
THIS PROSPECTUS IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in doubt as to any aspect of this prospectus or as to the action to be taken, you should consult a licensed securities dealer or registered institution 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 the Prospectus Documents to the purchaser(s) or transferee(s), or to the licensed securities dealer or registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or transferee(s).

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

A copy of each of the Prospectus Documents, together with the documents specified in the paragraph headed "16. Documents Delivered to the Registrar of Companies" in Appendix III to this prospectus, have been registered with the Registrar of Companies in Hong Kong pursuant to Section 342C of the Companies (Winding up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong). The Registrar of Companies in Hong Kong, The Stock Exchange of Hong Kong Limited and the Securities and Futures Commission of Hong Kong take no responsibility for the contents of any of the Prospectus Documents.

Dealings in the Rights Shares in both nil-paid and fully-paid forms may be settled through CCASS and you should consult a licensed securities dealer or registered institution in securities, bank manager, solicitor, professional accountant or other professional adviser for details of the settlement arrangements and how such arrangements may affect your rights and interests. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

Shareholders with registered addresses in any jurisdiction outside Hong Kong or beneficial owners of the Shares who are residents outside Hong Kong should refer to the important information set out in the section headed "Notices" and the paragraph headed "Rights of Overseas Shareholders" under the section headed "Letter from the Board" in this prospectus.

The securities described herein have not been registered under the U.S. Securities Act or the laws of any state in the US and may not be offered or sold within the US, absent registration or an exemption from the registration requirements of the U.S. Securities Act and applicable state laws.

There is no intention to register any portion of the Rights Shares or any securities described in this prospectus in the US or to conduct a public offering of securities in the US. Distribution of the Prospectus Documents (including this prospectus) in jurisdictions other than Hong Kong may be restricted by law. Persons (including, without limitation, Shareholders and beneficial owners of the Shares, agents, custodians, nominees and trustees) in possession of the Prospectus Documents should inform themselves of and observe any such restrictions. This prospectus is not for release, publication or distribution, directly or indirectly, in or into the US. This prospectus does not constitute or form part of any offer or invitation to sell or issue, or any solicitation of any offer to acquire, the nil-paid Rights Shares or fully-paid Rights Shares or to take up any entitlements to the nil-paid Rights Shares or fully-paid Rights Shares in any jurisdiction in which such an offer or solicitation is unlawful. This prospectus has not been lodged or registered with any of the relevant authorities in any jurisdiction other than Hong Kong.

CHERISH SUNSHINE INTERNATIONAL LIMITED

承輝國際有限公司

(Incorporated in Bermuda with limited liability)

(Stock code: 1094)

RIGHTS ISSUE ON THE BASIS OF FIVE (5) RIGHTS SHARES FOR EVERY EIGHT (8) SHARES HELD ON THE RECORD DATE

Financial adviser to the Company



Placing agent of the Rights Issue



Capitalised terms used on this cover page have the same meanings as defined in this prospectus.

It should be noted that the Underwriting Agreement contains provisions entitling the Underwriter by notice in writing to the Company served prior to 4:00 p.m. on Friday, 3 February 2023 to terminate the obligations of the Underwriter thereunder on the occurrence of certain events. Such events are set out in the section headed "Termination of the Underwriting Agreement" of this prospectus. If the Underwriter terminates the Underwriting Agreement, or the Underwriting Agreement does not become unconditional, the Rights Issue will not proceed.

It should be noted that the Shares were dealt in on an ex-rights basis from Thursday, 22 December 2022. Dealings in the Rights Shares in the nil-paid form will take place from Tuesday, 10 January 2023 to Tuesday, 17 January 2023 (both days inclusive). Any person contemplating dealing in the nil-paid Rights Shares during the period from Tuesday, 10 January 2023 to Tuesday, 17 January 2023 (both days inclusive) will accordingly bear the risk that if the Underwriter terminates the Underwriting Agreement, or the Underwriting Agreement does not become unconditional, the Rights Issue will not proceed. Any person contemplating dealing in the Shares and/or the Rights Shares in their nil-paid form are recommended to consult his/her/its/their own professional advisers.

The latest time for acceptance of and payment for the Rights Shares is 4:00 p.m. on Friday, 20 January 2023. The procedures for acceptance, splitting of provisional allotment and payment and/or transfer of the Rights Shares are set out on pages 22 to 24 of this prospectus.

6 January 2023

NOTICES

Shareholders and potential investors of the Company should note that the Rights Issue is conditional upon, among other things, the fulfilment of the conditions contained in the Underwriting Agreement and the Underwriter not having terminated the Underwriting Agreement in accordance with the terms thereof (a summary of which is set out in the section headed “Termination of the Underwriting Agreement” of this prospectus). Accordingly, the Rights Issue may or may not proceed.

The Shares were dealt in on an ex-rights basis from Thursday, 22 December 2022. Dealings in the Rights Shares in nil-paid form are expected to take place from Tuesday, 10 January 2023 to Tuesday, 17 January 2023 (both days inclusive). Any Shareholder or other person contemplating transferring, selling or purchasing the Shares and/or the Rights Shares in their nil-paid form is advised to exercise caution when dealing in the Shares and/or the nil-paid Rights Shares.

Any party who is in doubt about his/her/its position or any action to be taken is recommended to consult his/her/its own professional adviser(s). Any Shareholder or other person dealing in the Shares or in the nil-paid Rights Shares until all the conditions to which the Rights Issue is subject are fulfilled (and the date on which the Underwriter’s right of termination of the Underwriting Agreement ceases) will accordingly bear the risk that if the Underwriter terminates the Underwriting Agreement, or the Underwriting Agreement does not become unconditional, the Rights Issue will not proceed.

DISTRIBUTION OF THE PROSPECTUS DOCUMENTS

Distribution of the Prospectus Documents (including this prospectus) in jurisdictions other than Hong Kong may be restricted by law. Persons (including, without limitation, Shareholders and beneficial owners of the Shares, agents, custodians, nominees and trustees) in possession of the Prospectus Documents should inform themselves of and observe any such restrictions. Any failure to comply with those restrictions may constitute a violation of the securities laws of any such jurisdiction. This prospectus does not constitute or form part of any offer or invitation to sell or issue, or any solicitation of any offer to acquire, the nil-paid Rights Shares or fully-paid Rights Shares or to take up any entitlements to the nil-paid Rights Shares or fully-paid Rights Shares in any jurisdiction in which such an offer or solicitation is unlawful. This prospectus has not been lodged or registered with any of the relevant authorities in any jurisdiction other than Hong Kong.

None of the Prospectus Documents will be registered under the securities laws of any jurisdiction other than Hong Kong and none of the Prospectus Documents will qualify for distribution under any of the relevant securities laws of any of the jurisdictions other than Hong Kong (save for any applicable exceptions as agreed by the Company). Accordingly, the Rights Shares in both nil-paid and fully-paid forms may not be offered, sold, pledged, taken up, resold,

NOTICES

renounced, transferred or delivered, directly or indirectly, into or within any jurisdictions other than Hong Kong absent registration or qualification under the respective securities laws of such jurisdictions other than Hong Kong, or exemption from the registration or qualification requirement under applicable rules of such jurisdictions.

Shareholders with registered addresses in, and investors who are located or resident in, any of the jurisdictions other than Hong Kong should refer to the paragraph headed “Rights of Overseas Shareholders” under the section headed “Letter from the Board” in this prospectus.

For a description of certain restrictions regarding the taking up of the nil-paid Rights Shares for, and the offering and sale of, the Rights Shares in jurisdictions other than Hong Kong, please see the notices below.

NOTICE TO INVESTORS IN THE PRC

If a Shareholder resident in the PRC and/or any other PRC resident (including both individuals and companies) wishes to take up the nil-paid Rights Shares or the fully-paid Rights Shares, he/she/it shall be responsible for complying with the relevant laws of the PRC. The Company will not be responsible for verifying the PRC legal qualification of such Shareholder and/or resident and thus, should the Company suffer any losses or damages due to non-compliance with the relevant laws of the PRC by any such Shareholder and/or resident, the Shareholder and/or resident shall be responsible to compensate the Company for the same. The Company shall not be obliged to issue the nil-paid Rights Shares or the fully-paid Rights Shares to any such Shareholder and/or resident, if issuing the nil-paid Rights or the fully-paid Rights Shares to them does not comply with the relevant laws of the PRC.

NOTICE TO INVESTORS IN THE BVI

Based on the advice provided by the Company’s legal advisers on the laws of the BVI, there are no restrictions under securities law or other similar laws in the BVI which would prevent the Company from including the Shareholder(s) with registered address(es) in the BVI in the Rights Issue. It would be lawful for the Company to offer the Rights Shares to its Shareholder with a registered address in the BVI, if the Rights Issue is made and/or the Prospectus Documents are sent to such Shareholder solely by reason that it is an existing Shareholder.

NOTICES

FORWARD-LOOKING STATEMENTS

All statements in this prospectus other than statements of historical fact are forward-looking statements. In some cases, forward-looking statements may be identified by the use of words such as “might”, “may”, “could”, “would”, “will”, “expect”, “intend”, “estimate”, “anticipate”, “believe”, “plan”, “seek”, “continue”, “illustration”, “projection” or similar expressions and the negative thereof. Forward-looking statements in this prospectus include, without limitation, statements in respect of the Group’s business strategies, product offerings, market position, competition, financial prospects, performance, liquidity and capital resources, as well as statements regarding trends in the relevant industries and markets in which the Group operates, technological advances, financial and economic developments, legal and regulatory changes and their interpretation and enforcement.

The forward-looking statements in this prospectus are based on management’s present expectations about future events. Management’s present expectations reflect many assumptions regarding the Group’s strategy, operations, industry, developments in the credit and other financial markets and trading environment. By their nature, they are subject to known and unknown risks and uncertainties, which could cause actual results and future events to differ materially from those implied or expressed by forward-looking statements. Should one or more of these risks or uncertainties materialise, or should any assumptions underlying forward-looking statements prove to be incorrect, the Group’s actual results could differ materially from those expressed or implied by forward-looking statements. Additional risks not known to the Group or that the Group does not currently consider material could also cause the events and trends discussed in this prospectus not to occur, and the estimates, illustrations and projections of financial performance not to be realised.

Prospective investors are cautioned that forward-looking statements speak only as at the date of publication of this prospectus. Except as required by applicable law, the Group does not undertake, and expressly disclaims, any duty to revise any forward-looking statement in this prospectus, be it as a result of new information, future events or otherwise.

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DEFINITIONS

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

“acting in concert”	has the meaning ascribed thereto under the Takeovers Code
“Announcement”	the announcement of the Company dated 18 October 2022 in relation to, among other things, the Increase in Authorised Share Capital, the Rights Issue, the Placing Agreement, the Underwriting Agreement and the Whitewash Waiver
“associate(s)”	has the same meaning ascribed thereto under the Listing Rules
“Board”	the board of Directors
“Business Day(s)”	a day(s) (excluding Saturday and Sunday and any day on which a tropical cyclone warning signal no. 8 or above is hoisted or remains hoisted between 9:00 a.m. and 12:00 noon and is not lowered at or before 12:00 noon or on which a “black” rainstorm warning is hoisted or remains in effect between 9:00 a.m. and 12:00 noon and is not discontinued at or before 12:00 noon) on which licensed banks in Hong Kong are open for general business
“BVI”	the British Virgin Islands
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“Chairman”	the chairman of the Board
“Circular”	the circular of the Company dated 30 November 2022 in relation to, among other things, the Increase in Authorised Share Capital, the Rights Issue, the Placing Agreement, the Underwriting Agreement, the Whitewash Waiver and the notice of the SGM

DEFINITIONS

“Company”	Cherish Sunshine International Limited, a company incorporated in Bermuda with limited liability, the issued shares of which are listed on the Stock Exchange (stock code: 1094)
“Compensatory Arrangements”	the arrangement involving the Placing of the Unsubscribed Rights Shares, if any, by the Placing Agent on a best effort basis pursuant to the Placing Agreement in accordance with Rule 7.21(1)(b) of the Listing Rules
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“controlling shareholder(s)”	has the meaning ascribed thereto under the Listing Rules
“Convertible Bonds”	convertible bonds in the principal amount of HK\$27,500,000 issued by the Company on 19 April 2022
“Director(s)”	the director(s) of the Company
“Eddid Securities” or “Placing Agent”	Eddid Securities and Futures Limited, a company incorporated in Hong Kong with limited liability and a licensed corporation to carry on Type 1 (dealing in securities), 2 (dealing in futures contract), 3 (leveraged foreign exchange trading), 4 (advising on securities), 5 (advising on futures contracts) and 9 (asset management) regulated activities under the SFO, being the placing agent appointed by the Company pursuant to the Placing Agreement
“Executive”	the Executive Director of the Corporate Finance Division of the SFC or any of his delegate(s)
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC

DEFINITIONS

“Increase in Authorised Share Capital”	an increase in the authorised share capital of the Company from HK\$50,000,000 divided into 400,000,000 ordinary Shares and 100,000,000 preference shares of par value HK\$0.10 each to HK\$500,000,000 divided into 4,900,000,000 ordinary Shares and 100,000,000 preference shares of par value HK\$0.10 each by creating an additional 4,500,000,000 unissued ordinary Shares
“Independent Shareholder(s)”	the Shareholders other than (i) the Directors (excluding the independent non-executive Directors), the chief executive of the Company and their respective associates; (ii) the Underwriter, Ms. Wu Siyuan, Ms. Liu Luoxiu and parties acting in concert with any one of them; (iii) Shareholders who are involved in or interested in (other than by being Shareholder) the Rights Issue, the Placing Agreement, the Underwriting Agreement and the transactions contemplated thereunder and/or the Whitewash Waiver; and (iv) Shareholders who have a material interest in the Rights Issue, the Placing Agreement, the Underwriting Agreement and the transactions contemplated thereunder and/or the Whitewash Waiver
“Independent Third Party(ies)”	third party(ies) independent of and not connected with the Company and any of its connected persons
“Irrevocable Undertaking”	the irrevocable undertaking given by the Underwriter in favour of the Company under the Underwriting Agreement and described in the paragraph headed “The Irrevocable Undertaking” under the section headed “The Rights Issue” in the “Letter from the Board” in this prospectus
“Last Trading Day”	18 October 2022, being the last trading day of the Shares on the Stock Exchange immediately prior to the publication of the Announcement
“Latest Placing Time”	4:00 p.m. on Friday, 3 February 2023, or such later date and time as the Company and the Placing Agent may agree in writing, being the latest date and time for the Placing Agent to effect the Compensatory Arrangements

DEFINITIONS

“Latest Practicable Date”	28 December 2022, being latest practicable date prior to the publication of this prospectus
“Latest Time for Acceptance”	4:00 p.m. on Friday, 20 January 2023, or such other time or date as may be agreed in writing between the Company and the Underwriter, being the latest time for acceptance of and payment for the Rights Shares
“Latest Time for Termination”	4:00 p.m. on Friday, 3 February 2023, or such other time or date as may be agreed between the Company and the Underwriter in writing, being the latest time to terminate the Underwriting Agreement
“Listing Committee”	has the same meaning ascribed thereto under the Listing Rules
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Net Gain”	any premium over the aggregate amount of (i) the Subscription Price for those Rights Shares; and (ii) the expenses of the Placing Agent (including any other related costs and expenses), that is realised from the Placing
“No Action Shareholder(s)”	those Qualifying Shareholder(s) who do not subscribe for the Rights Shares (whether partially or fully) under the PALs or their renounees, or such persons who hold any nil-paid rights at the time such nil-paid rights are lapsed
“Non-Qualifying Shareholder(s)”	those Overseas Shareholder(s) to whom the Directors, after making enquiries, consider it necessary or expedient not to offer the Rights Shares on account either of legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place
“NQS Rights Share(s)”	the Rights Share(s) which would otherwise have been provisionally allotted to the Non-Qualifying Shareholder(s) in nil-paid form

DEFINITIONS

“Overseas Shareholder(s)”	Shareholder(s) whose address(es) on the register of members of the Company on the Record Date is(are) outside Hong Kong
“PAL(s)”	the provisional allotment letter(s) to be issued to the Qualifying Shareholder(s) for the Rights Issue
“Placee(s)”	professional, institutional or other investor(s), who and whose ultimate beneficial owner(s) shall not be a Shareholder and shall be Independent Third Party(ies) and not acting in concert with the Underwriter, Ms. Wu Siyuan, Ms. Liu Luoxiu and parties acting in concert with any of them and/or the connected persons of the Company, procured by the Placing Agent and/or its sub-placing agent(s) to subscribe for any of the Unsubscribed Rights Shares pursuant to the Placing Agreement
“Placing”	the placing of a maximum of 157,829,661 Unsubscribed Rights Shares on a best effort basis by the Placing Agent and/or its sub-placing agents(s) to the Placees on the terms and conditions of the Placing Agreement
“Placing Agreement”	the placing agreement dated 18 October 2022 entered into between the Company and the Placing Agent in relation to the Placing
“Placing Amount”	the total aggregate amount of money (total monetary value) derived from multiplying (a) the price at which the Unsubscribed Rights Shares are subscribed for by the Placees procured by the Placing Agent by (b) the actual number of Unsubscribed Rights Share actually subscribed for by the Placees procured by the Placing Agent
“Placing Completion Date”	the third Business Day following the satisfaction of the placing conditions set out in the Placing Agreement or such other date as the Company and the Placing Agent may agree

DEFINITIONS

“PRC” or “China”	the People’s Republic of China, which for the purpose of this prospectus, excludes Hong Kong, the Macao Special Administrative Region of the PRC and Taiwan
“Prospectus Documents”	this prospectus and the PAL
“Prospectus Posting Date”	Friday, 6 January 2023, being the date of despatch of the Prospectus Documents to the Qualifying Shareholders
“Qualifying Shareholder(s)”	Shareholder(s), other than the Non-Qualifying Shareholder(s), whose name(s) appear(s) on the register of members of the Company on the Record Date
“Record Date”	Wednesday, 4 January 2023, being the record date for determining the entitlements of the Shareholders to participate in the Rights Issue
“Registrar”	Union Registrars Limited, the Company’s branch share registrar and transfer office in Hong Kong, at Suites 3301–04, 33/F, Two Chinachem Exchange Square, 338 King’s Road, North Point, Hong Kong
“Rights Issue”	the proposed issue of new Shares by way of rights on the basis of five (5) Rights Shares for every eight (8) Shares held at the close of business on the Record Date at the Subscription Price pursuant to the Prospectus Documents
“Rights Share(s)”	the new Share(s) to be allotted and issued under the Rights Issue
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)

DEFINITIONS

“SGM”	the special general meeting of the Company convened and held on Tuesday, 20 December 2022 at which, among other things, the Increase in Authorised Share Capital, the Rights Issue, the Placing Agreement, the Underwriting Agreement, the Whitewash Waiver and the transactions contemplated thereunder, were approved by the Independent Shareholders
“Share(s)”	ordinary share(s) of HK\$0.1 each in the existing share capital of the Company
“Shareholder(s)”	holder(s) of the issued Share(s)
“Share Option Scheme”	the share option scheme of the Company adopted on 3 August 2022
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Price”	the subscription price of HK\$0.63 per Rights Share
“substantial shareholder(s)”	has the meaning as ascribed thereto under the Listing Rules
“Takeovers Code”	the Code on Takeovers and Mergers
“Underwriter”	Eastmount Global Limited, a substantial shareholder of the Company
“Underwriting Agreement”	the underwriting agreement dated 18 October 2022 entered into between the Company and the Underwriter in relation to the Rights Issue
“Unsubscribed Rights Shares”	those Rights Shares that are not subscribed by the Qualifying Shareholders and the NQS Rights Shares that are not successfully sold by the Company as described in the paragraph headed “Arrangements for the NQS Rights Shares” in the “Letter from the Board” in this prospectus

DEFINITIONS

“Untaken Rights Shares”	all the Unsubscribed Rights Shares that are not placed by the Placing Agent or they have been placed but the placees have not paid therefor at 4:00 p.m. on the Placing Completion Date
“US”	the United States of America
“Whitewash Waiver”	a waiver conditionally granted by the Executive on 14 December 2022 pursuant to Note 1 on dispensations from Rule 26 of the Takeovers Code to waive the obligation of the Underwriter to make a mandatory general offer to the Shareholders in respect of the Shares not already owned or agreed to be acquired by the Underwriter and parties acting in concert with it as a result of the taking up of the Rights Shares by the Underwriter pursuant to the Underwriting Agreement
“RMB”	Renminbi, the lawful currency of the PRC
“%”	per cent.

English translations of the Chinese names in this prospectus, where indicated with “”, are intended for identification purpose only and should not be regarded as the official English names of such Chinese names.*

If there is any inconsistency in this prospectus between the Chinese and English versions, the English version shall prevail.

EXPECTED TIMETABLE

Set out below is the expected timetable for the Rights Issue. All times and dates stated in this prospectus refer to Hong Kong local times and dates. The expected timetable is indicative only and may be varied. Any changes to the expected timetable will be announced by way of an announcement by the Company as and when appropriate.

Event	Date and time
Date of the Prospectus Documents	Friday, 6 January 2023
First day of dealings in nil-paid Rights Shares	Tuesday, 10 January 2023
Latest time for splitting of nil-paid Rights Shares	4:00 p.m. on Thursday, 12 January 2023
Last day of dealings in nil-paid Rights Shares	Tuesday, 17 January 2023
Latest time for lodging transfer documents of nil-paid Rights Shares in order to qualify for the Compensatory Arrangements	4:00 p.m. on Friday, 20 January 2023
Latest time for acceptance of and payment for the Rights Shares	4:00 p.m. on Friday, 20 January 2023
Announcement of the number of Unsubscribed Rights Shares subject to the Compensatory Arrangements	Friday, 27 January 2023
Commencement of placing of Unsubscribed Rights Shares by the Placing Agent	Monday, 30 January 2023
Latest time of placing of the Unsubscribed Rights Shares by the Placing Agent	4:00 p.m. on Friday, 3 February 2023
Latest time for terminating the Underwriting Agreement and for the Rights Issue to become unconditional	4:00 p.m. on Friday, 3 February 2023

EXPECTED TIMETABLE

Announcement of results of the Rights Issue (including results of the placing of Unsubscribed Rights Shares and the amount of the Net Gain per Unsubscribed Rights Share under the Compensatory Arrangements)	Tuesday, 7 February 2023
Despatch of share certificates for fully-paid Rights Shares and completion of the Placing to take place	on or before Wednesday, 8 February 2023
Refund cheques, if any, to be despatched (if the Rights Issue is terminated)	on or before Wednesday, 8 February 2023
Commencement of dealings in fully-paid Rights Shares	9:00 a.m. on Thursday, 9 February 2023
Payment of Net Gain to relevant No Action Shareholders and Non-Qualifying Shareholders and net proceeds from sale of nil-paid Rights Shares to the relevant Non-Qualifying Shareholders (if any)	Tuesday, 14 February 2023

EFFECT OF BAD WEATHER ON THE LATEST TIME FOR ACCEPTANCE AND PAYMENT FOR THE RIGHTS SHARES AND FOR APPLICATION

The Latest Time for Acceptance and payment for the Rights Shares will not take place if there is a tropical cyclone warning signal no. 8 or above, or “extreme conditions” caused by super typhoons which is announced by the Government of Hong Kong, or a “black” rainstorm warning:

- (i) in force in Hong Kong at any local time before 12:00 noon and no longer in force after 12:00 noon on the date of the Latest Time for Acceptance. Instead, the Latest Time for Acceptance and payment for the Rights Shares will be extended to 5:00 p.m. on the same Business Day; or
- (ii) in force in Hong Kong at any local time between 12:00 noon and 4:00 p.m. on the date of the Latest Time for Acceptance. Instead, the Latest Time for Acceptance and payment for the Rights Shares will be extended to 4:00 p.m. on the next Business Day which does not have either of those warnings in force at any time between 9:00 a.m. and 4:00 p.m.

EXPECTED TIMETABLE

If the Latest Time for Acceptance and payment for the Rights Shares are postponed in accordance with the foregoing, the dates of the events subsequent to the Latest Time for Acceptance mentioned in this section may be affected. An announcement will be made as soon as practicable by the Company in such event.

TERMINATION OF THE UNDERWRITING AGREEMENT

Pursuant to the Underwriting Agreement, the Underwriter shall be entitled by a notice in writing to the Company, served prior to the Latest Time for Termination, to terminate the Underwriting Agreement if, prior to the Latest Time for Termination:

1. in the reasonable opinion of the Underwriter, the success of the Rights Issue would be materially and adversely affected by:
 - (i) the introduction of any new law or regulation or any change in existing law or regulation (or the judicial interpretation thereof) or other occurrence of any nature whatsoever which may materially and adversely affect the business or the financial or trading position or prospects of the Company as a whole or is materially adverse in the context of the Rights Issue; or
 - (ii) the occurrence of any local, national or international event or change (whether or not forming part of a series of events or changes occurring or continuing before, and/or after the date thereof) of a political, military, financial, economic or other nature (whether or not *ejusdem generis* with any of the foregoing), or in the nature of any local, national or international outbreak or escalation of hostilities or armed conflict, or affecting local securities markets which may materially and adversely affect the business or the financial or trading position or prospects of the Company as a whole or materially and adversely prejudice the success of the Rights Issue or otherwise makes it inexpedient or inadvisable to proceed with the Rights Issue; or
2. any adverse change in market conditions (including without limitation, any change in fiscal or monetary policy, or foreign exchange or currency markets, suspension or material restriction or trading in securities) occurs which in the reasonable opinion of the Underwriter is likely to materially or adversely affect the success of the Rights Issue or otherwise makes it inexpedient or inadvisable to proceed with the Rights Issue; or
3. there is any change in the circumstances of the Company which in the reasonable opinion of the Underwriter will materially and adversely affect the prospects of the Company, including without limiting the generality of the foregoing the presentation of a petition or the passing of a resolution for the liquidation or winding up or the destruction of any material asset of the Company; or
4. any event of force majeure including, without limiting the generality thereof, any act of God, war, riot, public disorder, civil commotion, fire, flood, explosion, epidemic, terrorism, strike or lock-out which in the reasonable opinion of the Underwriter will materially and adversely affect the success of the Rights Issue and/or the prospects of the Company taken as a whole; or

TERMINATION OF THE UNDERWRITING AGREEMENT

5. any other material adverse change in relation to the business or the financial or trading position or prospects of the Company as a whole whether or not *ejusdem generis* with any of the foregoing; or
6. in the reasonable opinion of the Underwriter, any matter which, had it arisen or been discovered immediately before the date of the Prospectus Documents and not having been disclosed in the Prospectus Documents, would have constituted an omission which is material in the context of the Rights Issue; or
7. any suspension in the trading of securities generally or the Company's securities on the Stock Exchange for a period of more than ten consecutive Business Days, excluding any suspension in connection with the clearance of the Announcement or the Prospectus Documents or other announcements in connection with the Rights Issue.

If prior to the Latest Time for Termination any such notice as is referred to above is given by the Underwriter, all obligations of the Underwriter under the Underwriting Agreement shall cease and determine.

If the Underwriter terminates the Underwriting Agreement, the Rights Issue will not proceed. Further announcement will be made by the Company if the Underwriter terminates the Underwriting Agreement.

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:

Clarendon House

2 Church Street

Hamilton HM 11

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 January 2023

To the Qualifying Shareholders and, for information only, the Non-Qualifying Shareholders

Dear Sir or Madam,

**RIGHTS ISSUE ON THE BASIS OF FIVE (5) RIGHTS SHARES
FOR EVERY EIGHT (8) SHARES HELD ON THE RECORD DATE**

INTRODUCTION

Reference are made to the Announcement and the Circular in relation to, among other things, the Increase in Authorised Share Capital, the Rights Issue, the Placing Agreement, the Underwriting Agreement and the Whitewash Waiver.

LETTER FROM THE BOARD

On 18 October 2022, the Company proposed, among other things, the issue of new Shares by way of rights on the basis of five (5) Rights Shares for every eight (8) Shares held at the close of business on the Record Date at the Subscription Price of HK\$0.63 per Rights Share. The Rights Issue is subject to the fulfilment of certain conditions as set out in the paragraph headed “Conditions of the Rights Issue” in the section headed “The Underwriting Agreement” in this letter.

Pursuant to the Underwriting Agreement, the Untaken Rights Shares will be fully underwritten by the Underwriter on the terms and subject to the conditions set out therein.

At the SGM convened and held on 20 December 2022, the necessary resolutions for approving, among other things, the Increase in Authorised Share Capital, the Rights Issue, the Placing Agreement, the Underwriting Agreement and the Whitewash Waiver were duly passed by the Shareholders (or the Independent Shareholders, where applicable).

The purpose of this prospectus is to provide you with further details of the Rights Issue, including (i) information on dealings in, transfer and acceptance of the Rights Shares; and (ii) financial and other information in respect of the Group.

THE RIGHTS ISSUE

Rights Issue Statistics

Details of the Rights Issue are set out as follows:

Basis of the Rights Issue	:	Five (5) Rights Shares for every eight (8) Shares held by the Qualifying Shareholders at the close of business on the Record Date
Subscription Price	:	HK\$0.63 per Rights Share
Net price per Rights Share (i.e. Subscription Price less estimated cost and expenses incurred in the Rights Issue on a per Rights Share basis)	:	Approximately HK\$0.62 per Rights Share (assuming no changes in the share capital of the Company on or before the Record Date); or Approximately HK\$0.62 per Rights Share (assuming no changes in the share capital of the Company on or before the Record Date other than the conversion in full of the Convertible Bonds)

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Number of Shares in issue as at the Latest Practicable Date	:	303,852,725 Shares
Number of Rights Shares to be issued pursuant to the Rights Issue	:	189,907,953 Rights Shares (assuming no changes in the share capital of the Company on or before the Record Date); or 201,366,286 Rights Shares (assuming no changes in the share capital of the Company on or before the Record Date other than the conversion in full of the Convertible Bonds)
Aggregate nominal value of the Rights Shares	:	Approximately HK\$18,990,795.3 (assuming no changes in the share capital of the Company on or before the Record Date); or Approximately HK\$20,136,628.6 (assuming no changes in the share capital of the Company on or before the Record Date other than the conversion in full of the Convertible Bonds)
Gross proceeds from the Rights Issue (before expenses)	:	Approximately HK\$119.6 million (assuming no changes in the share capital of the Company on or before the Record Date); or Approximately HK\$126.9 million (assuming no changes in the share capital of the Company on or before the Record Date other than the conversion in full of the Convertible Bonds)
Net proceeds from the Rights Issue	:	Approximately HK\$117.1 million (assuming no changes in the share capital of the Company on or before the Record Date); or Approximately HK\$124.4 million (assuming no changes in the share capital of the Company on or before the Record Date other than the conversion in full of the Convertible Bonds)

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As at the Latest Practicable Date, there are (i) 13,321,000 outstanding share options with an exercise price of HK\$1.206 per Share under the Share Option Scheme which have not been vested; and (ii) Convertible Bonds with an aggregate principal amount of HK\$27,500,000 convertible into 18,333,333 Shares, at the conversion price of HK\$1.5 per Share.

The earliest vesting date of the outstanding share options will be 2 September 2023, which is after the Record Date. Under the current timetable of the Rights Issue, the total number of Rights Shares will not be affected by the vesting and/or the exercise of the outstanding share options.

Assuming full conversion of the Convertible Bonds, the maximum number of new Shares that would fall to be allotted and issued under the terms and conditions of the Convertible Bonds on or before the Record Date would be 18,333,333 Shares, which would result in the issue and allotment of 11,458,333 additional Rights Shares. Given the conversion price of the Convertible Bonds (i.e. HK\$1.5) is substantially higher than the prevailing market prices of the Shares, the Directors expect that no Convertible Bonds would be converted into Shares on or before the Record Date.

Save for the share options and the Convertible Bonds, the Company has no outstanding convertible securities, options or warrants in issue which confer any right to subscribe for, convert or exchange into the Shares.

Assuming no changes in the share capital of the Company on or before the Record Date, the 189,907,953 Rights Shares proposed to be allotted and issued pursuant to the terms of the Rights Issue represent approximately (i) 62.5% of the total number of existing issued Shares as at the Latest Practicable Date, and (ii) 38.5% of the total number of issued Shares as enlarged immediately upon completion of the Rights Issue.

Assuming no changes in the share capital of the Company on or before the Record Date other than the conversion in full of the Convertible Bonds, the 201,366,286 Rights Shares proposed to be allotted and issued pursuant to the terms of the Rights Issue represent approximately (i) 66.3% of the total number of existing issued Shares as at the Latest Practicable Date, (ii) 62.5% of the total number of issued Shares as enlarged by the conversion in full of the Convertible Bonds and (iii) 38.5% of the total number of issued Shares as enlarged immediately upon completion of the Rights Issue.

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The Subscription Price

The Subscription Price of HK\$0.63 per Rights Share is payable in full by a Qualifying Shareholder upon acceptance of the relevant provisional allotment of the Rights Shares under the Rights Issue, and, where applicable, when a transferee of nil-paid Rights Shares applies for the Rights Shares.

The Subscription Price represents:

- (i) a discount of approximately 13.70% to the closing price of HK\$0.730 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (ii) a discount of approximately 17.11% to the average closing prices of the Shares as quoted on the Stock Exchange for the last five (5) consecutive trading days up to and including the Last Trading Day of approximately HK\$0.760 per Share;
- (iii) a discount of approximately 17.65% to the average closing prices of the Shares as quoted on the Stock Exchange for the last ten (10) consecutive trading days up to and including the Last Trading Day of approximately HK\$0.765 per Share;
- (iv) a discount of approximately 11.27% to the theoretical ex-rights price based on the average closing price of the Shares as quoted on the Stock Exchange for the last five (5) consecutive trading days up to and including the Last Trading Day of approximately HK\$0.710 per Share;
- (v) a discount of approximately 10.00% to the closing price of HK\$0.700 per Share as quoted on the Stock Exchange on the Latest Practicable Date;
- (vi) a discount of approximately 16.00% to the closing price of HK\$0.750 per Share as quoted on the Stock Exchange on the last Business Day prior to the Last Trading Day;
- (vii) a discount of approximately 7.49% to the audited consolidated net asset value per Share attributable to the Shareholders of the Company of approximately HK\$0.681 per Share as at 31 March 2022, which is calculated by dividing the audited consolidated equity attributable to equity holders of the Company of approximately HK\$206,913,000 as at 31 March 2022 as shown in the Company's annual report by the existing number of Shares in issue (i.e. 303,852,725 Shares);

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- (viii) a premium of approximately 12.90% over the unaudited consolidated net asset value per Share attributable to the Shareholders of the Company of approximately HK\$0.558 per Share as at 30 September 2022, which is calculated by dividing the unaudited consolidated equity attributable to equity holders of the Company of approximately HK\$169,602,000 as at 30 September 2022 as shown in the Company's interim report for the six months ended 30 September 2022 by the existing number of Shares in issue (i.e. 303,852,725 Shares); and
- (ix) a premium of approximately 6.96% over the adjusted net asset value (*Note*) per Share attributable to the Shareholders of the Company of approximately HK\$0.589 per Share as at 30 September 2022, which is calculated by dividing the adjusted net asset value of approximately HK\$179,084,000 as at 30 September 2022 by the existing number of Shares in issue (i.e. 303,852,725 Shares).

Note: The adjusted net asset value is calculated by adding the surplus in value of the portion of the property interest of the Group that is for owner's occupation of approximately HK\$9,482,000 ("**Surplus**") to the unaudited consolidated equity attributable to equity holders of the Company of approximately HK\$169,602,000 as at 30 September 2022 as shown in the Company's interim report for the six months ended 30 September 2022. The Surplus represents the difference between the carrying value of such property of approximately HK\$1,804,000 as recorded in the unaudited accounts of the Group as at 30 September 2022 and the fair value of such property of approximately HK\$11,286,000 as valued by an independent valuer as part of the valuation report as at 31 August 2022 as set out in Appendix III to the Circular. For further details, please refer to Appendix I and Appendix III to the Circular.

The Rights Issue would result in a theoretical dilution effect (as defined under Rule 7.27B of the Listing Rules) of approximately 6.64%, based on the theoretical diluted price of approximately HK\$1.492 per Share and the benchmarked price (as defined under Rule 7.27B of the Listing Rules) of HK\$1.598 per Share.

The Subscription Price was determined by the Company with reference to, (i) the prevailing share prices of the Shares prior to the Last Trading Day, which a general downward trend had been observed since mid-October 2021; (ii) the financial conditions and positions of the Group; (iii) the marketability of the new Shares under the prevailing market conditions with relatively weak market sentiments and thin trading liquidity of the Shares prior to the Last Trading Date; and (iv) the funding needs of the Group.

After taking into account the terms of the Rights Issue and the reasons for the Rights Issue as disclosed in the section headed "Reasons for and benefits of the Rights Issue and the use of proceeds" in this letter, the Directors considers that the terms of the Rights Issue (including the Subscription Price) are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

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Status of the Rights Shares

The Rights Shares (when allotted, fully paid or credited as fully paid and issued) will rank *pari passu* in all respects among themselves and with the Shares in issue on the date of allotment and issue of the Rights Shares. Holders of the fully paid Rights Shares will be entitled to receive all future dividends and distributions which may be declared, made or paid on or after the date of allotment and issue of the fully paid Rights Shares.

Qualifying Shareholders

The Rights Issue is available to the Qualifying Shareholders only. To qualify for the Rights Issue, a Shareholder must be registered as a member of the Company as at the close of business on the Record Date and not be a Non-Qualifying Shareholder.

Shareholders with their Shares held by a nominee (or held in CCASS) should note that the Board will consider the said nominee (including HKSCC Nominees Limited) as one single Shareholder according to the register of members of the Company.

The Qualifying Shareholders who take up their pro-rata entitlement in full will not experience any dilution to their interests in the Company. If a Qualifying Shareholder does not take up any of his/her/its entitlement in full under the Rights Issue, his/her/its proportionate shareholding in the Company will be diluted.

Basis of provisional allotments

The basis of the provisional allotments shall be five (5) Rights Shares (in nil-paid form) for every eight (8) Shares held by the Qualifying Shareholders as at the close of business on the Record Date.

Application for all or any part of a Qualifying Shareholder's provisional allotment should be made by lodging a duly completed PAL and a cheque or a banker's cashier order for the sum payable for the Rights Shares being applied for with the Registrar, Union Registrars Limited, at Suites 3301-04, 33/F., Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong on or before the Latest Time for Acceptance.

Rights of Overseas Shareholders

The Prospectus Documents are not intended to be registered or filed under the securities law of any jurisdiction other than Hong Kong. Overseas Shareholders may not be eligible to take part in the Rights Issue as explained below.

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Based on the register of members of the Company as at the Latest Practicable Date, there were 18 Overseas Shareholders, among which 12 of them had registered addresses situated in the PRC and the remaining 6 of them had registered addresses situated in the BVI.

The Overseas Shareholders together held 80,221,880 Shares as at the Latest Practicable Date which represents approximately 26.40% of total issued Shares as at the Latest Practicable Date.

Having made reasonable enquiries of the legal requirements regarding the feasibility of extending the Rights Issue to the Overseas Shareholders with registered addresses (as shown in the register of members of the Company) in the jurisdictions set out above in compliance with Rule 13.36(2)(a) of the Listing Rules and taken into account the legal advice provided by the respective legal advisers of the PRC and the BVI engaged by the Company as at the Latest Practicable Date, the Directors are of the view that the relevant overseas legal restrictions and requirements of the relevant regulatory body or Stock Exchange do not make it necessary or expedient to exclude the Overseas Shareholders with registered addresses in the PRC and the BVI from the Rights Issue, and the Rights Issue will be offered to the Overseas Shareholders in those jurisdictions.

As at the Latest Practicable Date, there were no Non-Qualifying Shareholders. Should there be any Non-Qualifying Shareholders that appear on the register of members of the Company on the Record Date, the Company will send the Prospectus to the Non-Qualifying Shareholders for their information only, but will not send any PAL to them.

The Company reserves the right to treat as invalid any acceptance of or applications for Rights Shares where it believes that such acceptance or application would violate the applicable securities or other laws or regulations of any territory or jurisdiction. Accordingly, Overseas Shareholders should exercise caution when dealing in the Shares, and if they are in any doubt about their position, they should consult their own professional advisers.

The Rights Issue does not constitute or form part of any offer or invitation to sell or issue, or any solicitation of any offer to acquire, the nil-paid Rights Shares or fully-paid Rights Shares or to take up any entitlements to the nil-paid Rights Shares or fully-paid Rights Shares in any jurisdiction in which such an offer or solicitation is unlawful. It is the responsibility of any person (including but without limitation to nominee, custodian, agent and trustee) receiving a copy of the Prospectus Documents outside Hong Kong and wishing to take up the Rights Shares to satisfy himself/herself/itself as to the full observance of the laws and regulations of the relevant territory or jurisdiction, including the obtaining of any governmental or other consents and/or observing any other formalities which may be required in such territory or jurisdiction, and to pay any taxes, duties and other amounts required to be paid in such territory or jurisdiction in connection therewith. Any acceptance by any person will be deemed to constitute a representation and warranty from such person to the Company that these local laws and requirements have been

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complied with. If you are in any doubt as to your position, you should consult your professional adviser. For the avoidance of doubt, neither HKSCC nor HKSCC Nominees Limited is subject to any of the representations and warranties.

Arrangements for the NQS Rights Shares

Arrangements will be made for the Rights Shares, which would otherwise have been provisionally allotted to the Non-Qualifying Shareholders, to be sold on the Stock Exchange in their nil-paid form as soon as practicable after dealings in the nil-paid Rights Shares commence, if a premium (net of expenses) can be obtained. If the proceeds from each such sale, less expenses, are more than HK\$100, the excess will be paid on pro-rata basis to the relevant Non-Qualifying Shareholders. The Company will retain individual amounts of HK\$100 or less for its own benefit to cover the administrative costs that it would have incurred. Any unsold entitlements of Rights Shares which would otherwise have been provisionally allotted to the Non-Qualifying Shareholders will be offered for subscription by the Placing Agent to the Placees under the Placing.

For the nil-paid Rights Shares that are sold in the market by the Company as described above, if the buyer(s) of such nil-paid Rights Shares does/do not take up the entitlement, such Unsubscribed Rights Shares will be subject to the Compensatory Arrangements.

The Company reserves the right to permit any Overseas Shareholder to take up Rights Shares if the Board, based on the legal advice from the legal advisers to the Company, is satisfied that the extending of the Rights Issue to such Overseas Shareholder is exempted from or not subject to the laws and regulations in the relevant place of his/her/its registered address which would otherwise give rise to restrictions in that place upon the offer or take-up of the Rights Shares and the right to treat as invalid any acceptance of or applications for Rights Shares where it believes that such acceptance or application would violate the applicable securities or other laws or regulations of any territory or jurisdiction. Accordingly, Overseas Shareholders should exercise caution when dealing in the Shares.

Procedures for acceptance, splitting of provisional allotment and payment and/or transfer of the Rights Shares

Qualifying Shareholders will find enclosed with this prospectus a PAL which entitles the Qualifying Shareholder(s) to whom it is addressed to subscribe for the number of Rights Shares shown therein. If the Qualifying Shareholders wish to accept all the Rights Shares provisionally allotted to them as specified in the PALs, they must lodge the PALs in accordance with the instructions printed thereon, together with a remittance for the full amount payable on acceptance, with the Registrar at Suites 3301-04, 33/F., Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong, by no later than 4:00 p.m. on Friday, 20 January 2023. All remittances

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must be made in Hong Kong dollars by cheques which must be drawn on an account with, or by cashier's orders which must be issued by, a licensed bank in Hong Kong and made payable to "UNION REGISTRARS LTD — CLIENTS' ACCOUNT" and crossed "Account Payee Only".

It should be noted that unless the duly completed PAL, together with the appropriate remittance, has been lodged with the Registrar by no later than 4:00 p.m. on Friday, 20 January 2023, whether by the original allottee or any person in whose favour the provisional allotment has been validly transferred, that provisional allotment and all rights and entitlement thereunder will be deemed to have been declined and will be cancelled. The Company may, at its sole discretion, treat a PAL as valid and binding on the person(s) by whom or on whose behalf it is lodged even if the PAL is not completed in accordance with the relevant instructions. The Company may require the relevant person(s) to complete the incomplete PAL at a later stage.

If the Qualifying Shareholders wish to accept only part of the provisional allotment or transfer part of their rights to subscribe for the Rights Shares provisionally allotted to them under the PAL or transfer part/all of their rights to more than one person, the original PAL must be surrendered for cancellation by no later than 4:00 p.m. on Thursday, 12 January 2023 to the Registrar, who will cancel the original PAL and issue new PALs in the denominations required. The new PALs will be available for collection from the Registrar at Suites 3301-04, 33/F., Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong, after 9:00 a.m. on the second Business Day after the surrender of the original PAL. It should be noted that Hong Kong ad valorem stamp duty is payable in connection with the transfer of the rights to subscribe for the relevant Rights Shares to the transferee(s) and the acceptance by the transferee(s) of such rights.

The Company reserves the right to refuse to register any transfer in favour of any person in respect of which the Company believes such transfer may violate applicable legal or regulatory requirements.

The PAL contains further information regarding the procedures to be followed for acceptance and/or transfer of the whole or part of the provisional allotment of the Rights Shares by the Qualifying Shareholders. All cheques or cashier's orders accompanying completed PALs will be presented for payment immediately following receipt and all interest earned on such monies (if any) will be retained for the benefit of the Company. Completion and return of the PAL with a cheque or a cashier's order will constitute a warranty by such person that the cheque or the cashier's order will be honoured on first presentation. Without prejudice to the other rights of the Company in respect thereof, the Company reserves the right to reject any PAL in respect of which the cheque or cashier's order is dishonoured on first presentation, and in that event the provisional allotment and all rights thereunder will be deemed to have been declined and will be cancelled. No receipt will be given in respect of any application monies received.

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Share certificates of the Rights Shares and refund cheques for the Rights Issue

Subject to fulfilment of the conditions of the Rights Issue, share certificates for the fully-paid Rights Shares are expected to be sent on Wednesday, 8 February 2023 to those entitled thereto by ordinary post, at their own risk, to their registered addresses. Each allottee (except HKSCC Nominees Limited) will receive one share certificate for all allotted Rights Shares.

If the Underwriting Agreement is terminated or not becoming unconditional, the remittance received in respect of acceptances of the Rights Shares will be refunded to the Qualifying Shareholders or such other persons to whom the Rights Shares in the nil-paid form have been validly transferred or, in the case of joint acceptances, to the first-named person without interest, by means of cheques despatched by ordinary post at the risk of such Qualifying Shareholders or such other persons to their registered addresses by the Registrar on Wednesday, 8 February 2023.

Fractional entitlements to the Rights Shares

No fractional entitlements to the Rights Shares shall be issued to the Shareholders and no entitlements of the Non-Qualifying Shareholders to the Rights Shares shall be issued to the Non-Qualifying Shareholders. All fractions of the Rights Shares shall be aggregated (rounded down to the nearest share) and, if a premium (net of expenses) can be obtained, shall be sold in the market by the Company for its own benefit.

The Irrevocable Undertaking

As at the Latest Practicable Date, the Underwriter was interested in an aggregate of 69,658,600 Shares (representing approximately 22.93% of the entire issued share capital of the Company as at the Latest Practicable Date).

Pursuant to the Irrevocable Undertaking given by the Underwriter under the Underwriting Agreement, the Underwriter has undertaken to the Company that (i) it will subscribe for and/or procure subscriptions for 43,536,625 Rights Shares which comprise the full amount of provisional entitlements in respect of the aggregate of 69,658,600 Shares beneficially held by the Underwriter; (ii) it will not dispose of, or agree to dispose of, any of the 69,658,600 Shares currently owned by it, and such Shares will remain beneficially owned by it, up to and including the Record Date; and (iii) it will lodge or procure the subscription of the 43,536,625 Rights Shares which will be the number of Rights Shares provisionally allotted (on nil-paid basis) to it, under the Rights Issue, with the Registrar.

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Application for listing of the Rights Shares

The Company has applied to the Stock Exchange for the listing of, and the permission to deal in, the Rights Shares (in both nil-paid and fully-paid forms) to be issued and allotted pursuant to the Rights Issue. Other than on the Stock Exchange, no part of the securities of the Company is listed or dealt in, and no listing of or permission to deal in any such securities is being or is proposed to be sought, on any other stock exchanges.

Subject to the granting of the listing of, and the permission to deal in, the Rights Shares (in both their nil-paid and fully-paid forms) on the Stock Exchange as well as compliance with the stock admission requirements of HKSCC, the Rights Shares (in both their nil-paid and fully-paid forms) will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the respective commencement dates of dealings in the Rights Shares (in both their nil-paid and fully-paid forms) with the board lot size being the same (i.e. 8,000) as their underlying Shares on the Stock Exchange, or such other dates as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second settlement day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time. Shareholders should seek advice from their licensed securities dealer(s) or other professional adviser(s) for details of those settlement arrangements and how such arrangements will affect their rights and interests.

Dealings in the Rights Shares in both nil-paid and fully-paid forms will be subject to the payment of stamp duty, the Stock Exchange trading fee, SFC transaction levy, Accounting and Financial Reporting Council transaction levy or any other applicable fees and charges in Hong Kong.

Taxation

Qualifying Shareholders are recommended to consult their professional advisers if they are in doubt as to the taxation implications of subscribing for the Rights Shares, or about purchasing, holding or disposals of, or dealings in or exercising any rights in relation to the Shares or the Rights Shares (in both their nil paid and fully-paid forms), and similarly, the Non-Qualifying Shareholder as regards his/her/its receipt of the net proceeds of sale of the Rights Shares otherwise falling to be issued to him/her/it under the Rights Issue under the laws of jurisdictions in which he/she/it is liable to taxation. It is emphasised that none of the Company, the Directors nor any other parties involved in the Rights Issue accepts responsibility for any tax effects on, or liabilities of, any person resulting from subscribing for, purchasing, holding, disposal of, dealings in or exercising any rights in relation to the Shares or the Rights Shares (in both their nil paid and fully-paid forms).

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Procedures in respect of the Unsubscribed Rights Shares and the Compensatory Arrangements

The Underwriter, Eastmount Global Limited, was a substantial Shareholder of the Company interested in 69,658,600 Shares, representing approximately 22.93% of the entire issued share capital of the Company as at the Latest Practicable Date. Pursuant to Rule 7.21(2) of the Listing Rules, the Company will make arrangements to dispose of the Unsubscribed Rights Shares by offering the Unsubscribed Rights Shares to independent placees who are not existing Shareholders for the benefit of the relevant No Action Shareholders and Non-Qualifying Shareholders. As the Compensatory Arrangements are in place, there will be no excess application arrangements as stipulated under Rule 7.21(1)(a) of the Listing Rules.

The Company appointed the Placing Agent to place the Unsubscribed Rights Shares after the Latest Time for Acceptance to independent placees on a best effort basis, and the Net Gain will be paid to those No Action Shareholders and Non-Qualifying Shareholders in the manner set out below. The Placing Agent will, on a best effort basis, procure, by not later than 4:00 p.m. on Friday, 3 February 2023, acquirers, who are not Shareholders, for all (or as many as possible) of those Unsubscribed Rights Shares at a price not less than the Subscription Price. Any unsold Unsubscribed Rights Shares under the Compensatory Arrangements will be taken up by the Underwriter pursuant to the terms of the Underwriting Agreement.

The Net Gain (if any and rounded down to the nearest cent) will be paid on a pro-rata basis to the No Action Shareholder(s) and Non-Qualifying Shareholder(s) as follows:

- (i) for No Action Shareholders, the relevant Qualifying Shareholders (or such persons who hold any nil-paid rights at the time such nil-paid rights are lapsed) whose nil-paid rights are not validly applied for in full, by reference to the extent that Shares in his/her/its nil-paid rights are not validly applied for, and where the nil-paid rights are, at the time they lapse, represented by a PAL, to the person whose name and address appeared on the PAL and where the nil-paid rights are, at the time they lapse, registered in the name of HKSCC Nominees Limited, to the beneficial holders (via their respective CCASS participants) as the holder of those nil-paid rights in CCASS; and
- (ii) for Non-Qualifying Shareholders, the relevant Non-Qualifying Shareholders whose name and address appeared on the register of members of the Company on the Record Date with reference to their shareholdings in the Company on the Record Date.

If the Net Gain to any of the No Action Shareholder(s) and Non-Qualifying Shareholder(s) mentioned above (i) is more than HK\$100, the entire amount will be paid to them; or (ii) is HK\$100 or less, such amount will be retained by the Company for its own benefit.

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THE PLACING AGREEMENT

On 18 October 2022 (after trading hours of the Stock Exchange), the Company and the Placing Agent entered into the Placing Agreement, pursuant to which the Placing Agent has agreed to procure Placee(s), on a best effort basis, to subscribe for the Unsubscribed Rights Shares. Details of the Placing Agreement are as follows:

- Date : 18 October 2022 (after trading hours of the Stock Exchange)
- Placing agent : Eddid Securities was appointed as the placing agent to place, or procure the placing of, up to 146,371,328 Unsubscribed Rights Shares (assuming no changes in the share capital of the Company on or before the Record Date); or up to 157,829,661 Unsubscribed Rights Shares (assuming no changes in the share capital of the Company on or before the Record Date other than the conversion in full of the Convertible Bonds), on a best effort basis, to the Placee(s).

Eddid Securities and its ultimate beneficial owners are not shareholders of the Company and are Independent Third Parties and they have confirmed that they are independent of and not acting in concert with the Underwriter, Ms. Wu Siyuan, Ms. Liu Luoxiu and parties acting in concert with any of them. The Placing Agent has also undertaken that before it engages sub-placing agent(s) to place the Unsubscribed Rights Shares, it will confirm with the Company and such sub-placing agent(s) that these sub-placing agent(s) and their ultimate beneficial owners are not shareholders of the Company and are Independent Third Parties and that they are independent of and not acting in concert with the Underwriter, Ms. Wu Siyuan, Ms. Liu Luoxiu and parties acting in concert with any of them.

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- Placing commission payable to the Placing Agent : The sum of (a) a fee of HK\$100,000 or 0.5% of the portion of the Placing Amount that is equal to or less than HK\$20,000,000, whichever is higher; and (b) if the total Placing Amount is over HK\$20,000,000, a fee of 1.5% of the portion of the Placing Amount that exceeds HK\$20,000,000.
- Placing price of the Unsubscribed Rights Shares : The placing price of the Unsubscribed Rights Shares shall be not less than the Subscription Price.
- The final price will be determined based on the demand for the Unsubscribed Rights Shares and market conditions at the time of placement.
- Placees : The Unsubscribed Rights Shares shall only be offered by the Placing Agent and/or the sub-placing agent(s) to Placee(s) who and whose ultimate beneficial owner(s) are not Shareholders and are Independent Third Party(ies) and not acting in concert with the Underwriter, Ms. Wu Siyuan, Ms. Liu Luoxiu and their respective concert parties and/or any of the Company's connected persons. The Placing Agent will ensure it will, and will procure the sub-placing agent(s) to, place the Unsubscribed Rights Shares to the placee(s) to the extent that upon completion of the Placing, at least 25% of the total issued Shares of the Company will be held by the public (within the meaning under the Listing Rules) such that the public float requirement under Rule 8.08 of the Listing Rules will be complied with by the Company.
- Ranking of Unsubscribed Rights Shares : The Unsubscribed Rights Shares (when placed, allotted, issued and fully paid) shall rank pari passu in all respects among themselves and with the Shares then in issue.

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- Placing condition : The Placing is subject to and conditional upon the Listing Committee of the Stock Exchange granting or agreeing to grant the listing of, and permission to deal in, the Unsubscribed Rights Shares by not later than the Latest Time for Termination (or such other time or date as may be agreed between the Placing Agent and the Company). If the Placing condition is not fulfilled by the aforementioned date, the Placing will lapse and all rights, obligations and liabilities of the parties to the Placing Agreement in relation to the Placing shall cease and determine and neither of the parties to the Placing Agreement shall have any claim against the others in respect of the Placing save for any antecedent breach and/or any rights or obligations which may accrue under the Placing Agreement.
- Completion date of the Placing : The third Business Day following the satisfaction of the placing condition set out in the Placing Agreement or such other date as the Company and the Placing Agent may agree.

The terms of the Placing Agreement (including the placing commission) were determined after arm's length negotiation between the Placing Agent and the Company with reference to the size of the Rights Issue and the prevailing market rate of commission and are on normal commercial terms. The Directors consider that the terms of the Placing Agreement are fair and reasonable.

Given that the Compensatory Arrangements would provide a compensatory mechanism for the relevant No Action Shareholders and Non-Qualifying Shareholders, the Directors consider that the Compensatory Arrangements are in the interest of the minority Shareholders.

The Underwriter, Ms. Wu Siyuan, Ms. Liu Luoxiu and their respective concert parties confirmed that they will not be involved in the solicitation, identification, screening and selection of Placées for the Unsubscribed Rights Shares.

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THE UNDERWRITING AGREEMENT

The Rights Shares (other than those agreed to be taken up by the Underwriter pursuant to the Irrevocable Undertaking) will be fully underwritten by the Underwriter at the Subscription Price in accordance with the terms of the Underwriting Agreement. The principal terms and conditions of the Underwriting Agreement are set out below:

- Date : 18 October 2022 (after trading hours of the Stock Exchange)
- Underwriter : The Underwriter, who is a substantial shareholder of the Company as at the Latest Practicable Date. It is not in the ordinary course of business of the Underwriter to underwrite securities.
- Maximum number of Rights Shares to be underwritten by the Underwriter : 146,371,328 Rights Shares (assuming no changes in the share capital of the Company on or before the Record Date); or
157,829,661 Rights Shares (assuming no changes in the share capital of the Company on or before the Record Date other than the conversion in full of the Convertible Bonds).
- Underwriting Commission : The Underwriter will not receive any underwriting commission.

Subject to the fulfilment of the conditions contained in the Underwriting Agreement and provided that the Underwriting Agreement is not terminated prior to the Latest Time for Termination in accordance with the terms of the Underwriting Agreement, the Underwriter has agreed to subscribe for the Untaken Rights Shares (being any Unsubscribed Rights Shares that are not placed by the Placing Agent under the Placing Agreement) at the Subscription Price.

The terms of the Underwriting Agreement were determined after arm's length negotiations between the Company and the Underwriter with reference to the financial position of the Group, the size of the Rights Issue, the current and expected market conditions. It is not in the ordinary course of business of the Underwriter to underwrite issues of shares. The Underwriter's role as an underwriter in respect of the Rights Issue, together with the Irrevocable Undertaking, signify strong support from the substantial Shareholder to the Group and its confidence in the development of the Group. The Directors are of the view that, although the entry into of the

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Underwriting Agreement is not in the ordinary and usual course of business of the Company, the terms of the Underwriting Agreement are fair and reasonable, and the transactions contemplated under the Underwriting Agreement are on normal commercial terms and in the interests of the Company and the Shareholders as a whole.

Conditions of the Underwriting Agreement

The obligations of the Underwriter under the Underwriting Agreement are conditional on the fulfilment of the following conditions:

- (i) the passing by the Shareholders at the SGM of the ordinary resolution to approve the Increase in Authorised Share Capital;
- (ii) the passing by the Independent Shareholders at the SGM of (1) an ordinary resolution to approve the Underwriting Agreement, the Placing Agreement, the Rights Issue and the transactions contemplated thereunder (more than 50% of the Independent Shareholders at the SGM by way of poll); and (2) a special resolution to approve the Whitewash Waiver (at least 75% of the Independent Shareholders at the SGM by way of poll) in accordance with the Listing Rules and the Takeovers Code by no later than the Prospectus Posting Date;
- (iii) the Listing Committee of the Stock Exchange granting or agreeing to grant (subject to allotment) and not having withdrawn or revoked the listing of, and permission to deal in, the Rights Shares (in both nil-paid and fully paid-forms) by no later than their respective first day of dealings;
- (iv) the delivery to the Stock Exchange for authorisation and the registration with the Registrar of Companies in Hong Kong respectively one copy of each of the Prospectus Documents duly signed by two Directors (or by their agents duly authorised in writing) as having been approved by resolution of the Directors (and all other documents required to be attached thereto) and otherwise in compliance with the Listing Rules and the Companies (Winding Up and Miscellaneous Provisions) Ordinance, Chapter 32 of the Laws of Hong Kong, not later than the Prospectus Posting Date;
- (v) the posting of the Prospectus Documents to the Qualifying Shareholders and the posting of the Prospectus and a letter in the agreed form to the Non-Qualifying Shareholders, if any, for information purpose only explaining the circumstances in which they are not permitted to participate in the Rights Issue on or before the Prospectus Posting Date;

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- (vi) the Executive granting the Whitewash Waiver to the Underwriter and the satisfaction of all conditions (if any) attached to the Whitewash Waiver granted;
- (vii) the Placing Agreement not being terminated pursuant to the terms thereof and remain in full force and effect; and
- (viii) the compliance with and performance of all the undertakings and obligations of the Underwriter under the Irrevocable Undertaking.

None of the above conditions precedent is capable of being waived.

If any of the conditions precedent are not satisfied by the Latest Time for Termination, the Underwriting Agreement shall terminate and no party will have any claim against any other party (save for any antecedent breaches and claims thereof).

As at the Latest Practicable Date, save for conditions (i) and (ii), none of the above conditions precedent had been fulfilled.

Termination of the Underwriting Agreement

The Underwriter shall be entitled by a notice in writing to the Company, served prior to the Latest Time for Termination, to terminate the Underwriting Agreement if, prior to the Latest Time for Termination:

1. in the reasonable opinion of the Underwriter, the success of the Rights Issue would be materially and adversely affected by:
 - (i) the introduction of any new law or regulation or any change in existing law or regulation (or the judicial interpretation thereof) or other occurrence of any nature whatsoever which may materially and adversely affect the business or the financial or trading position or prospects of the Company as a whole or is materially adverse in the context of the Rights Issue; or
 - (ii) the occurrence of any local, national or international event or change (whether or not forming part of a series of events or changes occurring or continuing before, and/or after the date thereof) of a political, military, financial, economic or other nature (whether or not *ejusdem generis* with any of the foregoing), or in the nature of any local, national or international outbreak or escalation of hostilities or armed conflict, or affecting local securities markets which may materially and adversely

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affect the business or the financial or trading position or prospects of the Company as a whole or materially and adversely prejudice the success of the Rights Issue or otherwise makes it inexpedient or inadvisable to proceed with the Rights Issue; or

2. any adverse change in market conditions (including without limitation, any change in fiscal or monetary policy, or foreign exchange or currency markets, suspension or material restriction or trading in securities) occurs which in the reasonable opinion of the Underwriter is likely to materially or adversely affect the success of the Rights Issue or otherwise makes it inexpedient or inadvisable to proceed with the Rights Issue; or
3. there is any change in the circumstances of the Company which in the reasonable opinion of the Underwriter will materially and adversely affect the prospects of the Company, including without limiting the generality of the foregoing the presentation of a petition or the passing of a resolution for the liquidation or winding up or the destruction of any material asset of the Company; or
4. any event of force majeure including, without limiting the generality thereof, any act of God, war, riot, public disorder, civil commotion, fire, flood, explosion, epidemic, terrorism, strike or lock-out which in the reasonable opinion of the Underwriter will materially and adversely affect the success of the Rights Issue and/or the prospects of the Company taken as a whole; or
5. any other material adverse change in relation to the business or the financial or trading position or prospects of the Company as a whole whether or not *ejusdem generis* with any of the foregoing; or
6. any matter which, had it arisen or been discovered immediately before the date of the Prospectus Documents and not having been disclosed in the Prospectus Documents, would have constituted, in the reasonable opinion of the Underwriter, an omission which is material in the context of the Rights Issue; or
7. any suspension in the trading of securities generally or the Company's securities on the Stock Exchange for a period of more than ten consecutive Business Days, excluding any suspension in connection with the clearance of the Announcement or the Prospectus Documents or other announcements in connection with the Rights Issue.

If prior to the Latest Time for Termination any such notice as is referred to above is given by the Underwriter, all obligations of the Underwriter under the Underwriting Agreement shall cease and determine.

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If the Underwriter terminates the Underwriting Agreement, the Rights Issue will not proceed. Further announcement will be made by the Company if the Underwriter terminates the Underwriting Agreement.

Conditions of the Rights Issue

The Rights Issue is conditional upon the obligations of the Underwriter under the Underwriting Agreement becoming unconditional and that the Underwriting Agreement is not terminated in accordance with its terms.

FUND RAISING EXERCISE OF THE COMPANY

The Company has conducted the following fundraising activity involving issue of equity securities from the 12 months immediately preceding the date of the Announcement and up to the Latest Practicable Date:

Date of announcement	Fund raising activities	Net proceeds	Intended use of net proceeds	Actual use of the net proceeds
8 September 2021 (date of agreement) and 29 October 2021 (date of completion)	Subscription of new Shares under general mandate	Approximately HK\$17,576,500	General working capital	Net proceeds has been fully used as intended
3 December 2021 (date of agreement) and 19 April 2022 (date of completion)	Placing of convertible bonds under specific mandate	Approximately HK\$ 26,300,000	(i) Approximately HK\$25,000,000 for the expansion of the existing procurement and tendering business of the Group to customers in trading industry; and (ii) Approximately HK\$1,300,000 as general working capital	Net proceeds has been fully used as intended

Save as disclosed above, the Company has not conducted other fundraising activity involving issue of equity securities from the 12 months immediately preceding the date of the Announcement and up to the Latest Practicable Date.

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REASONS FOR AND BENEFITS OF THE RIGHTS ISSUE AND USE OF PROCEEDS

The Group mainly derives its revenues from the following business segments:

- a) Provision of procurement services segment is engaged in provision of procurement services to governmental institutions and private enterprises in the PRC. The segment can be divided into two streams: (i) the development and sales of procurement software to customers in the governmental or business sector that demand formal bidding and tendering process in their supply chain management which is an online procurement platform that can connect customers with a large number of potential suppliers; and (ii) provision of off-line procurement services to the private sector clients with a funding facilitation option, which is a model that the Group helps customers search for the required goods in the market and, if needed, the Group would assist customers in making the payment for the purchases after the suppliers have been selected. Customers may request for one or both streams of procurement services from the Group and this flexibility and variety of services have greatly increased the competitiveness of the Group. In respect of stream (i), the Group derives revenue in form of software usage fee charged to the customers. In respect of stream (ii), the Group derives revenue in the form of procurement service fee for the off-line procurement services rendered by the Group which varies depending on whether funding facilitation service is required;
- b) Trading business segment is engaged in trading of different kinds of products;
- c) Rental segment is engaged in leasing of the Group's investment properties located in Wuhan, Hubei Province, the PRC; and
- d) Energy management contracting business segment is engaged in provision of energy management contracting services in the PRC.

The Group plans to utilise its net proceeds from the Rights Issue in the following areas:

- a) approximately 5% of the net proceeds is to be invested into the research and development of the procurement service software. Because of further changed global economic environment, the central government of PRC has escalated its campaign to promote the replacement of foreign-branded IT related software and hardware with domestic alternatives. The Group therefore has to increase its inputs into research and development, such as recruiting more IT staff and/or replacing some of its equipment, so that its procurement related software could be upgraded with more functions and be able to cater for new needs arising out of such campaign, and hence maintaining and increasing the competitiveness of the Group. In addition, the Group plans to increase its

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software functionality to suit more needs from its business customers (B2B model). For example, this year the Group has successfully engaged one of the largest state-owned electricity grid companies to become one of its largest customers. The Group planned to increase its software development efforts to serve this large customer better;

- b) approximately 50% of the net proceeds is to be applied in the procurement services business. As stated in the annual report of the 15 months ended 31 March 2022, the management of the Group firmly believes that the new energy industry is the field with a lot of business potential and opportunities in the next decade. This new growth cycle embarked on the central government's public announcement made by President Xi Jinping in September 2020 that China was committed to achieving carbon emission peak by 2030 and carbon neutrality by 2060. Since then the central government of the PRC has implemented various initiatives and policies and has provided incentives to promote the use of new energy in enterprises nationwide. Because the engineering, procurement and construction ("EPC") model has become the most common practice model within the new energy industry, such as solar or wind power farm development projects, it offers the Group many supply chain procurement bidding and trading business opportunities. In order to enter and penetrate into this fast-growing market, the Group would like to raise fund and apply it into this niche business line by including the procurement funding facilitation as part of its efficient online and offline procurement services package offered to the clients, in other words, a combination of stream (i) and stream (ii) of our procurement services business as mentioned above. The Group's software provides an online platform where the customer of the Group, i.e. the user of the Group's IT solutions services, is able to select the ideal bidder and enter the contract with the bidder through the software that have been embedded with enhanced security settings and advanced features which enable safe and reliable electronic signature. New energy development projects are capital intensive and the EPC contractors for those projects, who are the potential clients of the IT solution services of the Group, usually have to provide upfront cash liquidity support for those projects before being reimbursed by the investors of those projects. These cash challenges faced by the EPC contractors, i.e. the Group's potential clients, provide the Group with a chance to entice and incentivise them to utilize the Group's IT solution services, if the Group can help them alleviate their cash pressure by procuring the goods first before selling the goods back to them within the agreed timeframe. Thereby, from the perspective of the users who have secured their goods via the Group and its software could experience benefits in twofold. On one hand, having been able to source goods from ideal suppliers with favourable prices by utilising the IT solutions, the users could potentially enjoy lower procurement costs and a greater profit margin. On the other hand, having had the Group making the payments for the purchases first, the users could retain more working capital for their own business purposes before purchasing the goods from the Group in

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accordance to the timeline stated in the contract. From the perspective of the Group, instead of providing a traditional one-tier unitary IT services, the Group is offering a service package which can satisfy more needs of its clients hence creating a unique and more competitive edge over others. The revenue that the Group can derive from providing these procurement services are the software usage fee and the procurement service fee as mentioned above. The management has carried out risk assessment on this new business plan and has found that the potential clients in the new energy development projects businesses are mainly large-sized companies, usually state-owned, with good credit rating and strong economic strength, which the management of the Group consider as high-quality customers with large business volume and low business risks;

- c) approximately 10% of the net proceeds is to be applied to the Group's trading business to capture growth opportunities in this segment. The Group has been engaged in the trading of various goods in the past, such as aluminum ingots, and the kind of goods that the Group would trade depending on the market trends and needs and opportunities arising;
- d) approximately 20% of the net proceeds is to be invested in office properties in Hong Kong. The Group appreciates Hong Kong's status as the international operational and financial centre and plans to increase its presence and operation in Hong Kong. To that end, the Group plans to acquire larger office space for self-usage and to rent out any spare space if possible;
- e) approximately 15% of the net proceeds is to serve as supplement to the working capital of the Group for general purposes which include staff costs, rentals, selling expenses, administrative expenses, professional service fees and operating expenses, which are expected to generally increase in anticipation of a business expansion.

The expected timeline of use of net proceeds from the Rights Issue is as follows:

Proposed use of the net proceeds	Approximate percentage of total net proceeds	Approximate amount <i>(Note)</i>	Expected timeline of use after the completion of the Rights Issue
Research and development of the procurement service software	5%	No less than HK\$5.9 million and no more than HK\$6.2 million	Within 6 to 12 months

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Proposed use of the net proceeds	Approximate percentage of total net proceeds	Approximate amount (Note)	Expected timeline of use after the completion of the Rights Issue
Procurement services business	50%	No less than HK\$58.6 million and no more than HK\$62.2 million	Within 3 to 6 months
Trading business	10%	No less than HK\$11.7 million and no more than HK\$12.4 million	Within 3 to 4 months
Investment in office properties in Hong Kong	20%	No less than HK\$23.4 million and no more than HK\$24.9 million	Within 6 to 12 months
General working capital	15%	No less than HK\$17.6 million and no more than HK\$18.7 million	Within 3 to 6 months

Note:

The amounts are stated in a range since the total net proceeds depends on the extent that the Convertible Bonds are converted on or before the Record Date, assuming there are no other changes in the share capital of the Company.

The cash and bank balances of the Group was approximately HK\$6.7 million as at 30 September 2022, representing a decrease of approximately HK\$19.9 million from the cash and bank balances of HK\$27.6 million as at 31 March 2022, which was mainly attributable to the increase of administrative and operational expenses, such as staff costs increase due to extra recruitment to support the new business plan. Such increase was in line with the revenue growth for the six months ended 30 September 2022. As disclosed in the annual report of the Company for the 15 months ended 31 March 2022, the Group recorded a net loss of approximately HK\$33.9 million for the 15 months ended 31 March 2022, and the Group's current liabilities exceeded its current assets by approximately HK\$39.1 million as at 31 March 2022. Taking into account the Group's net cash movement during the six months ended 30 September 2022 and the financial position of the Group, the Group is not in a good position to support its business plan as mentioned above if only relying on its current financial resources available. In order to efficiently capture the business opportunities arising from the new energy market as mentioned above, the Group will require a large amount of cash injection to boost its business growth.

Save for the aforementioned proposed use of the net proceeds from the Rights Issue, the Directors confirm that based on the current business expansion plan as explained above, there will not be any material funding needs of the Group for the 12 months from the Latest Practicable Date.

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The estimates of the funding needs of the Group were prepared based on the key assumptions as follows: (a) the net proceeds from the Rights Issue will be at least approximately HK\$117.1 million; (b) there will be no material changes in the existing policies and regulations with regards to the businesses carried out by the Group; (c) there will be no material changes in the Group's business segments; (d) there will be no material adverse changes in the business relationship of Group with its main customers and suppliers; (e) both macro and micro-economic environment would not fluctuate significantly; (f) the Group will have sufficient qualified and experienced management and employees to support its business plan; and (g) there will be no material adverse external risk events that may disrupt the normal operation and business development activities of the Group, such as sudden and massive lockdown of many regions in the PRC for a long period of time.

However, if there shall arise any change of the Group's current circumstances and existing business plans and that the net proceeds from the Rights Issue may not satisfy such upcoming financing needs, the Board does not rule out the possibility that the Company may conduct further equity fund raising exercises to support such future developments of the Group. The Company will make further announcement in this regard in accordance with the Listing Rules as and when appropriate.

The Board has considered other fund-raising alternatives before resolving to the proposed Rights Issue, including but not limited to debt financing, placing and open offer. The Board noted that bank borrowings will carry interest costs and may require the provision of security and creditors will rank before the Shareholders. As for placing of convertible bonds, the Board has completed a placing of convertible bonds this year but the amount of proceeds was below the initial target due to insufficient market interest. As for placing of new Shares, drawing on its experience in placing of new Shares in 2021, the Board is of the view that, unlike the Rights Issue which offers existing Shareholders to participate to avoid dilution of interest and to freely trade the rights entitlements, placing would lead to dilution in the shareholding interest of existing Shareholders without offering them the opportunity to participate in the exercise and the amount of funds raised by this means is limited compared with the needs of the Company, and therefore, was not considered by the Board to be the suitable fund-raising method for the Company on this occasion. As for an open offer, while it is similar to a rights issue which allows qualifying shareholders to participate, it does not allow free trading of rights entitlements in the open market. As opposed to an open offer, the Rights Issue enables the Shareholders to sell the nil-paid rights attaching thereto.

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The Board considers that the Rights Issue is the most suitable channel for the Company to raise funds to expand its existing business operations and provide sufficient capital to the Group for its business development as the Rights Issue will give the Qualifying Shareholders the opportunity to maintain their respective pro-rata shareholding interests in the Company and to continue to participate in the future development of the Company.

In view of the above, the Board considers that the Rights Issue is in the interests of the Company and the Shareholders as a whole.

INFORMATION ON THE UNDERWRITER

The Rights Issue will be underwritten by the Underwriter, a substantial shareholder of the Company. The Underwriter is an investment holding company incorporated in Hong Kong with limited liability, and is not engaged in underwriting of issue of securities in its ordinary course of business. The Underwriter is wholly-owned by Fu Ze Ventures Limited, which is wholly-owned by Eshay Investments Limited. Eshay Investments Limited is wholly-owned by Frandor Limited, which is in turn 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 (who is the ex-wife of one of the descendants of Ms. Liu Luoxiu), the Chairman, an executive Director and the chief executive of the Company, are discretionary beneficiaries. Ms. Liu Luoxiu is an experienced investor and merchant in China, and over the years, her investment spanned across different sectors, including real estate, import and export trading, as well as new energy industry. In the event that the Underwriter becomes the controlling shareholder of the Company as a result of the taking up of the Untaken Rights Shares under the Underwriting Agreement, it is the intention of the Underwriter to continue the existing businesses of the Group. The Underwriter has no intention to introduce any major changes to the businesses of the Group (including any redeployment of the fixed assets of the Group) or terminate the continued employment of the employees of the Group.

POSSIBLE ADJUSTMENT TO THE SHARE OPTIONS UNDER THE SHARE OPTION SCHEME

As at the Latest Practicable Date, there were 13,321,000 outstanding share options with an exercise price of HK\$1.206 per Share granted by the Company with the earliest vesting date of 2 September 2023 which is after the Record Date. The Rights Issue may lead to adjustments to, among others, the exercise price and/or the number of Shares to be issued upon exercise of the outstanding share options under the Share Option Scheme. The Company will notify the holders of such share options and the Shareholders by way of announcement (as and when appropriate)

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regarding adjustments to be made (if any) pursuant to the terms of the Share Option Scheme and such adjustment will be certified by an independent financial adviser or auditors of the Company (as the case may be).

As at the Latest Practicable Date, there were outstanding Convertible Bonds with an aggregate principal amount of HK\$27,500,000 convertible into 18,333,333 Shares, at the conversion price of HK\$1.5 per Share. As disclosed in the circular of the Company dated 13 January 2022, an adjustment of the conversion price is only required when the Subscription Price is less than 70% of the average of the closing price of the Shares for the 10 consecutive dealing days ending on the dealing day immediately preceding a dealing day on which the “current market price” is determined (the “**Current Market Price**”). Under the terms and conditions of the Convertible Bonds, since the Subscription Price is not less than 70% of the Current Market Price on the dealing day immediately precedes the date of the Announcement, the Rights Issue will not lead to adjustments to the conversion price and/or the number of Shares to be issued upon conversion of the Convertible Bonds.

Save for the foregoing, as at the Latest Practicable Date, the Company had no outstanding debt securities, derivatives, options, warrants, convertible securities or other similar securities which are convertible or exchangeable into Shares prior to the Record Date. The Company has no intention to issue or grant any Shares, convertible securities, warrants and/or options on or before the Record Date.

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EFFECTS ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

The table below sets out the shareholding structure of the Company (i) as at the Latest Practicable Date; and (ii) immediately following completion of the Rights Issue in different scenarios, in each case assuming no changes in the share capital of the Company on or before the Record Date:

	(ii) Immediately following completion of the Rights Issue, and assuming							
	(i) As at the Latest Practicable Date		(a) Full acceptance of the Rights Shares by all Qualifying Shareholders and nil acceptance by the Trustee whose Unsubscribed Rights Shares are accepted by other Qualifying Shareholders		(b) Nil acceptance of the Rights Shares by the Qualifying Shareholders (other than the Underwriter pursuant to the Irrevocable Undertaking) and all of the Unsubscribed Rights Shares are placed to the Places under the Compensatory Arrangements		(c) Nil acceptance of the Rights Shares by the Qualifying Shareholders (other than the Underwriter pursuant to the Irrevocable Undertaking), none of the Unsubscribed Rights Shares are placed and all of the Untaken Rights Shares are taken up by the Underwriter	
	<i>No. of Shares</i>	%	<i>No. of Shares</i>	%	<i>No. of Shares</i>	%	<i>No. of Shares</i>	%
The Underwriter and parties acting in concert or presumed acting in concert with it (<i>Note 1</i>)	69,658,600	22.93	113,195,225	22.93	113,195,225	22.93	259,566,553	52.57
Trustee of share award plan of the Company (<i>Note 2</i>)	10,769,000	3.54	10,769,000	2.18	10,769,000	2.18	10,769,000	2.18
Places	—	—	—	—	146,371,328	29.64	—	—
Other public shareholders	223,425,125	73.53	369,796,453	74.89	223,425,125	45.25	223,425,125	45.25
Total	303,852,725	100.00	493,760,678	100.00	493,760,678	100.00	493,760,678	100.00

Notes:

- Assuming that there is no change in the issued share capital of the Company other than the allotment and issue of the Rights Shares and the scenarios set out in the table, all such Shares are/will be held by the Underwriter.
- The trustee of the Share Award Plan has indicated that it will not take up the Rights Shares which will be provisionally allotted to it under the Rights Issue.

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The table below sets out the shareholding structure of the Company (i) as at the Latest Practicable Date; (ii) immediately following the conversion of Convertible Bonds in full; and (iii) immediately following completion of the Rights Issue in different scenarios, in each case assuming no changes in the share capital of the Company on or before the Record Date other than the conversion in full of the Convertible Bonds:

	(i) As at the Latest Practicable Date		(ii) Immediately following the conversion of the Convertible Bonds in full		(iii) Immediately following completion of the Rights Issue, and assuming					
	No. of Shares	%	No. of Shares	%	(a) Full acceptance of the Rights Shares by all Qualifying Shareholders and nil acceptance by the Trustee whose Unsubscribed Rights Shares are accepted by other Qualifying Shareholders		(b) Nil acceptance of the Rights Shares by the Qualifying Shareholders (other than the Underwriter pursuant to the Irrevocable Undertaking) and all of the Unsubscribed Rights Shares are placed to the Placeses under the Compensatory Arrangements		(c) Nil acceptance of the Rights Shares by the Qualifying Shareholders (other than the Underwriter pursuant to the Irrevocable Undertaking), none of the Unsubscribed Rights Shares are placed and all of the Untaken Rights Shares are taken up by the Underwriter	
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
The Underwriter and parties acting in concert or presumed acting in concert with it (Note 1)	69,658,600	22.93	69,658,600	21.62	113,195,225	21.62	113,195,225	21.62	271,024,886	51.77
Trustee of share award plan of the Company (Note 2)	10,769,000	3.54	10,769,000	3.34	10,769,000	2.06	10,769,000	2.06	10,769,000	2.06
Placeses	—	—	—	—	—	—	157,829,661	30.15	—	—
Sea Best Group Limited (Note 3)	—	—	15,000,000	4.66	24,375,000	4.66	15,000,000	2.87	15,000,000	2.87
Mr. Wu Feng (Note 3)	—	—	3,333,333	1.03	5,416,666	1.03	3,333,333	0.64	3,333,333	0.64
Other public Shareholders	223,425,125	73.53	223,425,125	69.35	369,796,453	70.63	223,425,125	42.67	223,425,125	42.67
Total	303,852,725	100.00	322,186,058	100.00	523,552,344	100.00	523,552,344	100.00	523,552,344	100.00

Notes:

- Assuming that there is no change in the issued share capital of the Company other than the allotment and issue of the Rights Shares and the scenarios set out in the table, all such Shares are/will be held by the Underwriter.
- The trustee of the Share Award Plan has indicated that it will not take up the Rights Shares which will be provisionally allotted to it under the Rights Issue.
- Sea Best Group Limited and Mr. Wu Feng are the holders of the Convertible Bonds and are Independent Third Parties.

ADDITIONAL INFORMATION

Your attention is also drawn to the additional information contained in the appendices to this prospectus.

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WARNING OF THE RISKS OF DEALING IN THE SHARES AND THE RIGHTS SHARES

Shareholders and potential investors of the Company should note that the Rights Issue is conditional upon, among other things, the Underwriting Agreement having become unconditional and the Underwriter not having terminated the Underwriting Agreement in accordance with the terms thereof (a summary of which is set out in the section headed “Termination of the Underwriting Agreement” of this prospectus). Accordingly, the Rights Issue may or may not proceed.

The Shares were dealt in on an ex-rights basis from Thursday, 22 December 2022. Dealings in the Rights Shares in nil-paid form are expected to take place from Tuesday, 10 January 2023 to Tuesday, 17 January 2023 (both days inclusive). Any Shareholder or other person contemplating transferring, selling or purchasing the Shares and/or the Rights Shares in their nil-paid form is advised to exercise caution when dealing in the Shares and/or the nil-paid Rights Shares.

Any party who is in any doubt about his/her/its position or any action to be taken is recommended to consult his/her/its own professional adviser(s). Any Shareholder or other person dealing in the Shares or in the nil-paid Rights Shares until all the conditions to which the Rights Issue is subject are fulfilled (and the date on which the Underwriter’s right of termination of the Underwriting Agreement ceases) will accordingly bear the risk that if the Underwriter terminates the Underwriting Agreement, or the Underwriting Agreement does not become unconditional, the Rights Issue will not proceed.

Shareholders and potential investors are advised to exercise caution when dealing in the Shares or the nil-paid Rights Shares, and if they are in any doubt about their position, they should consult their professional advisers.

Yours faithfully,
For and on behalf of the Board
Cherish Sunshine International Limited
Wu Siyuan
Chairman and Chief Executive

1. SUMMARY OF FINANCIAL INFORMATION OF THE GROUP

As announced by the Company on 30 November 2021, the Company has changed its financial year end date from 31 December to 31 March. Details of the audited consolidated financial information and the significant accounting policies together with the notes to the relevant published accounts of the Group for the financial years ended 31 December 2019 and 2020, the 15 months ended 31 March 2022 and the unaudited condensed consolidated financial information and the notes to the unaudited condensed consolidated financial information of the Group for the six months ended 30 September 2022 are disclosed in the following documents which have been published on the website of the Stock Exchange (www.hkexnews.hk) and the website of the Company (www.sunshine1094.com):

- (i) the unaudited financial information of the Group for the six-month period ended 30 September 2022 is disclosed in the interim report of the Company for the six months ended 30 September 2022 published on 22 December 2022, from pages 18 to 54 (<https://www1.hkexnews.hk/listedco/listconews/sehk/2022/1222/2022122200515.pdf>);
- (ii) the audited financial information of the Group for the 15 months ended 31 March 2022 is disclosed in the annual report of the Company for the 15 months ended 31 March 2022 published on 8 July 2022, from pages 47 to 154 (<https://www1.hkexnews.hk/listedco/listconews/sehk/2022/0708/2022070800433.pdf>);
- (iii) the audited financial information of the Group for the year ended 31 December 2020 is disclosed in the annual report of the Company for the year ended 31 December 2020 published on 29 April 2021, from pages 37 to 138 (<https://www1.hkexnews.hk/listedco/listconews/sehk/2021/0429/2021042902161.pdf>);
and
- (iv) the audited financial information of the Group for the year ended 31 December 2019 is disclosed in the annual report of the Company for the year ended 31 December 2019 published on 7 July 2020, from pages 41 to 142 (<https://www1.hkexnews.hk/listedco/listconews/sehk/2020/0707/2020070700890.pdf>).

Set out below is a summary of the consolidated financial information of the Group for the financial years ended 31 December 2019 and 2020, the 15 months ended 31 March 2022 and the six months ended 30 September 2022.

APPENDIX I
FINANCIAL INFORMATION OF THE GROUP

	For the six months ended 30 September 2022	For the 15 months ended 31 March 2022	For the year ended 31 December	
	2020	2019	2020	2019
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
	<i>(unaudited)</i>	<i>(audited)</i>	<i>(audited)</i>	<i>(audited)</i>
Revenue	69,908	140,256	93,555	73,324
Cost of sales and services rendered	(54,765)	(116,037)	(74,940)	(51,536)
Gross profit	15,143	24,219	18,615	21,788
Other income and (losses)/gains	(2,313)	(5,785)	10,338	12,992
Administrative expenses	(27,812)	(46,120)	(36,169)	(48,018)
Reversal of impairment loss/(impairment loss) for intangible assets	—	—	4,340	(835)
Reversal of impairment loss/(impairment loss) for trade and other receivables, net	880	(397)	(1,512)	185
(Impairment loss)/reversal of impairment loss for prepayments	—	(6,060)	6,156	—
Reversal of impairment loss for amounts due from an ex-substantial shareholder and its subsidiaries	—	—	—	2,726
Reversal of impairment loss/(impairment loss) for loan receivables, net	2,196	(2,651)	427	2,174
Written-off of a loan receivable	—	(2,423)	—	—
(Loss)/profit from operations	(11,906)	(39,217)	2,195	(8,988)
Finance costs	(1,576)	(2,146)	(2,023)	(2,121)
(Loss)/profit before tax	(13,482)	(41,363)	172	(11,109)
Income tax credit/(expense)	2,303	7,445	49	(2,586)
(Loss)/profit for the period/year	(11,179)	(33,918)	221	(13,695)

APPENDIX I
FINANCIAL INFORMATION OF THE GROUP

	For the six months ended 30 September 2022	For the 15 months ended 31 March 2022	For the year ended 31 December	
	2022	2022	2020	2019
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(unaudited)	(audited)	(audited)	(audited)
(Loss)/profit for the period/year attributable to:				
— Owners of the Company	(11,706)	(31,923)	1,643	(14,174)
— Non-controlling interests	527	(1,995)	(1,422)	479
	<u>(11,179)</u>	<u>(33,918)</u>	<u>221</u>	<u>(13,695)</u>
Other comprehensive income/(expense) for the period/year				
<i>Items that will not be reclassified subsequently to profit or loss:</i>				
Fair value changes of equity instruments at fair value through other comprehensive income (“FVTOCI”)	—	—	—	3,113
Gain on revaluation of land and buildings	—	—	—	6,544
Income tax relating to revaluation of land and buildings	—	—	—	(1,758)
<i>Items that may be reclassified to profit or loss:</i>				
Exchange differences on translating foreign operations	(25,007)	6,537	14,407	(6,294)
Reclassification of cumulative foreign currency translation reserve upon deregistration of subsidiaries	—	—	—	(53)
	<u>(25,007)</u>	<u>6,484</u>	<u>14,407</u>	<u>1,605</u>
Other comprehensive (expense)/ income for the period/year, net of tax				
	<u>(25,007)</u>	<u>6,484</u>	<u>14,407</u>	<u>1,605</u>
Total comprehensive (expense)/income for the period/year				
	<u><u>(36,186)</u></u>	<u><u>(27,434)</u></u>	<u><u>14,628</u></u>	<u><u>(12,090)</u></u>

	For the six months ended 30 September 2022	For the 15 months ended 31 March 2022	For the year ended 31 December	
	2022	2022	2020	2019
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
	<i>(unaudited)</i>	<i>(audited)</i>	<i>(audited)</i>	<i>(audited)</i>
Total comprehensive (expense)/income attributable to:				
— Owners of the Company	(37,311)	(25,084)	17,163	(12,747)
— Non-controlling interests	1,125	(2,350)	(2,535)	(657)
	(36,186)	(27,434)	14,628	(12,090)
(Loss)/earnings per share				
Basic and diluted (<i>HK cents per share</i>)	(3.99)	(12.24)	0.74	(7.47)

The management discussion and analysis of the Company for each of the financial years ended 31 December 2019 and 2020, the 15 months ended 31 March 2022 and the six months ended 30 September 2022 are disclosed in the annual reports of the Company for the financial years ended 31 December 2019 and 2020, the 15 months ended 31 March 2022, and the interim report of the Company for the six months ended 30 September 2022 respectively.

There was no payment of dividends for each of the financial years ended 31 December 2019 and 2020, the 15 months ended 31 March 2022 and the six months ended 30 September 2022. Hence dividends per Share for each of the financial years ended 31 December 2019 and 2020, the 15 months ended 31 March 2022 and the six months ended 30 September 2022 was inapplicable.

Save as disclosed above, there are no items of income or expense which are material in each of the financial years ended 31 December 2019 and 2020, the 15 months ended 31 March 2022 and the six months ended 30 September 2022.

The auditors of the Company for the financial year ended 31 December 2019 was RSM Hong Kong, whereas the auditors of the Company for the financial year ended 31 December 2020 and the 15 months ended 31 March 2022 was Crowe (HK) CPA Limited. RSM Hong Kong had issued qualified opinion and set out material uncertainty related to going concern on the financial statements of the Group for the financial year ended 31 December 2019. As for the financial year

ended 31 December 2020 and the 15 months ended 31 March 2022, Crowe (HK) CPA Limited had set out material uncertainty related to going concern in the respective financial statements of the Group for the aforementioned financial year/period.

EXTRACTS FROM INDEPENDENT AUDITOR'S REPORT

Relevant extracts of the auditor's report in respect of the qualified opinion (as the case maybe) and material uncertainty related to going concern on each of the financial statements of the Group for the financial years ended 31 December 2019 and 2020 and the 15 months ended 31 March 2022 are produced below:

For the financial year ended 31 December 2019

QUALIFIED OPINION

We have audited the consolidated financial statements of China Public Procurement Limited (the "**Company**") and its subsidiaries (collectively referred to as the "**Group**") set out on pages 47 to 142, which comprise the consolidated statement of financial position as at 31 December 2019, and the consolidated statement of profit or loss, consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2019, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("**HKFRSs**") issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR QUALIFIED OPINION ON LIMITATION OF SCOPE

In 2012 financial year, the Group entered into several agreements and addendums (collectively referred to as the "**Agreements**") with an ex-substantial shareholder and Guocai South China Metal Exchange Service Limited ("**Guocai South China**"), an associate of the Group, which was later fully impaired in 2017 financial year, under which the Group agreed to develop, construct and maintain a metal trading platform (the "**Platform**") and the ex-substantial shareholder agreed to license to Guocai South China a right to operate the Platform for a period of 10 years in return for a fee of RMB15,000,000 (approximately HK\$16,760,000) whereas the

ex-substantial shareholder was the owner of the intellectual property of the Platform. The Group recognised RMB13,500,000 (approximately HK\$15,084,000) for the agreed services to be rendered on the Platform as income in 2012 financial year, and subsequently received the consideration from Guocai South China in January 2013. As discussed in note 40, Guocai South China, the plaintiff, has brought legal proceedings against the Group asserting that the services to be provided under the Agreements had not been performed in due course and claiming for a refund of RMB13,500,000 (approximately HK\$15,084,000) together with an accrued interest of RMB7,506,000 (approximately HK\$8,386,000). The legal proceedings are ongoing as of the date of our report. We were unable to obtain sufficient appropriate audit evidence as to whether the services to be provided under the Agreements had been performed by the Group and as such whether it was appropriate to recognise all or part of RMB13,500,000 (approximately HK\$15,084,000) consideration received as income in financial year 2012. Any adjustments to be found necessary to the opening balances as at 1 January 2018 and 2019 would have a consequential effect on the Group's accumulated losses brought forward and contract liabilities in the consolidated financial statements. We conducted our audit in accordance with Hong Kong Standards on Auditing (“**HKSAs**”) issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the HKICPA's Code of Ethics for Professional Accountants (the “**Code**”), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

MATERIAL UNCERTAINTY RELATED TO GOING CONCERN

We draw attention to note 2 in the consolidated financial statements, which indicates that the Group incurred a net loss and net operating cash outflows of approximately HK\$13,695,000 and HK\$13,109,000 respectively for the year ended 31 December 2019, and the Group had net current liabilities of approximately HK\$62,117,000 as at 31 December 2019. As stated in note 2, these events or conditions indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

*For the financial year ended 31 December 2020**MATERIAL UNCERTAINTY RELATED TO GOING CONCERN*

We draw attention to note 2(b) to the consolidated financial statements which indicates that as at 31 December 2020, the Group had net current liabilities of approximately HK\$40,748,000. This condition, along with other matters as set forth in note 2(b), indicates the existence of a material uncertainty which may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

*For the 15 months ended 31 March 2022**MATERIAL UNCERTAINTY RELATED TO GOING CONCERN*

We draw attention to note 2(c) to the consolidated financial statements which indicates that the Group incurred a net loss of approximately HK\$33,918,000 during the Period and as of that date, the Group's current liabilities exceeded its current assets by approximately HK\$38,999,000. These conditions, along with other matters as set forth in note 2(c), indicate the existence of a material uncertainty which may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Save as disclosed above, no modified or qualified opinion, emphasis of matter or material uncertainty related to going concern had been issued by the auditors of the Group in respect of the Group's audited consolidated financial statements for each of the financial years ended 31 December 2019 and 2020, and the 15 months ended 31 March 2022.

2. STATEMENT OF INDEBTEDNESS

As at the close of business on 30 November 2022, being the latest practicable date for the purpose of this statement of indebtedness, the Group has outstanding borrowings and debts of approximately HK\$51,200,000, details of which are set out as follows:

	<i>Notes</i>	<i>HK\$'000</i>
Bank borrowing	<i>(i)</i>	21,046
Convertible bonds	<i>(ii)</i>	28,348
Lease liabilities	<i>(iii)</i>	1,806
		<u>51,200</u>

Notes:

- (i) The amount is secured by the investment properties, property, plant and equipment, right-of-use assets, trade receivables and bank deposits with aggregate carrying amounts of approximately HK\$273,374,000.
- (ii) The amounts carry interests at 5% per annum and the maturity date of convertible bonds shall be 18 April 2029, which is the date falling on the expiry of seven years from the date of issue of the convertible bonds.
- (iii) The amounts are unsecured, interest-free and repayable on scheduled repayment dates as set out in the respective lease agreements.

Save as aforesaid and apart from intra-group liabilities, at the close of business on 30 November 2022, the Group did not have debt securities issued and outstanding, and authorised or otherwise created but unissued, or term loans, or other borrowings or indebtedness in the nature of borrowings including bank overdrafts and liabilities under acceptances (other than normal trade bills) or acceptance credits or hire purchase commitments, lease commitments, mortgages and charges, or material contingent liabilities or guarantees.

3. SUFFICIENCY OF WORKING CAPITAL

Taking into account the expected completion of the Rights Issue, the financial resources available to the Group, including the internally generated funds, cash flow from operations and the available committed borrowing facilities, the Board is of the opinion that in the absence of unforeseeable circumstances, the Group will have sufficient working capital available for its requirements, that is for at least the next 12 months from the date of this prospectus. The Company has obtained the relevant confirmation as required under Rule 9.20(1) of Listing Rules.

4. MATERIAL ADVERSE CHANGE

The Directors confirm that there had been no material adverse change in the financial or trading positions of the Group since 31 March 2022 (being the date to which the latest published audited financial statements of the Group were made up) and up to and including the Latest Practicable Date.

5. BUSINESS TREND AND FINANCIAL AND TRADING PROSPECT

The principal businesses of the Group are provision of procurement services, trading business, provision of corporate IT solution and leasing of the Group's investment properties located in Wuhan, Hubei Province, the PRC and provision of energy management contracting services in the PRC.

Although the impact brought by strict control measures against COVID-19 taken by the governments at all levels continued to disturb the normal economic activities in the PRC, the Group has more than tripled its total revenue in the six months ended 30 September 2022 compared with that of the first six months of the financial year of 2021 ended 30 June 2021. Except for the slight decrease of rental income from the segment of property leasing, the Group was pleased to see increase of revenue in all other business segments during the six months ended 30 September 2022 as compared to the six months ended 30 June 2021. That was largely due to the expansion of our procurement services to the trading industry supported by the funding raised from the issuance of Convertible Bonds that was completed in April 2022. We witnessed not only the revenue growth in the procurement services business segment but also a big increase of revenue for the trading business segment for the six months ended 30 September 2022 as compared to the six months ended 30 June 2021. Encouraged by the experimenting success in the non-governmental sector, the Group will further explore into the new energy industry as previously elaborated in the annual report of the Group for the financial year ended 31 March 2022.

In addition to planning business expansion, the Group will also enhance its technological competence by increasing its input into its information technology research and development activities. Because of the continuously changing global economic environment, the central government of the PRC has escalated its campaign to promote the replacement of foreign-branded IT related software and hardware with domestic alternatives. The Group therefore plans to increase its training and recruitment of its IT staff and/or replace some of its equipment, so that our procurement related software could be upgraded with more functions and be able to cater for new needs arising out of such campaign, and hence maintaining and increasing the competitiveness of the Group. The Group is committed to strive for the position as a leading IT solution provider in relation to procurement services in the PRC and will continue its efforts in the current and upcoming financial years.

A. UNAUDITED PRO FORMA STATEMENT OF ADJUSTED CONSOLIDATED NET TANGIBLE ASSETS TO THE GROUP

The following is the unaudited pro forma statement of adjusted consolidated net tangible assets of the Group attributable to owners of the Company as at 30 September 2022 (the “**Unaudited Pro Forma Financial Information**”) which has been prepared by the Directors in accordance with paragraph 4.29 of the Listing Rules to illustrate the effects of the Rights Issue on the unaudited consolidated net tangible assets of the Group attributable to owners of the Company as if the Rights Issue had been completed on 30 September 2022.

The Unaudited Pro Forma Financial Information is prepared based on the unaudited consolidated net tangible assets of the Group attributable to owners of the Company as at 30 September 2022, as extracted from the published interim report for the six months ended 30 September 2022.

The Unaudited Pro Forma Financial Information has been prepared for illustrative purposes only, and because of its hypothetical nature, may not give a true picture of the consolidated net tangible assets of the Group attributable to owners of the Company immediately after the completion of the Rights Issue as at 30 September 2022 or at any future date.

	Unaudited consolidated net tangible assets of the Group attributable to owners of the Company as at 30 September 2022	Unaudited consolidated net tangible assets of the Group attributable to owners of the Company as at 30 September 2022 per share	Estimated net proceeds from the Rights Issue	Unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company as at 30 September 2022 immediately after completion of the Rights Issue	Unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company as at 30 September 2022 immediately after completion of the Rights Issue per Share
	(Note 1) HK\$'000	(Note 2) HK\$	(Note 3) HK\$'000	HK\$'000	(Note 4) HK\$
Based on 5 Rights Shares to be issued at the Subscription Price of HK\$0.63 per Share	157,397	0.537	112,902	270,299	0.568

Notes:

- (1) The amount of unaudited consolidated net tangible assets of the Group attributable to owners of the Company as at 30 September 2022 is based on the unaudited consolidated net assets of the Group attributable to owners of the Company of approximately HK\$169,602,000, after deducting intangible assets of approximately HK\$12,205,000 as at 30 September 2022, extracted from the published interim report of the Group for the six months ended 30 September 2022.
- (2) The unaudited consolidated net tangible assets of the Group attributable to owners of the Company as at 30 September 2022 per Share is calculated based on the unaudited consolidated net tangible assets of the Group attributable to the owners of the Company of approximately HK\$157,397,000 divided by 293,083,725 Shares in issue as at 30 September 2022.
- (3) The estimated net proceeds from the Rights Issue of approximately HK\$112,902,000 is calculated based on 183,177,328 Rights Shares to be issued (in the proportion of 5 Rights Shares for every 8 Shares held as at the Rights Issue record date) at the subscription price of HK\$0.63 per Rights Share, after deduction of the estimated related expenses of approximately HK\$2,500,000, including among others, legal and professional fees, which are directly attributable to the Rights Issue.
- (4) The unaudited pro forma adjusted consolidated net tangible assets of the Group per share attributable to the owners of the Company immediately after completion of the Rights Issue is calculated based on the unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to the owners of the Company immediately after completion of the Rights Issue of approximately HK\$270,299,000 divided by 476,261,053 shares comprising 293,083,725 Shares in issue as at 30 September 2022 and 183,177,328 Rights Shares to be issued, pursuant to the Rights Issue (in the proportion of 5 Rights Share for every 8 Shares held as at the Rights Issue record date), that are in issue assuming that the Rights Issue had been completed on 30 September 2022. Given (i) the conversion price of the convertible bonds is HK\$1.50, which is substantially higher than the prevailing market prices of the Shares of the Company; and (ii) the earliest vesting date of the outstanding share options will be 2 September 2023, which is after the Record Date, the Directors do not take into account of any Shares which may be issued upon the exercise of share options and convertible bonds or issue or repurchase of Shares under general mandate.
- (5) No adjustments have been made to the unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to the owners of the Company to reflect any trading results or other transactions of the Group entered into subsequent to 30 September 2022.
- (6) On 25 October 2022, the relevant resolutions in relation to the allotment and issuance of 10,769,000 Shares (“**Awarded Shares**”) were passed at the special general meeting of the Company. On 27 October 2022, the Awarded Shares had been allotted and issued. The table below shows the unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company as at 30 September 2022 per share immediately after completion of the Rights Issue and taken into consideration of the allotment and issuance of Awarded Shares which is calculated based on the unaudited adjusted consolidated net tangible assets of the Group attributable to the owners of the Company immediately after completion of the Rights Issue and taken into consideration of the allotment and issuance of Awarded Shares of approximately HK\$274,539,000, divided by 493,760,678 Shares comprising 476,261,053 Shares as mentioned in Note 4, the Awarded Shares and 6,730,625 Rights Shares relating to the Awarded Shares to be issued. The proceeds from the share awarded plan of the Company, which was adopted on 29 April 2022, have not been taken into consideration due to the uncertainty of the fulfillment of the grantees’ performance targets and/or vesting conditions and the Company has to refund the proceeds to the grantees if the abovementioned conditions are not met.

	Unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company as at 30 September 2022 immediately after completion of the Rights Issue <i>HK\$'000</i>	Estimated net proceeds from Rights Issue regarding the Awarded Shares <i>(Note 7)</i> <i>HK\$'000</i>	Unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company as at 30 September 2022 immediately after completion of the Rights Issue and taken into consideration of the allotment and issuance of Awarded Shares <i>HK\$'000</i>	Unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company as at 30 September 2022 immediately after completion of the Rights Issue and taken into consideration of the allotment and issuance of Awarded Shares per Share <i>HK\$</i>
Based on 5 Rights Shares to be issued at the Subscription Price of HK\$0.63 per Share	270,299	4,240	274,539	0.556

- (7) The estimated net proceeds from Rights Issue regarding the Awarded Shares of approximately HK\$4,240,000 is calculated based on 6,730,625 Rights Shares regarding the Awarded Shares to be issued (in the proportion of 5 Rights Share for every 8 Shares held as the Rights Issue record date) at the subscription price of HK\$0.63 per Rights Share.
- (8) After considering the impact on Awarded Shares, the estimated net proceeds from the Rights Issue shall be approximately HK\$117,142,000, which comprising the net proceeds of approximately HK\$112,902,000 as mentioned in Note 3 and the net proceeds of approximately HK\$4,240,000 as mentioned in Note 7. Besides, the Rights Shares to be issued shall be 189,907,953 Shares, which comprising 183,177,328 Rights Shares as mentioned in Note 4 and 6,730,625 Rights Shares as mentioned in Note 6.

**B. INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE
COMPILATION OF UNAUDITED PRO FORMA FINANCIAL INFORMATION**

The following is the text of the independent reporting accountants' assurance report, received from Crowe (HK) CPA Limited, Certified Public Accountants, Hong Kong, the reporting accountants of the Company, in respect of the Unaudited Pro Forma Financial Information of the Group, prepared for the purpose of inclusion in this prospectus.



國富浩華（香港）會計師事務所有限公司
Crowe (HK) CPA Limited
香港 銅鑼灣 禮頓道77號 禮頓中心9樓
9/F Leighton Centre,
77 Leighton Road,
Causeway Bay, Hong Kong

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE
COMPILATION OF UNAUDITED PRO FORMA FINANCIAL INFORMATION****To the directors of Cherish Sunshine International Limited**

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of Cherish Sunshine International Limited (the “**Company**”) and its subsidiaries (hereinafter collectively referred to as the “**Group**”) by the directors of the Company (the “**Directors**”) for illustrative purposes only. The unaudited pro forma financial information consists of the unaudited pro forma statement of adjusted consolidated net tangible assets as at 30 September 2022 and related notes as set out on pages II-1 to II-3 of Appendix II to the prospectus issued by the Company dated 6 January 2023 (the “**Prospectus**”). The applicable criteria on the basis of which the Directors have compiled the unaudited pro forma financial information are described on pages II-1 to II-3 of the Prospectus.

The unaudited pro forma financial information has been compiled by the Directors to illustrate the impact of the proposed rights issue on the basis of five Rights Share (as defined in the Prospectus) for every eight existing shares held on the Record Date (as defined in the Prospectus) (the “**Rights Issue**”) on the Group’s financial position as at 30 September 2022 as if the proposed Rights Issue had taken place at 30 September 2022. As part of this process, information about the Group’s financial position has been extracted by the Directors from the Group’s unaudited condensed consolidated financial statements for the six months ended 30 September 2022, on which no audit or review report has been published.

Directors' Responsibilities for the Unaudited Pro Forma Financial Information

The Directors are responsible for compiling the unaudited pro forma financial information in accordance with paragraph 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and with reference to Accounting Guideline 7 “*Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars*” (“**AG 7**”) issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”).

Our Independence and Quality Control

We have complied with the independence and other ethical requirements of the “*Code of Ethics for Professional Accountants*” issued by the HKICPA, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Our firm applies Hong Kong Standard on Quality Control 1 “*Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements*” issued by the HKICPA and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting Accountants' Responsibilities

Our responsibility is to express an opinion, as required by paragraph 4.29(7) of the Listing Rules, on the unaudited pro forma financial information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the unaudited pro forma financial information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3420 “*Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus*” issued by the HKICPA. This standard requires that the reporting accountants plan and perform procedures to obtain reasonable assurance about whether the Directors have compiled the unaudited pro forma financial information in accordance with paragraph 4.29 of the Listing Rules and with reference to AG 7 issued by the HKICPA.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the unaudited pro forma financial information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the unaudited pro forma financial information.

The purpose of unaudited pro forma financial information included in an investment circular is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the entity as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the Rights Issue on 30 September 2022 would have been as presented.

A reasonable assurance engagement to report on whether the unaudited pro forma financial information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the directors in the compilation of the unaudited pro forma financial information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- the related unaudited pro forma adjustments give appropriate effect to those criteria; and
- the unaudited pro forma financial information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountants' judgment, having regard to the reporting accountants' understanding of the nature of the company, the event or transaction in respect of which the unaudited pro forma financial information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the unaudited pro forma financial information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion:

- (a) the unaudited pro forma financial information has been properly compiled by the Directors on the basis stated;
- (b) such basis is consistent with the accounting policies of the Group; and
- (c) the adjustments are appropriate for the purposes of the unaudited pro forma financial information as disclosed pursuant to paragraph 4.29(1) of the Listing Rules.

Crowe (HK) CPA Limited

Certified Public Accountants

Hong Kong, 6 January 2023

Chan Wing Fai

Practising Certificate Number P07327

1. RESPONSIBILITY STATEMENT

This prospectus, 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 prospectus (other than those relating to the Underwriter and parties acting in concert with it) 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 prospectus misleading.

2. SHARE CAPITAL

The authorised and issued share capital of the Company (i) as at the Latest Practicable Date; and (ii) immediately following the completion of Rights Issue under several scenarios will be as follows:

(i) As at the Latest Practicable Date

<i>Authorised share capital:</i>		<i>HK\$</i>
4,900,000,000	ordinary Shares of HK\$0.1 each	490,000,000
<u>100,000,000</u>	preference shares of HK\$0.1 each	<u>10,000,000</u>
<u>5,000,000,000</u>		<u>500,000,000</u>
 <i>Issued share capital:</i>		
<u>303,852,725</u>	ordinary Shares of HK\$0.1 each	<u>30,385,272.5</u>

- (ii) Immediately following the completion of the Rights Issue (assuming no other issue or repurchase of Shares up to completion of the Rights Issue save for the issue of the Rights Shares)

<i>Authorised share capital:</i>		<i>HK\$</i>
4,900,000,000	ordinary Shares of HK\$0.1 each	490,000,000
<u>100,000,000</u>	preference shares of HK\$0.1 each	<u>10,000,000</u>
<u>5,000,000,000</u>		<u>500,000,000</u>

<i>Issued share capital:</i>		
303,852,725	Shares of HK\$0.1 each	30,385,272.5
<u>189,907,953</u>	Rights Shares of HK\$0.1 each to be issued pursuant to the Rights Issue	<u>18,990,795.3</u>
<u>493,760,678</u>	Shares of HK\$0.1 each immediately following the completion of the Rights Issue	<u>49,376,067.8</u>

(iii) Immediately following the completion of the Rights Issue (assuming no other issue or repurchase of Shares up to completion of the Rights Issue save for the issue of the Rights Shares and the conversion in full of the Convertible Bonds)

<i>Authorised Share Capital:</i>		<i>HK\$</i>
4,900,000,000	ordinary Shares of HK\$0.1 each	490,000,000
<u>100,000,000</u>	preference shares of HK\$0.1 each	<u>10,000,000</u>
<u>5,000,000,000</u>		<u>500,000,000</u>

Issued share capital:

303,852,725	Shares of HK\$0.1 each	30,385,272.5
<u>18,333,333</u>	Shares of HK\$0.1 each to be issued and allotted upon conversion in full of the Convertible Bonds	<u>1,833,333.3</u>
<u>201,366,286</u>	Rights Shares of HK\$0.1 each to be issued pursuant to the Rights Issue	<u>20,136,628.6</u>
<u>523,552,344</u>	Shares of HK\$0.1 each immediately following the completion of the Rights Issue	<u>52,355,234.4</u>

In the period between 31 March 2022 (being the date to which the Company's latest published audited accounts were prepared) and the Latest Practicable Date, save for the issue of the 10,769,000 Shares to the trustee of the share award plan of the Company to hold on trust for the benefit of the grantees on 27 October 2022, the Company did not issue any Shares.

All the Shares rank *pari passu* with each other in all respects including the rights as to dividends, voting and return of capital. The Rights Shares, when allotted, issued and fully paid, will rank *pari passu* with each other and the Shares in issue on the date of allotment and issue of the Rights Shares in all respects including rights to dividends, voting and return of capital. Holders of fully-paid Rights Shares will be entitled to receive all future dividends and distributions which may be declared, made or paid on or after the date of issue of the fully-paid Rights Shares.

The Company has applied to the Stock Exchange for the listing of, and permission to deal in the Rights Shares in both their nil-paid and fully-paid forms to be issued and allotted pursuant to the Rights Issue. No part of the share capital or any other securities of the Company is listed or dealt in on any stock exchange other than the Stock Exchange and no application is being made or is currently proposed or sought for the Shares or any other securities of the Company to be listed or dealt in on any other stock exchange.

None of the capital of any member of the Group is under option, or agreed conditionally or unconditionally to be put under option.

As at the Latest Practicable Date, there were no arrangements under which future dividends are waived or agreed to be waived.

As at the Latest Practicable Date, there were (i) 13,321,000 outstanding share options with an exercise price of HK\$1.206 per Share under the Share Option Scheme which have not been vested and the earliest vesting date of such outstanding shares options will be 2 September 2023; and (ii) Convertible Bonds with an aggregate principal amount of HK\$27,500,000 convertible into 18,333,333 Shares, at the conversion price of HK\$1.5 per Shares. Save for the share options and the Convertible Bonds, the Company had no outstanding warrants, options or convertible securities in issue which confer any right to subscribe for, convert or exchange into Shares.

3. DISCLOSURE OF INTERESTS

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

As at the Latest Practicable Date, the interest and the short positions the Directors and chief executive 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) which (i) were required to be notified to the Company and the Stock Exchange pursuant to the provisions of 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 provisions of the SFO); or (ii) were required, pursuant to section 352 of the SFO, to be entered in the register maintained by the Company referred to therein; or (iii) were required, 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**”), to be notified to the Company and the Stock Exchange, were as follows:

(a) Long position in the Shares

Name	Capacity	Class of shares	Number of Shares	Shareholding (%)
Ms. Wu Siyuan	Discretionary beneficiary of a discretionary trust	Ordinary	271,024,886 (Notes 1 and 2)	51.77%

Notes:

- These Shares were held by the Underwriter, 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 held by the Underwriter by virtue of Part XV of the SFO.
- Among these Shares (i) 69,658,600 Shares were beneficially owned by the Underwriter, of which 63,964,200 were pledged to Jiangxi Bank Co., Ltd* (江西銀行股份有限公司) under a share pledge agreement dated 15 July 2022; (ii) 43,536,625 Shares were the Shares that the Underwriter has undertaken to subscribe for/procure subscription of, pursuant to the Irrevocable Undertaking; and (iii) the remaining 157,829,661 Shares are the maximum number of Rights Shares to be underwritten by the Underwriter assuming that immediately following the completion of the Rights Issue there are nil acceptance of the Rights Shares by the Qualifying Shareholders (other than the Underwriter pursuant to the Irrevocable Undertaking), and none of the Unsubscribed Rights Shares are placed and all of the Untaken Rights Shares are taken up by the Underwriter.

(b) Interest in the share options of the Company

As at the Latest Practicable Date, the following Directors had personal interest in the share options to subscribe for the Shares granted under the Share Option Scheme:

Name of Director	Number of Share Options	Date of Grant	Exercise price per Share (HK\$)	Validity and Exercise Period (Note 1)
Ms. Wu Siyuan	2,018,000	2 September 2022	1.206	2 September 2023 to 1 September 2027
Ms. Liu Qian	1,453,000	2 September 2022	1.206	2 September 2023 to 1 September 2027
Mr. Li Shun	673,000	2 September 2022	1.206	2 September 2023 to 1 September 2027
Mr. Li Guanghua	1,182,000	2 September 2022	1.206	2 September 2023 to 1 September 2027
	<u>5,326,000</u>			

Note:

1. Subject to and conditional upon the fulfillment of certain performance targets and/or vesting conditions, these share options shall vest in four tranches of 25% of the share options each, immediately following each of the first to fourth anniversary of the date of grant of the share options. The earliest vesting date of the outstanding share options will therefore be 2 September 2023.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors or chief executive of the Company had an interest or short position in any Shares, underlying Shares or debentures of the Company or any associated corporation (within the meaning of Part XV of the SFO) which was required to be (i) 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 he was taken or deemed to have under such provisions of the SFO); (ii) pursuant to section 352 of the SFO, entered in the register referred to therein; or (iii) notified to the Company and the Stock Exchange pursuant to the Model Code.

(ii) Substantial shareholders and other persons' interest and short positions in Shares and underlying Shares

As at the Latest Practicable Date, so far as was known to the Directors and chief executive of the Company, the following persons, other than a Director or chief executive of the Company, had, or was deemed or taken to have an interest or short position in the Shares or underlying Shares which would fall to be notified to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, as required in the register required to be kept by the Company under Section 336 of the SFO or who was, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group:

Long position in the Shares

Name	Capacity	Class of shares	Number of Shares	Shareholding (%)
The Underwriter	Beneficial Owner	Ordinary	113,195,225 (Note 1)	21.62%
	Underwriter	Ordinary	157,829,661 (Note 2)	30.15%
Trident Trust Company (Singapore) Pte Limited	Trustee of a discretionary trust	Ordinary	271,024,886 (Notes 1 and 2)	51.77%
Ms. Liu Luoxiu	Founder of a discretionary trust	Ordinary	271,024,886 (Notes 1 and 2)	51.77%
Jiangxi Bank Co., Ltd* (江西銀行股份有限公司)	Person having a security interest in Shares	Ordinary	63,964,200 (Note 3)	21.05% (Note 4)

Notes:

- These Shares were held by the Underwriter. Among these Shares, (i) 69,658,600 Shares were beneficially owned by the Underwriter, among which 63,964,200 Shares were pledged to Jiangxi Bank Co., Ltd* (江西銀行股份有限公司) under a share pledge agreement dated 15 July 2022; and (ii) 43,536,625 Shares represent the Shares that the Underwriter has undertaken to subscribe for/procure subscription of, pursuant to the Irrevocable Undertaking. The Underwriter 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 held by Underwriter by virtue of Part XV of the SFO.

2. These Shares represent the maximum number of Rights Shares to be underwritten by the Underwriter assuming that immediately following the completion of the Rights Issue there are nil acceptance of the Rights Shares by the Qualifying Shareholders (other than the Underwriter pursuant to the Irrevocable Undertaking), and none of the Unsubscribed Rights Shares are placed and all of the Untaken Rights Shares are taken up by the Underwriter.
3. These Shares were pledged to Jiangxi Bank Co., Ltd* (江西銀行股份有限公司) under a share pledge agreement between Jiangxi Bank Co., Ltd* (江西銀行股份有限公司) and the Underwriter dated 15 July 2022.
4. The approximate percentage of interests held was calculated on the basis of 303,852,725 ordinary Shares in issue as at the Latest Practicable Date.

Save as disclosed above, as at the Latest Practicable Date, so far as is known to the Directors or chief executive of the Company, no person (other than a Director or chief executive of the Company) had, or was taken or deemed to have interests or short positions in the Shares or underlying Shares which would fall to be notified to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, as required in the register required to be kept by the Company under Section 336 of the SFO or who was, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group.

As at the Latest Practicable Date, so far as known to the Directors and save as disclosed in this section headed “3. Disclosure of Interests” in this Appendix III, no Director is a director or employee of a company which has an interest or short position in the Shares and underlying Shares which would fall to be disclosed to the Company under the provisions of Division 2 and 3 of Part XV of the SFO.

4. DIRECTORS’ SERVICES CONTRACTS

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

5. COMPETING INTERESTS

As at the Latest Practicable Date, none of the Directors and their respective associates was interested in any business apart from the business of the Group which competes or is likely to compete, either directly or indirectly, with the business of the Group.

6. DIRECTORS' INTEREST IN ASSETS, CONTRACTS AND OTHER INTERESTS

As at the Latest Practicable Date, none of the Directors had any interest, directly or indirectly, in any asset which, since 31 March 2022, being the date to which the latest published audited financial statements of the Group were made up, had been acquired or disposed of by or leased to or are proposed to be acquired or disposed of by or leased to any member of the Group.

As at the Latest Practicable Date, none of the Directors was materially interested in any contract or arrangement subsisting as at the Latest Practicable Date which is significant in relation to the business of the Group. Nevertheless, the Company entered into the Underwriting Agreement with Eastmount Global Limited, the Underwriter, a substantial shareholder of the Company and therefore a connected person of the Company. Accordingly, the transactions contemplated under the Underwriting Agreement constitute a connected transaction for the Company under the Listing Rules. Ms. Wu Siyuan, the Chairman, the Chief Executive and an executive Director, is a discretionary beneficiary of the family trust, of which the trustee wholly owns the Underwriter, and as such, may have conflict of interests in respect of the Rights Issue, the Placing Agreement, the Underwriting Agreement and the transactions contemplated thereunder and/or the Whitewash Waiver. She has abstained from voting at the meeting of the Board convened to consider such matters. As at the Latest Practicable Date, Ms. Wu Siyuan did not hold any Shares.

7. MATERIAL CONTRACTS

The following contracts, not being contracts entered into in the ordinary course of business carried on or intended to be carried on by the Group, were entered into by members of the Group after the date falling two years prior to the date of the Announcement and up to and including the Latest Practicable Date and which are or may be material:

- (i) the subscription agreement dated 8 September 2021 entered into between the Company and Eastmount Global Limited in relation to the subscription of 48,800,000 new Shares at the price of HK\$0.361 per Share on the terms and conditions of the subscription agreement;
- (ii) the convertible bonds placing agreement dated 3 December 2021 entered into between the Company and Maxa Capital Limited as placing agent in relation to the placing of, on a best effort basis, convertible bonds in the principal amount of up to HK\$75,000,000, converting to a maximum of 50,000,000 new Shares at the initial conversion price of HK\$1.5 per conversion share;
- (iii) the Placing Agreement; and

(iv) the Underwriting Agreement (including the Irrevocable Undertaking).

8. LITIGATION

As at the Latest Practicable Date, no member of the Group was involved in any litigation or claims of material importance and no litigation or claims of material importance were known to the Directors to be pending or threatened against any member of the Group.

9. EXPERT AND CONSENT

The qualification of the expert who has given opinions, letters or advice contained in this prospectus is set out below:

Name	Qualification
Crowe (HK) CPA Limited	Certified public accountants

The above expert has given and has not withdrawn its written consent to the issue of this prospectus with the inclusion therein of its letter, advice, report and/or references to its names, in the form and context in which they are respectively included.

As at the Latest Practicable Date, the above expert was not beneficially interested in the share capital of any member of the Group or had any right, whether legally enforceable or not, to subscribe for or to nominate persons to subscribe for any securities in any member of the Group, nor did it have any interest, either directly or indirectly, in the assets which have been acquired or disposed of by or leased to any member of the Group, or were proposed to be acquired or disposed of by or leased to any member 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.

10. EXPENSES

The expenses payable by the Company in connection with the Increase in Authorised Share Capital, the Rights Issue, the Placing Agreement, the Underwriting Agreement and the Whitewash Waiver, including printing, registration, translation, legal, financial advisory, accounting and other professional fees, are estimated to be approximately HK\$2.5 million.

11. DIRECTORS OF THE COMPANY

Name	Address
<i>Executive Directors</i>	
Ms. Wu Siyuan	Unit 705, 7/F, Nam Wo Hong Building, 148 Wing Lok Street, Sheung Wan, Hong Kong
Ms. He Qian	Unit 705, 7/F, Nam Wo Hong Building, 148 Wing Lok Street, Sheung Wan, Hong Kong
<i>Non-executive Directors</i>	
Ms. Liu Qian	Unit 705, 7/F, Nam Wo Hong Building, 148 Wing Lok Street, Sheung Wan, Hong Kong
Mr. Li Shun	Unit 705, 7/F, Nam Wo Hong Building, 148 Wing Lok Street, Sheung Wan, Hong Kong
Mr. Li Guanghua	Unit 705, 7/F, Nam Wo Hong Building, 148 Wing Lok Street, Sheung Wan, Hong Kong
<i>Independent non-executive Directors</i>	
Mr. Zhong Dengyu	Unit 705, 7/F, Nam Wo Hong Building, 148 Wing Lok Street, Sheung Wan, Hong Kong
Mr. Jiang Jun	Unit 705, 7/F, Nam Wo Hong Building, 148 Wing Lok Street, Sheung Wan, Hong Kong
Ms. Deng Hua	Unit 705, 7/F, Nam Wo Hong Building, 148 Wing Lok Street, Sheung Wan, Hong Kong

Executive Directors

Ms. Wu Siyuan, aged 28, joined the Company in November 2021 as an executive Director and the Chief Executive of the Company. She graduated from Henan University in 2013 with a Bachelor's Degree in Finance, and from Hunan University in 2016 with a Master's Degree in Finance. From July 2016 to April 2018, she worked in the channel management department of the

Bank of Shanghai Co., Ltd.* (上海銀行股份有限公司), responsible for the marketing and operation of mobile sales channels. From May 2018 to October 2020, she worked as the investment director in Shanghai Fuluona Asset Management Co., Ltd.* (上海富羅納資產管理有限公司). From October 2020 to October 2021, she worked as the standing deputy general manager in Shanghai Akcome Fuluona Financial Leasing Co., Ltd.* (上海愛康富羅納融資租賃有限公司).

Ms. Wu is a discretionary beneficiary under a family trust founded by Ms. Liu Luoxiu and is deemed to be interest in in the 69,658,600 Shares held by the Underwriter by virtue of Part XV of the SFO. For further details, please refer to the section headed “3. Disclosure of Interests” in this Appendix III.

Ms. He Qian, aged 50, joined the Company in January 2015, is an executive Director. She obtained a bachelor’s degree in accounting from University of International Business and Economics in 2006 and a degree of executive master of business administration from Cheung Kong Graduate School of Business in 2011, and she is a certified accountant and certified tax agent. She began her career in accounting in 1994. She was a partner of Zhejiang Yuehua Certified Public Accountants* (浙江嶽華會計師事務所有限公司) from January 2004 to December 2008, she then became a partner and the head of the Zhejiang branch office of RSM China Certified Public Accountants Zhejiang Branch (中瑞嶽華會計師事務所(特殊普通合夥)浙江分所) from January 2009 to May 2013. From June 2013 to March 2015, she was a partner and the head of the Zhejiang branch office of Ruihua Certified Public Accountants Zhejiang Branch (瑞華會計師事務所(特殊普通合夥)浙江分所). Since April 2015, she has become the chairman of Zhejiang Yueyou Investment Management Co. Ltd. (浙江岳佑投資管理有限公司). She was an independent director of both Zhejiang Chunhui Intelligent Control Co., Ltd. (浙江春輝智能控制股份有限公司) (stock code: 300943) and Jiangsu Akcome Science and Technology Co., Ltd. (江蘇愛康科技股份有限公司) (stock code: 002610), companies listed on the Shenzhen Stock Exchange, from May 2016 to May 2022 and from May 2016 to October 2022, respectively. Since March 2022, Ms. He has also been re-appointed as an independent director of Lionco Pharmaceutical Group Co., Ltd (靈康藥業集團股份有限公司), a company listed on the Shanghai Stock Exchange (stock code: 603669), where she once served as an independent director from December 2013 to February 2019.

Non-Executive Director

Mr. Li Shun, aged 45, joined the Company in October 2021 and is a non-executive Director. He was further appointed as the Chief Financial Officer of the Company on 1 December 2021. Mr. Li obtained his Bachelor’s Degree in English Language from Beijing Foreign Studies University in 1999 and a Master of Science in Management from The University of Lancaster in the United Kingdom in 2002. Mr. Li has been a member of The Chartered Institute of Management Accountants since 2006. Mr. Li worked in the financial control department of China International Capital Corporation (UK) Limited (a subsidiary of China International Capital Corporation

Limited, a company listed on the Stock Exchange, stock code: 3908) from April 2010 to July 2014. He worked as the chief financial officer of Metropolis Capital Holdings Limited (a company listed on the Stock Exchange, stock code: 8621) and its subsidiaries from August 2014 to May 2021, responsible for overseeing its corporate strategies, financial affairs and investment.

Ms. Liu Qian, aged 56, joined the Company in October 2021, is a non-executive Director. She graduated from the Undergraduate Program in Internal Combustion Engine of College of Automotive Engineering of Jilin University in 1986, and she graduated from the Graduate Program in Computational Mechanics of Jilin University in 1988. In 1995, Ms. Liu obtained a Master of Philosophy from University of Wales in the United Kingdom, and in 2012, she obtained an Executive Master of Business Administration from Cheung Kong Graduate School of Business. She has extensive experience in the new energy sector and management. She worked in Jiangsu Akcome Industrial Group Co., Ltd.* (江蘇愛康實業集團有限公司) from June 2011 to September 2014, during which she served as the vice president and successively served as the president of Power Business Department of Akcome Industrial Group Co., Ltd., director and general manager of Suzhou Sheng Kang Solar Technology Co., Ltd.* (蘇州盛康光伏科技有限公司) concurrently. From September 2014 to March 2019, she successively served as the president of Market Development Division of and vice president of GCL New Energy Holdings Limited (a company listed on Stock Exchange, stock code: 451), assistant vice president and director of administration office of GCL Group Limited* (協鑫集團有限公司), and vice president of GCL Intelligent New Energy Transportation Technology Development (Suzhou) Co., Ltd.* (協鑫智慧新能源交通科技發展(蘇州)有限公司). Ms. Liu has worked in Shanghai Fuluona Asset Management Co., Ltd.* (上海富羅納資產管理有限公司) since March 2019, and is currently the legal representative and the executive director. Since April 2021, Ms. Liu has also been a director of Huarui New Energy Investment Pte. Ltd., being an indirect wholly-owned subsidiary of the Company.

Mr. Li Guanghua, aged 47, joined the Company in February 2022, is a non-executive Director. Mr. Li graduated from Sichuan United University* (四川聯合大學) (now known as Sichuan University) in July 1998 with a Bachelor's Degree in Mechanical Design and Manufacturing. He graduated from Fudan University in June 2013 with an Executive Master of Business Administration and from Tsinghua University in June 2021 with an Executive Master of Business Administration. From July 1998 to August 2009, Mr. Li worked in various electronics and electrical appliances companies including LG Electronics Tianjin Appliances Co., Ltd.* (樂金電子(天津)電器有限公司), Midea Group Co., Ltd.* (美的集團股份有限公司) and Qingdao Haier International Trade Co., Ltd.* (青島海爾國際貿易有限公司). From August 2009 to April 2022, Mr. Li successively worked in Suzhou Akcome Metal Technology Co., Ltd.* (蘇州愛康金屬科技有限公司), Shanghai Fuluona Asset Management Co., Ltd.* (上海富羅納融資租賃有限公司) and

Suzhou Akcome Energy Group Co., Ltd.* (蘇州愛康能源集團股份有限公司). Mr. Li joined Jiangsu Chengguang New Energy Ltd (江蘇承光新能源有限公司) in May 2022, one of the indirect wholly-owned subsidiary of the Company, as the head of new energy development business of the Group.

Independent non-executive Directors

Mr. Zhong Dengyu, aged 48, joined the Company in December 2021, is an independent non-executive Director, a member of the Nomination Committee and the Remuneration Committee, and the chairman of the audit committee of the Company (the “**Audit Committee**”). He graduated from Heilongjiang Business School* (黑龍江商學院) (now known as Harbin University of Commerce) in 1997 with a bachelor’s degree in accounting. Mr. Zhong has been a certified public accountant in the PRC since 1999 and a certified tax agent in the PRC since 2002. Since July 1997, Mr. Zhong has worked as an accountant in Talent Certified Public Accountants (Special General Partnership) Suzhou Qinye Branch* (天衡會計師事務所(特殊普通合夥)蘇州勤業分所) (formerly known as Jiangsu Xinggang Accounting Firm* (江蘇興港會計師事務所)), Suzhou Qinye United Accounting Firm* (蘇州勤業聯合會計師事務所), Suzhou Qinye Certified Public Accountants Co., Ltd.* (蘇州勤業會計師事務所有限公司), Talent Certified Public Accountants Co., Ltd. Suzhou Qinye Branch* (天衡會計師事務所有限公司蘇州勤業分所), where his current position is a partner and a deputy head.

Mr. Jiang Jun, aged 42, joined the Company in June 2017, is an independent non-executive Director, the chairman of the Remuneration Committee, a member of the Nomination Committee and the Audit Committee. He obtained a bachelor’s degree in accounting from Beijing University of Chemical Technology in 2003. He is a qualified intermediate accountant and holds the National Computer Rank Examination Grade II Certificate. He started his career in accounting since 2003. He was an accountant for Beijing Longde Group Limited* (北京龍德實業集團有限公司) from September 2003 to June 2006, and he has been the chief audit executive for Shi Boo Investment Holding Co., Ltd. since July 2006.

Ms. Deng Hua, aged 39, graduated from the East China Normal University (華東師範大學) in July 2007 with a Master Degree in law. Ms. Deng has been a qualified lawyer in the PRC since 2010. Ms. Deng started her career as a PRC lawyer in the Shanghai office of Allbright Law Offices (上海市錦天城律師事務所) in September 2010 and has over 11 years of experience in the practice areas of capital markets, mergers and corporate finance. She is currently a senior partner of the Shanghai office of Allbright Law Offices.

Company Secretary

Ms. Wong Kwun Yuet Shavonne is a practicing solicitor in Hong Kong working at Chiu & Partners in the field of commercial and corporate finance. Ms. Wong graduated from the University of Hong Kong with the Bachelor of Business Administration (Law) and Bachelor of Laws degrees.

12. CORPORATE INFORMATION AND PARTIES TO THE RIGHTS ISSUE

Registered office	Clarendon House 2 Church Street Hamilton HM 11 Bermuda
Head office	Unit 109–14, Block 1 No. 1818–2 Wenyi West Road Yuhang Street, Yuhang District Hangzhou, Zhejiang Province People’s Republic of China
Principal place of business in Hong Kong	Unit 705, 7/F Nam Wo Hong Building 148 Wing Lok Street Sheung Wan, Hong Kong
Principal share registrar and transfer office	MUFG Fund Services (Bermuda) Limited 4th floor, North Cedar House 41 Cedar Avenue Hamilton HM 12 Bermuda
Hong Kong branch share registrar and transfer office	Union Registrars Limited Suites 3301–04, 33/F Two Chinachem Exchange Square 338 King’s Road North Point Hong Kong
Company secretary	Ms. Wong Kwun Yuet Shavonne

Authorised representatives	Ms. Wu Siyuan Unit 705, 7/F, Nam Wo Hong Building 148 Wing Lok Street Sheung Wan, Hong Kong
	Ms. Wong Kwun Yuet Shavonne 40/F, Jardine House 1 Connaught Place Central, Hong Kong
Principal bankers	Hang Seng Bank 83 Des Voeux Road Central Central, Hong Kong
Auditors and reporting accountants	Crowe (HK) CPA Limited <i>Certified Public Accountants</i> 9/F, Leighton Centre 77 Leighton Road Causeway Bay Hong Kong
Financial adviser to the Company	Maxa Capital Limited Unit 1908, Harbour Center 25 Harbour Road Wanchai, Hong Kong
Legal adviser to the Company as to Hong Kong laws	Chiu & Partners 40/F, Jardine House 1 Connaught Place Central Hong Kong
Placing Agent	Eddid Securities and Futures Limited 21/F, Citic Tower 1 Tim Mei Avenue, Central Hong Kong

Underwriter

Eastmount Global Limited
5/F, Gloucester Tower, The Landmark
11 Pedder Street, Central, Hong Kong

13. GENERAL

As at the Latest Practicable Date, to the best knowledge of the Directors, there was no restriction affecting the remittance of profit or repatriation of capital of the Company into Hong Kong from outside Hong Kong.

14. DOCUMENTS ON DISPLAY

Copies of the following documents will be published on the websites of the Company (www.sunshine1094.com) and the Stock Exchange (www.hkexnews.hk) from the date of this prospectus for at least 14 days:

- (i) the report from Crowe (HK) CPA Limited on the unaudited pro forma financial information of the Group, the text of which is set out in Appendix II to this prospectus;
- (ii) the written consent of the expert as referred to in the section headed “9. Expert and Consent” in this Appendix III; and
- (iii) the material contracts referred to in the section headed “7. Material Contracts” in this Appendix III.

15. BINDING EFFECT

The Prospectus Documents, and all acceptances of any offer or application contained in such documents, are governed by and shall be construed in accordance with the laws of Hong Kong. Where an application is made in pursuance of any such documents, the relevant document(s) shall have the effect of rendering all persons concerned bound by the provisions, other than the penal provisions, of Sections 44A and 44B of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong), so far as applicable.

16. DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES

A copy of each of the Prospectus Documents together with the written consent as referred to in the paragraph headed “9. Expert and Consent” in this appendix, have been registered with the Registrar of Companies in Hong Kong pursuant to Section 342C of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong).