected person(s) to total number of shares in issue on the date of the announcement as included in the respective circular (approx.) <i>(Note 1)</i>	Percentage of the awarded shares to be granted to individual connected person to the total share number of shares in issue on the date of the announcement as included in the respective circular (approx.)	Vesting date/period	Discount of the vesting price to the closing price of share as at the date of the subject announcement as included in the respective circular
5. 21 January 2022	Suoxinda Holdings Limited (3680)	0.10842% <i>(Note 3)</i>	0.00149% to 0.06465% <i>(Note 3)</i>	Three tranches with vesting periods of approximately 3.25 years, 4.25 years and 0.5 year	100%
6. 29 March 2022	Budweiser Brewing Company APAC Limited (1876)	0.026%	0.001% to 0.025%	vesting up to a five-year period	Not disclosed <i>(Note 5)</i>
7. 27 April 2022	Fosun International Limited (“Fosun International”) (656)	0.241%	0.0007% to 0.04%	1 to 3 years	100%
8. 20 May 2022	Greentown Management Holdings Company Limited (9979)	0.485%	0.102% to 0.179%	(i) 30% on 1st anniversary; (ii) 30% on 2nd anniversary; (iii) 40% on 3rd anniversary	100%
9. 6 July 2022	Alibaba Health Information Technology Limited (“Alibaba Health”) (241)	0.015%	Not specified in the relevant circular	within 4 years from 15 June 2022	100%
10. 15 July 2022	Zall Smart Commerce Group Ltd. (“Zall Smart”) (2098)	0.060%	0.0008% to 0.01%	to be vested on the date of grant	100%
11. 6 September 2022	Productive Technologies Company Limited (“Productive Technologies”) (650)	0.812%	0.81%	five equal tranches on 8 August 2023, 8 August 2024, 8 August 2025, 8 August 2026 and 8 August 2027	100%
	<b>Maximum</b>	<b>4.000%</b>	<b>3.000%</b>		
	<b>Minimum</b>	<b>0.015%</b>	<b>0.0007%</b>		
	<b>Average</b>	<b>0.778%</b>	N/A <i>(Note 4)</i>		
	<b>Median</b>	<b>0.373%</b>	N/A <i>(Note 4)</i>		

---

## LETTER FROM INDEPENDENT FINANCIAL ADVISER

---

Date of circular	Company name (stock code)	Percentage of total/maximum number of awarded shares to connected person(s) to total number of shares in issue on the date of the announcement as included in the respective circular (approx.) <i>(Note 1)</i>	Percentage of the awarded shares to be granted to individual connected person to the total share number of shares in issue on the date of the announcement as included in the respective circular (approx.)	Vesting date/period	Discount of the vesting price to the closing price of share as at the date of the subject announcement as included in the respective circular
	The Company	1.95%	0.06% to 0.93%	(i) 25% on the 1st anniversary of the Date of Grant; (ii) 25% on the 2nd anniversary of the Date of Grant; (iii) 25% on the 3rd anniversary of the Date of Grant; and (iv) 25% on the 4th anniversary of the Date of Grant	58.18%

*Notes:*

1. Figures have been rounded to three decimal places, where applicable.
2. The amount payable upon acceptance of the grant of the share award is US\$0.000005 per awarded share compared to the relevant closing price of HK\$2.15 per share.
3. The total number of shares in issue was not specified in the relevant circular and the latest available public information on the total number of shares in issue before the relevant circular was adopted.
4. As most of the Comparable Grants consisted of a range of percentage of the awarded shares to be granted to individual connected person to the total share number of shares in issue, hence our analysis was conducted on such range of percentages and no average or median was calculated for the purpose of further analysis;
5. A grant value determined on the basis of the market price or an average market price of the shares at the time of grant.

As shown from the table above, we noted that the vesting date/period of the Comparable Grants ranged from subject awarded shares being vested on the date of grant (Zall Smart) up to around five years after the date of grant (Productive Technologies). As set out in the Letter from the Board, the Connected Awarded Shares shall be vested as to (i) 25% on the 1st anniversary of the Date of Grant; (ii) 25% on the 2nd anniversary of the Date of Grant; (iii) 25% on the 3rd anniversary of the Date of Grant; and (iv) 25% on the 4th anniversary of the Date of Grant (subject to duly fulfilment of the relevant performance target(s)), which is within range of the vesting period of the Comparable Grants.

In addition, we noted that (i) the number of award shares to the total number of shares in issue under the Comparable Grants granted to the connected grantee(s) ranged between approximately 0.015% (Alibaba Health) and 4.000% (China ITS) of the total number of shares in issue as at the date of relevant announcement as included in the respective circular, with an

---

## LETTER FROM INDEPENDENT FINANCIAL ADVISER

---

average of approximately 0.778% (the “**Average**”) and a median of approximately 0.373% (the “**Median**”); and (ii) the size of award shares of the Comparable Grants granted to the individual connected person ranged between less than approximately 0.0007% (Fosun International) and 3.000% (China ITS) of the total number of shares in issue as at the date of the relevant announcement as included in the respective circular. On this basis, the Connected Awarded Shares to the Connected Grantees, on an aggregated basis and the maximum individual basis, represent approximately 1.95% and 0.93% of the total number of Shares in issue as at the Date of Grant, respectively, which are above the Average and Median of the Comparable Grants but within the respective range of the Comparable Grants.

Furthermore, based on our review of the relevant circulars in relation to the Comparable Grants, we also noted that the share awards for a significant number of Comparable Grants do not require the subject awardees to pay a grant price for their award shares, while the Share Award Grantees, whether they are Connected Grantees or Non-connected Grantees, are required to pay a grant price of HK\$0.46 per Awarded Share to the Company for the proposed grant of Awarded Shares under the Share Award Plan.

In connection with the grant price, we noted that the grant price of HK\$0.46 per Awarded Share payable to the Company applies to both Connected Grantees and Non-connected Grantees. As part of our work, we also considered the discount of the grant price to the closing Share price as at the date of Announcement of approximately 58.18% is within the range from 100% discount (i.e. at a nil grant price) to approximately 18.75% discount to the closing price of the date of the subject share award announcement, under the subject share award. On this basis, we are of the view that the grant price, which is no less favourable than those from the Comparable Grants, is fair and reasonable.

As such, having considered (i) the Vesting Period is broadly in line with the vesting period of the Comparable Grants; (ii) the grant of the Connected Awarded Shares to the Connected Grantees, on an aggregated basis and individual basis, represent approximately 1.95% and 0.93% of the total number of Shares in issue as at the Date of Grant, respectively, are within the respective range of the Comparable Grants; and (iii) the discount of the grant price to the closing Share price as at the date of the Announcement is within range of the relevant Comparable Grants, we are of the view that the size of the grant of Connected Awarded Shares to the Connected Grantees, the vesting period and the grant price are reasonable and in line with general market practice.

---

## LETTER FROM INDEPENDENT FINANCIAL ADVISER

---

### 4. Dilution effect on the shareholding of the Company and possible financial effects

#### (i) Dilution effect

As set out in the Letter from the Board, all of the Awarded Shares granted to and accepted by the Grantees shall be satisfied by way of issue and allotment of new Shares under the specific mandate, (a) the Awarded Shares of 10,769,000 Shares, were granted to or proposed to be granted to the Grantees, represented approximately 3.674% of the total number of Shares in issue at the Latest Practicable Date and approximately 3.544% of the total number of Shares in issue as enlarged by the issue and allotment of the Awarded Shares; and (b) out of the total of not more than 10,769,000 Awarded Shares, not more than 5,714,000 Connected Awarded Shares, were proposed to be granted to 5 Connected Grantees, represented approximately 1.950% of the total number of Shares in issue at the Latest Practicable Date and approximately 1.881% of the total number of Shares in issue as enlarged by the issue and allotment of the Awarded Shares.

For illustration purposes only, the table below, which has been extracted from the Letter from the Board, sets out the shareholding structure of the Company based on the following scenarios and taking no account of any other issue or repurchase of Shares by the Company:

Name of the Shareholders	As at the	Immediately after the issuance, allotment and full		
	Latest	vesting of the Awarded Shares to the Grantees		
	Practicable	(assuming no other change in the issued share		
Date	capital of the Company)			
	Number of		Number of	
	Shares	%	Shares	%
Eastmount Global Limited	69,658,600	23.77	69,658,000	22.93
Connected Grantees				
Ms. Wu Siyuan ( <i>Note 1</i> )	—	—	1,258,000	0.41
Ms. Liu Qian	—	—	2,717,000	0.89
Mr. Li Shun	—	—	1,258,000	0.41
Mr. Li Guanghua	—	—	306,000	0.10
Mr. Li Shipeng	—	—	175,000	0.06
Non-connected Grantees	—	—	5,055,000	1.66
Other public Shareholders	223,425,125	76.23	223,425,125	73.53
Total:	<u>293,083,725</u>	<u>100.00</u>	<u>303,852,725</u>	<u>100.00</u>

*Note:*

- Ms. Wu Siyuan is a discretionary beneficiary under a family trust of which the trustee wholly owns Eastmount Global Limited. She is deemed to be interested in the shares of the Company held by Eastmount Global Limited by virtue of Part XV of the SFO.

---

## LETTER FROM INDEPENDENT FINANCIAL ADVISER

---

Taking into account the reasons for the grant of Connected Awarded Shares and the transactions contemplated thereunder as set out under the section headed “1. Background of and reasons for the grant of the Awarded Shares, including the Connected Awarded Shares to the Connected Grantees” in this letter, in particular, the grant of the Awarded Shares would enable the Group to retain and attract the current and future employees, whose contributions are beneficial to the continual operation, development and long-term growth of the Group, and the Company will not record material net cash outflow for the grant of Awarded Shares, we concur with the Management that the dilution effect to the Independent Shareholders resulting from the vesting of the Awarded Shares is reasonable.

*(ii) Possible financial effects arising from the grant of the Connected Awarded Shares*

As advised by the Management, if the Share Award Grantees accept the grant of all 10,769,000 Awarded Shares, and based on the grant price of HK\$0.46 per Awarded Share, the Company shall receive an aggregate of HK\$4,953,740 as a result of the allotment and issue of the new Awarded Shares, of which HK\$2,628,440 will be attributable to the Connected Awarded Shares.

### RECOMMENDATION

Having considered the principal factors and reasons as set out above, in particular,

- (i) the grant of the Connected Awarded Shares to the Connected Grantees provides a means for the Company to recognise the contributions made by the Connected Grantees, to retain, encourage and motivate its key employees to increase the value of the Group as well as align their interests with that of the Group through ownership of Shares;
- (ii) out of the grant of 10,769,000 Awarded Shares to 44 Grantees, (a) 5,714,000 Connected Awarded Shares were granted to 5 Connected Grantees; and (b) 5,055,000 Non-connected Awarded Shares were granted to 39 Non-connected Grantees;
- (iii) both the Connected Grantees and Non-connected Grantees, subject to the acceptance of the Awarded Shares by the Grantees, shall pay the same grant price per Awarded Share to the Company;
- (iv) subject as provided under the Share Award Plan Rules, the condition(s) and/or performance target(s) must be duly fulfilled by the relevant Grantee and/or the Group before any of the Awarded Shares may be transferred to and vested in such Grantee under such award of the Awarded Shares;



---

## LETTER FROM INDEPENDENT FINANCIAL ADVISER

---

- (v) the relevant performance target(s) serves the purpose of the Share Award Plan, such as providing motivation to the respective Grantees (including the Connected Grantees) and will allow the Group to retain and attract the current and future employees, whose contributions are beneficial to the continual operation, development and long-term growth of the Group;
- (vi) our analysis and work performed under the section headed “3. Our analysis on the Connected Awarded Shares to the Connected Grantees”;
- (vii) based on our analysis on the Comparable Grants, the size of the grant of Connected Awarded Shares to the Connected Grantees, the corresponding vesting period and the grant price are within the respective range and therefore in line with the Comparable Grants; and
- (viii) the Connected Awarded Shares of 5,714,000 Shares, were proposed to be granted to 5 Connected Grantees, represented approximately 1.950% of the total number of Shares in issue at the Latest Practicable Date and approximately 1.881% of the total number of Shares in issue as enlarged by the issue and allotment of the Awarded Shares, and that the dilution effect arising therefrom is considered to be reasonable,

we are of the opinion that the grant of Connected Awarded Shares to the Connected Grantees under the Share Award Plan is in the ordinary and usual course of business of the Group, on normal commercial terms, fair and reasonable and in the interests of the Company and the Independent Shareholders as a whole. Accordingly, we advise the Independent Board Committee to recommend, and we ourselves recommend, the Independent Shareholders to vote in favour of the ordinary resolution to be proposed at the SGM to grant the relevant Specific Mandate for the allotment and issue of the Connected Awarded Shares to the Connected Grantees and to approve the grant of the Connected Awarded Shares to the Connected Grantees.

Yours faithfully  
For and on behalf of  
**Red Sun Capital Limited**  
**Lewis Lai**  
*Managing Director*

*Mr. Lewis Lai is a licensed person registered with the SFC and a responsible officer of Red Sun Capital Limited to carry out type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities under the SFO and has over 15 years of experience in the corporate finance industry.*

## 1. 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 Group. 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.

## 2. DISCLOSURE OF INTERESTS

### (a) Directors' and chief executive's interests and short positions in the shares, underlying shares and debentures of the Company or its associated corporations

As at the Latest Practicable Date, the interests and short positions of each of the Directors and chief executives of the Company in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) (i) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provision of the SFO); or (ii) which were required, pursuant to section 352 of the SFO, to be and were entered in the register required to be kept by the Company referred to therein; or (iii) which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules (the "Model Code") were as follows:

Name of Director/Chief Executive	Capacity/Nature of Interest	Number of Shares Interested	Approximate	Long/Short Position
			Percentage of Shareholding (%)	
			(Note 1)	
Ms. Wu Siyuan (Note 2)	Discretionary beneficiary of a discretionary trust	69,658,600 (Note 2)	23.77	Long position

Note:

- The approximate percentage of interests held was calculated on the basis of 293,083,725 ordinary shares of the Company in issue as at the Latest Practicable Date.

2. These shares of the Company were held by Eastmount Global Limited, the entire issued share capital of which was indirectly held by Trident Trust Company (Singapore) Pte Limited as trustee of a family trust founded by Ms. Liu Luoxiu. Given Ms. Wu Siyuan was a discretionary beneficiary under the family trust, she was deemed to be interested in the shares of the Company held by Eastmount Global Limited by virtue of Part XV of the SFO.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors or chief executives of the Company had or was deemed to have any interests or short positions in the shares or the underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) (i) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provision of the SFO); or (ii) which were required, pursuant to section 352 of the SFO, to be and were entered in the register required to be kept by the Company referred to therein; or (iii) which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

**(b) Substantial Shareholders' interests and short position which is discloseable under Divisions 2 and 3 of Part XV of the SFO**

So far as is known to the Directors and chief executive of the Company, the following persons (other than Directors and chief executives of the Company) had, or were deemed or taken to have an interest or short position in the Shares and underlying Shares of the Company, which are required to be notified to the Company and the Stock Exchange pursuant to the provisions of Divisions 2 and 3 of Part XV of the SFO, as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO:

Name of Shareholder	Capacity/Nature of Interest	Number of Shares Interested	Approximate Percentage of Shareholding (%) (Note 1)	Long/Short Position
Eastmount Global Limited	Beneficial owner	69,658,600 (Note 2)	23.77	Long position
Trident Trust Company (Singapore) Pte Limited	Trustee of a discretionary trust	69,658,600 (Note 2)	23.77	Long position
Ms. Liu Luoxiu	Founder of a discretionary trust	69,658,600 (Note 2)	23.77	Long position

Name of Shareholder	Capacity/Nature of Interest	Number of Shares Interested	Approximate Percentage of Shareholding (%) (Note 1)	Long/Short Position
江西銀行股份有限公司	Person having a security interest in shares	63,964,200 (Note 3)	21.82	Long position

## Notes:

- As at 31 March 2022, the issued share capital of the Company was 293,083,725 shares.
- These shares of the Company were held by Eastmount Global Limited, which was wholly-owned by Fu Ze Ventures Limited, which was in turn wholly-owned by Eshay Investments Limited. Eshay Investments Limited was wholly-owned by Frandor Limited, which in turn was wholly-owned by Trident Trust Company (Singapore) Pte Limited, the trustee of a discretionary trust of which Ms. Liu Luoxiu is the settlor and certain family members of Ms. Liu Luoxiu, including Ms. Wu Siyuan, the chairman of the Board, an executive Director and the chief executive of the Company, are discretionary beneficiaries. Each of aforementioned persons and entities was deemed to be interested in the shares of the Company held by Eastmount Global Limited by virtue of Part XV of the SFO.
- These shares of the Company were pledged to 江西銀行股份有限公司 under a pledge agreement between 江西銀行股份有限公司 and Eastmount Global Limited.

Save as disclosed above, as at the Latest Practicable Date, the Directors were not aware of any other person (other than the Directors and chief executives of the Company) who had, or was deemed or taken to have, an interest or short position in the Shares and underlying Shares of the Company which are required to be notified to the Company and the Stock Exchange pursuant to the provisions of Divisions 2 and 3 of Part XV of the SFO, as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO.

### 3. DIRECTORS' INTERESTS

#### (a) Interests in assets

As at the Latest Practicable Date, none of the Directors has any direct or indirect interest in any assets which have been, since 31 March 2022, being the date to which the latest published consolidated financial statements of the Group were made up, acquired or disposed of by or leased to, or which are proposed to be acquired or disposed of by, or leased to, any member of the Group.

**(b) Interests in contract or arrangement**

As at the Latest Practicable Date, none of the Directors was materially interested in any contract or arrangement subsisting at the Latest Practicable Date and which was significant in relation to the business of the Group.

**(c) Interests in competing business**

As at the Latest Practicable Date, none of the Directors or chief executive of the Company and their respective close associates (as defined in the Listing Rules) has any competing interests which would be required to be disclosed under Rule 8.10 of the Listing Rules if each of them was a controlling Shareholder of the Company.

**4. SERVICE CONTRACTS**

As at the Latest Practicable Date, none of the Directors has any existing or proposed service contract with any member of the Group which is not determinable by the Group within one year without payment of compensation (other than statutory compensation).

**5. MATERIAL ADVERSE CHANGE**

The Directors were not aware of any material adverse change in the financial or trading position of the Group since 31 March 2022 (being the date to which the latest published audited consolidated financial statements of the Group were made up).

**6. QUALIFICATION AND CONSENT OF EXPERT**

The following is the qualification of the expert who has given opinion or advice, which are contained or referred to in this circular:

<b>Name</b>	<b>Qualification</b>
Red Sun Capital Limited	A licensed corporation to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO

As of the Latest Practicable Date, the Independent Financial Adviser did not have (i) any shareholding in any member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group and (ii) any direct or indirect interest in any assets which had, since 31 March 2022 (being the date to which the latest published audited consolidated financial statements of the Group were made up), been acquired or disposed of by, or leased to any member of the Group, or are proposed to be acquired or disposed of by, or leased to any member of the Group.

The Independent Financial Adviser has given and has not withdrawn its written consent to the issue of this circular with the inclusion herein of its letter and references to its name in the form and context in which it appears.

## **7. GENERAL**

In the event of any inconsistency, the English language text of this circular shall prevail over the Chinese language text.

## **8. DOCUMENTS ON DISPLAY**

A copy of the following document will be published on the websites of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company ([www.sunshine1094.com](http://www.sunshine1094.com)) from the date of this circular up to and including the date of the SGM:

- (a) the Share Award Plan.

---

## NOTICE OF THE SGM

---

# CHERISH SUNSHINE INTERNATIONAL LIMITED 承輝國際有限公司

*(Incorporated in Bermuda with limited liability)*

**(Stock code: 1094)**

**NOTICE IS HEREBY GIVEN** that a special general meeting (the “**SGM**”) of Cherish Sunshine International Limited (the “**Company**”) will be held at Room 21A, Aikang Building, Zhangjiagang City, Suzhou, Jiangsu Province, the PRC on Tuesday, 25 October 2022 at 11 a.m. for the purpose of considering and, if thought fit, passing with or without amendments, the following resolutions as ordinary resolutions of the Company.

### ORDINARY RESOLUTIONS

1. **“THAT**

- (a) conditional upon The Stock Exchange of Hong Kong Limited granting the listing of and permission to deal in an aggregate of 5,055,000 new shares of the Company to satisfy the grant of the awarded shares (the “**Non-connected Awarded Shares**”) to the grantees who are not connected persons of the Company (the “**Non-connected Grantees**”) pursuant to the terms of the share award plan adopted by the Company on 29 April 2022, as amended from time to time (the “**Share Award Plan**”), the directors of the Company (the “**Directors**”) be and are hereby authorised to exercise the powers of the Company to allot and issue the Non-connected Awarded Shares to Tricor Trust (Hong Kong) Limited to hold on trust for the Non-connected Grantees pursuant to the Share Award Plan; and
- (b) any one of the Directors be and is hereby authorised for and on behalf of the Company to take any action and execute such other documents as he/she considers necessary, desirable or expedient to carry out or give effect to or otherwise in connection with the allotment and issue of the Non-connected Awarded Shares to the Non-connected Grantees and the transactions contemplated thereunder.”

2. **“THAT**

- (a) conditional upon The Stock Exchange of Hong Kong Limited granting the listing of and permission to deal in an aggregate of 5,714,000 new shares of the Company to satisfy the grant of the awarded shares (the “**Connected Awarded Shares**”) to the grantees who are connected persons of the Company (the “**Connected Grantees**”) pursuant to the terms of the Share Award Plan, the Directors be and are hereby authorised to exercise

---

## NOTICE OF THE SGM

---

the powers of the Company to allot and issue of the Connected Awarded Shares to Tricor Trust (Hong Kong) Limited to hold on trust for the Connected Grantees pursuant to the Share Award Plan; and

- (b) any one of the Directors be and is hereby authorised for and on behalf of the Company to take any action and execute such other documents as he/she considers necessary, desirable or expedient to carry out or give effect to or otherwise in connection with the proposed allotment and issue of the Connected Awarded Shares to the Connected Grantees and the transactions contemplated thereunder.”
3. “**THAT** the grant of 1,258,000 Connected Awarded Shares pursuant to the Share Award Plan to Ms. Wu Siyuan be and is hereby approved and confirmed.”
4. “**THAT** the grant of 2,717,000 Connected Awarded Shares pursuant to the Share Award Plan to Ms. Liu Qian be and is hereby approved and confirmed.”
5. “**THAT** the grant of 1,258,000 Connected Awarded Shares pursuant to the Share Award Plan to Mr. Li Shun be and is hereby approved and confirmed.”
6. “**THAT** the grant of 306,000 Connected Awarded Shares pursuant to the Share Award Plan to Mr. Li Guanghua be and is hereby approved and confirmed.”
7. “**THAT** the grant of 175,000 Connected Awarded Shares pursuant to the Share Award Plan to Mr. Li Shipeng be and is hereby approved and confirmed.”

By order of the Board  
**Cherish Sunshine International Limited**  
**Wu Siyuan**  
*Chairman and Chief Executive*

Hong Kong, 6 October 2022

*Notes:*

- a. Any shareholder of the Company entitled to attend and vote at the SGM is entitled to appoint a proxy to attend and vote instead of him/her/it. A proxy need not be a shareholder of the Company. A shareholder who is the holder of two or more shares of the Company may appoint more than one proxy to represent him/her/it to attend and vote on his/her/its behalf. If more than one proxy is so appointed, the appointment shall specify the number and class of shares in respect of which each such proxy is so appointed.



---

## NOTICE OF THE SGM

---

- b. In order to be valid, a proxy form together with the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority, must be deposited at the Company's Hong Kong Branch Share Registrar (i.e. Union Registrars Limited, at Suites 3301-04, 33/F., Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong) as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the SGM (i.e. not later than 11 a.m. on Sunday, 23 October 2022) or any adjournment thereof. Delivery of the proxy form shall not preclude a shareholder of the Company from attending and voting in person at the SGM and, in such event, the proxy form shall be deemed to be revoked.
- c. To ascertain shareholders' eligibility to attend and vote at the SGM, the register of members of the Company will be closed from Thursday, 20 October 2022 to Tuesday, 25 October 2022 (both days inclusive) during which period no share transfer will be effected. In order to qualify for attending and voting at the SGM, unregistered holders of shares of the Company should ensure that all completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's Hong Kong Branch Share Registrar, Union Registrars Limited (at its address shown in Note b above), for registration no later than 4:00 p.m., on Wednesday, 19 October 2022.
- d. References to time and dates in this Notice are to Hong Kong time and dates.

*As at the date of this notice, the Board comprises two executive Directors, namely Ms. Wu Siyuan (Chairman and Chief Executive) and Ms. He Qian; three non-executive Directors, namely Ms. Liu Qian, Mr. Li Shun and Mr. Li Guanghua; and three independent non-executive Directors, namely Mr. Zhong Dengyu, Mr. Jiang Jun and Ms. Deng Hua.*