

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



CHERISH SUNSHINE INTERNATIONAL LIMITED

承輝國際有限公司

(Incorporated in Bermuda with limited liability)

(Stock code: 1094)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 MARCH 2024 AND RESUMPTION OF TRADING

The board (the “**Board**”) of directors (the “**Directors**”) of Cherish Sunshine International Limited (the “**Company**”) hereby announces the audited consolidated results of the Company and its subsidiaries (the “**Group**”) for the year ended 31 March 2024 (the “**Year**”) together with the comparative figures for the year ended 31 March 2023 (“**FY22/23**”).

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 March 2024

	Notes	2024 HK\$'000	2023 HK\$'000
Revenue	4	782,180	271,719
Cost of sales and services rendered		(722,666)	(234,084)
Gross profit		59,514	37,635
Other income and gains/(losses)		(13,211)	(5,637)
Administrative expenses		(55,747)	(61,422)
Reversal of impairment loss for intangible assets		3,711	13,746
(Impairment loss)/reversal of impairment loss for trade and other receivables and contract assets, net		(2,054)	76
Reversal of impairment loss for prepayments		2,339	11,405
Reversal of impairment loss for loan receivables		—	4,837
Share of result of an associate		(5)	—
Change in fair value of derivatives embedded in convertible bonds		1,692	(370)

	<i>Notes</i>	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
(Loss)/profit from operations		(3,761)	270
Finance costs	5	<u>(6,725)</u>	<u>(3,671)</u>
Loss before tax		(10,486)	(3,401)
Income tax credit	6	<u>11,290</u>	<u>16,995</u>
Profit for the year	7	<u>804</u>	<u>13,594</u>
Profit attributable to:			
Owners of the Company		656	13,282
Non-controlling interests		<u>148</u>	<u>312</u>
		<u>804</u>	<u>13,594</u>
Earnings per ordinary share (HK cents per share)			
	9		
Basic		0.1359	4.0156
Diluted		<u>0.1356</u>	<u>3.9997</u>

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 March 2024

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Profit for the year	<u>804</u>	<u>13,594</u>
Other comprehensive (expense)/income:		
<i>Items that may be reclassified to profit or loss:</i>		
Exchange differences on translating foreign operations	(18,158)	(17,030)
Share of other comprehensive expense of an associate	(26)	—
Reclassification of cumulative foreign currency translation reserve upon disposal of a subsidiary	<u>10</u>	<u>—</u>
Other comprehensive expense for the year, net of tax	<u>(18,174)</u>	<u>(17,030)</u>
Total comprehensive expense for the year	<u><u>(17,370)</u></u>	<u><u>(3,436)</u></u>
Other comprehensive (expense)/income attributable to:		
Owners of the Company	(17,806)	(4,183)
Non-controlling interests	<u>436</u>	<u>747</u>
	<u><u>(17,370)</u></u>	<u><u>(3,436)</u></u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 March 2024

	<i>Notes</i>	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
ASSETS			
Non-current assets			
Property, plant and equipment		6,284	7,621
Investment properties		232,673	267,130
Right-of-use assets		8,148	10,089
Intangible assets		28,667	26,331
Interest in an associate		197	228
Deferred tax assets		376	—
Derivative component of convertible bonds		2,964	9,904
Total non-current assets		279,309	321,303
Current assets			
Inventories — raw materials		230	101
Trade and other receivables	<i>10</i>	360,079	257,158
Contract assets		20,407	6,384
Loan receivables		—	—
Restricted bank deposits		61,593	—
Cash and cash equivalents		6,309	8,478
Total current assets		448,618	272,121
TOTAL ASSETS		727,927	593,424

	<i>Notes</i>	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
EQUITY			
Share capital		48,522	48,300
Reserves		258,483	273,574
		<hr/>	<hr/>
Equity attributable to owners of the Company		307,005	321,874
Non-controlling interests		(11,695)	(11,507)
		<hr/>	<hr/>
Total equity		295,310	310,367
		<hr/>	<hr/>
LIABILITIES			
Non-current liabilities			
Bank borrowing		53,877	—
Deferred income		2,788	3,229
Lease liabilities		—	261
Convertible bonds		23,246	22,635
Deferred tax liabilities		20,849	33,721
		<hr/>	<hr/>
Total non-current liabilities		100,760	59,846
		<hr/>	<hr/>
Current liabilities			
Bank and other borrowings		46,334	113,801
Lease liabilities		652	1,262
Trade and other payables	<i>11</i>	223,576	71,538
Contract liabilities		37,862	3,230
Derivative component of convertible bonds		6,038	14,670
Current tax liabilities		17,395	18,710
		<hr/>	<hr/>
Total current liabilities		331,857	223,211
		<hr/>	<hr/>
TOTAL EQUITY AND LIABILITIES		727,927	593,424
		<hr/> <hr/>	<hr/> <hr/>
Net current assets		116,761	48,910
		<hr/> <hr/>	<hr/> <hr/>
Total assets less current liabilities		396,070	370,213
		<hr/> <hr/>	<hr/> <hr/>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2024

1. GENERAL INFORMATION

Cherish Sunshine International Limited (the “**Company**”) was incorporated in Bermuda with limited liability. The address of its registered office is Clarendon House, 2 Church Street, Hamilton HM11, Bermuda. The address of its head office and principal place of business in the People’s Republic of China (the “**PRC**”) is Unit 109–14, Block 1, No. 1818-2 Wenyi West Road, Yuhang Street, Yuhang District, Hangzhou, Zhejiang Province, the PRC. The address of its principal place of business in Hong Kong is Unit 705, 7/F, Nam Wo Hong Building, 148 Wing Lok Street, Sheung Wan, Hong Kong. The Company’s shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

The Company is an investment holding company. The principal activities of its subsidiaries are provision of procurement services and other IT services, trading of general goods, provision of energy management contracting services in the PRC and leasing of the Group’s investment properties located in Wuhan, Hubei Province, the PRC.

These consolidated financial statements have been prepared in accordance with all Hong Kong Financial Reporting Standards (“**HKFRSs**”), which collective term includes all individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“**HKASs**”) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. These consolidated financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”).

The consolidated financial statements are presented in Hong Kong dollars (“**HK\$**”), which is also the functional currency of the Company. The directors of the Company consider HK\$ is the appropriate presentation currency for the users of the Group’s consolidated financial statements. The functional currency of the Company’s major subsidiaries in the PRC is Renminbi (“**RMB**”).

2. CHANGES IN ACCOUNTING POLICIES

In the current year, the Group has applied the following new and amendments to HKFRSs issued by the HKICPA for the first time, which are mandatorily effective for the annual periods beginning on or after 1 January 2023 for the preparation of the consolidated financial statements:

HKFRS 17 and related amendments	Insurance Contracts
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies
Amendments to HKAS 8	Definition of Accounting Estimates
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction
Amendments to HKAS 12	International Tax Reform — Pillar Two Model Rules

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period. The application of the new standard or amendments to HKFRSs in the current year had no material impact on the Group's financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

3. POSSIBLE IMPACT OF AMENDMENTS TO HKFRSs ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31 MARCH 2024

Up to the date of this announcement, the HKICPA has issued a number of amended standards, which are not yet effective for the year ended 31 March 2024 and which have not been adopted in these consolidated financial statements. These developments include the following:

Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ¹
Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback ²
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current (“ 2020 Amendments ”) ²
Amendments to HKAS 1	Non-current Liabilities with Covenants (“ 2022 Amendments ”) ²
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements ²
Amendments to HKAS 21	Lack of Exchangeability ³

¹ Effective for annual periods beginning on or after a date to be determined.

² Effective for annual periods beginning on or after 1 January 2024.

³ Effective for annual periods beginning on or after 1 January 2025.

The Group is in the process of making an assessment of what the impact of these developments is expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the consolidated financial statements except for the following:

Amendments to HKAS 1 “Presentation of financial statements” (2020 and 2022 Amendments)

The 2020 and 2022 Amendments impact the classification of a liability as current or non-current, and are to be applied retrospectively as a package.

The 2020 Amendments primarily clarify the classification of a liability that can be settled in its own equity instruments. If the terms of a liability could, at the option of the counterparty, result in its settlement by the transfer of the entity’s own equity instruments and that conversion option is accounted for as an equity instrument, these terms do not affect the classification of the liability as current or non-current. Otherwise, the transfer of equity instruments would constitute settlement of the liability and impact classification.

The 2022 Amendments specify that conditions with which an entity must comply after the reporting date do not affect the classification of a liability as current or non-current. However, the entity is required to disclose information about non-current liabilities subject to such conditions.

Based on the assessment completed to date, the Group has identified the following liabilities which are expected to be impacted by the 2020 and 2022 Amendments:

Convertible bonds

As at 31 March 2024, the liabilities component of convertible bonds amounted to approximately HK\$23,246,000 and with a maturity date in April 2029 was classified as non-current liabilities. Under the 2020 Amendments, such liabilities would be classified as current as seen from 31 March 2024, as the conversion rights of the convertible bonds do not meet the definition of an equity instrument and are exercisable at any time at the convertible bond holders’ option.

4. SEGMENT INFORMATION AND REVENUE

During the year ended 31 March 2023, in a manner consistent with the way in which information is reported internally to the Group's CODM for the purposes of resource allocation and performance assessment, the reporting operating segments of the provision of procurement services and the provision of corporation IT solution are combined as a single reporting operating segment. At 31 March 2024 and 2023, the Group has four identified reportable operating segments. The operations in each of the Group's identified reportable operating segments as at 31 March 2024 and 2023 are described below:

Provision of procurement services and other IT services	—	Provisions of procurement services to governmental authorities and private enterprises, development of software and provision of maintenance services to customers, procurement of goods for EPC services and provision of EPC services
Trading business	—	Trading of general goods
Rental income	—	Leasing of the Group's investment properties located in Wuhan, Hubei Province, the PRC
Energy management contracting business	—	Provision of energy management contracting services in the PRC

Segment profits or losses do not include administrative expenses, other income and gains/(losses), finance costs, net impairment loss/(reversal of impairment loss) for certain other receivables, reversal of impairment loss for loan receivables, share of result of an associate and change in fair value of derivatives embedded in convertible bonds.

The Group accounts for intersegment sales and transfers as if the sales or transfers were to third parties, i.e. at current market prices.

Information about reportable segment results

	Provision of procurement services and other IT services <i>HK\$'000</i>	Trading business <i>HK\$'000</i>	Rental income <i>HK\$'000</i>	Energy management contracting business <i>HK\$'000</i>	Total <i>HK\$'000</i>
Year ended 31 March 2024					
Revenue from external customers	190,476	565,796	15,340	10,568	782,180
Segment profit	<u>48,289</u>	<u>1,067</u>	<u>8,240</u>	<u>5,815</u>	<u>63,411</u>
Year ended 31 March 2023					
Revenue from external customers	78,075	169,969	17,032	6,643	271,719
Segment profit	<u>38,426</u>	<u>12,030</u>	<u>9,111</u>	<u>3,354</u>	<u>62,921</u>

Reconciliations of reportable segment results:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Total profit of reportable segments	63,411	62,921
Administrative expenses	(55,747)	(61,422)
Other income and gains/(losses)	(13,211)	(5,637)
Finance costs	(6,725)	(3,671)
Unallocated reversal of impairment loss/(impairment loss) for other receivables, net	99	(59)
Reversal of impairment loss for loan receivables	—	4,837
Share of result of an associate	(5)	—
Change in fair value of derivatives embedded in convertible bonds	<u>1,692</u>	<u>(370)</u>
Consolidated loss before tax	<u>(10,486)</u>	<u>(3,401)</u>

Revenue

An analysis of the Group's revenue for the years ended 31 March 2024 and 2023 is as follows:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Provision of procurement services	13,631	16,705
Provision of EPC services	29,403	2,067
Procurement of goods for EPC services	116,734	37,601
Trading of general goods	565,796	169,969
Provision of other IT services	30,708	21,702
Rental income	15,340	17,032
Provision of energy management contracting services	10,568	6,643
	<u>782,180</u>	<u>271,719</u>

Disaggregation of revenue from contracts with customers by major products or services lines and the timing of revenue recognition for the years ended 31 March 2024 and 2023 are as follows:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Revenue from contracts with customers within the scope of HKFRS 15		
Recognised at point in time:		
— Trading of general goods ¹	565,796	169,969
— Procurement of goods for EPC services ²	116,734	37,601
— Provision of procurement services ²	13,631	16,705
— Sales of online procurement software ²	2,916	2,557
Recognised over time:		
— Licensing online procurement platform income ²	12,509	5,030
— Provision of maintenance services ²	15,283	14,115
— Provision of energy management contracting services ³	10,568	6,643
— Provision of EPC services ²	29,403	2,067
	<u>766,840</u>	<u>254,687</u>
Revenue from other sources		
— Rental income ⁴	15,340	17,032
	<u>782,180</u>	<u>271,719</u>

¹ Classified under “Trading business” segment.

² Classified under “Provision of procurement services and other IT services” segment.

³ Classified under “Energy management contracting business” segment.

⁴ Classified under “Rental income” segment.

All of the above revenue arose in the PRC.

5. FINANCE COSTS

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Interest on bank and other borrowings	4,595	1,690
Interest on lease liabilities	46	63
Effective interest on convertible bonds	<u>2,084</u>	<u>1,918</u>
Interest on financial liabilities not at fair value through profit or loss	<u><u>6,725</u></u>	<u><u>3,671</u></u>

6. INCOME TAX CREDIT

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Current tax — the PRC		
Provision for the year	278	319
Over-provision in prior years	<u>—</u>	<u>(12,941)</u>
	<u>278</u>	<u>(12,622)</u>
Deferred tax	<u>(11,568)</u>	<u>(4,373)</u>
	<u><u>(11,290)</u></u>	<u><u>(16,995)</u></u>

(i) Hong Kong

No provision for Hong Kong Profits Tax is required since the Group has no assessable profit for the year ended 31 March 2024 (2023: Nil).

(ii) PRC

PRC Enterprise Income Tax has been provided at a rate of 25% for the year ended 31 March 2024 (2023: 25%).

In prior years, the Group recognised provisions of PRC Enterprise Income Tax of approximately RMB11,372,000 (or equivalent to approximately HK\$12,941,000) in respect of certain income received by the Group from rendering procurement services. Given that the local tax authority carried out tax investigation on the relevant PRC group entity whereas the amount of the relevant income were fully reported to the local tax authority in 2017, the directors of the Company considered that the probability of charging additional PRC Enterprise Income Tax against the relevant PRC group entity on the above-mentioned income by the local tax authority was remote. Prior to the year ended 31 March 2023, no reversal of provision for PRC Enterprise Income Tax was recognised as the retrospective period of charging the PRC Enterprise Income Tax against the relevant PRC group entity on the above-mentioned income by the local tax authority (the “**Retrospective Period**”) was still effective.

During the year ended 31 March 2023, the Group engaged an independent internationally renowned professional tax consulting firm as an adviser (the “**Tax Adviser**”) to form an opinion on the validity of the Retrospective Period. As advised by the Tax Adviser, the Retrospective Period was ended during the year ended 31 March 2023, and the local tax authority will not impose tax liability against the relevant PRC group entity on the above-mentioned income. Accordingly, the Group recognised a reversal of provision for PRC Enterprise Income Tax of approximately RMB11,372,000 (or equivalent to approximately HK\$12,941,000) in the consolidated statement of profit or loss.

(iii) Overseas

Pursuant to the rules and regulations of Bermuda and the British Virgin Islands (“**BVI**”), the Group is not subject to any income tax in Bermuda and BVI.

7. PROFIT FOR THE YEAR

The Group's profit for the year is stated after charging the following:

	2024	2023
	<i>HK\$'000</i>	<i>HK\$'000</i>
Amortisation of intangible assets (included in administrative expenses)	84	230
Auditor's remuneration		
— audit services	990	990
— non-audit services	500	610
Cost of inventories sold	672,705	205,997
Depreciation of property, plant and equipment	858	841
Depreciation of right-of-use assets	1,438	1,774
Direct operating expenses of investment properties that generate rental income	6,845	7,066
	<u>6,845</u>	<u>7,066</u>

8. DIVIDENDS

No dividend was paid or proposed for ordinary shareholders of the Company during the years ended 31 March 2024 and 2023, nor has any dividend been proposed since the end of the reporting periods.

9. EARNINGS PER ORDINARY SHARE

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Earnings:		
Earnings for the year attributable to owners of the Company for the purpose of basic and diluted earnings per ordinary share (<i>note (i)</i>)	<u>656</u>	<u>13,282</u>
	<i>'000</i>	<i>'000</i>
Number of shares:		
Weighted average number of ordinary shares for the purpose of basic earnings per ordinary share (<i>note (ii)</i>)	482,836	330,759
Effect of dilutive potential ordinary shares — Share award granted under the Company's share award plan	<u>939</u>	<u>1,312</u>
Weighted average number of ordinary shares for the purpose of diluted earnings per ordinary share (<i>notes (i) & (iii)</i>)	<u>483,775</u>	<u>332,071</u>

Notes:

- (i) The calculation of diluted earnings per ordinary share for the years ended 31 March 2024 and 2023 did not assume the conversion of convertible bonds, since the conversion would result in an anti-dilutive effect on earnings per ordinary share.
- (ii) For the years ended 31 March 2024 and 2023, the number of ordinary shares adopted in the calculation of the basic earnings per ordinary share has been arrived at after eliminating the ordinary shares of the Company held under the Company's share award plan.
- (iii) For the years ended 31 March 2024 and 2023, the computation of diluted earnings per ordinary share did not assume the exercise of share options because their exercise price is higher than the average share price.

10. TRADE AND OTHER RECEIVABLES

Included in trade and other receivables are trade and lease receivables (net of allowance for impairment) of approximately HK\$28,154,000 (2023: HK\$30,243,000) and prepayment for goods and services of approximately HK\$300,867,000 (2023: HK\$217,987,000).

An aging analysis of trade and lease receivables based on the invoice date at the end of the reporting period, is as follows:

	2024	2023
	<i>HK\$'000</i>	<i>HK\$'000</i>
0 to 90 days	18,279	30,243
91 to 180 days	—	—
181 to 365 days	9,875	—
	<u>28,154</u>	<u>30,243</u>

11. TRADE AND OTHER PAYABLES

Included in trade and other payables are trade creditors and bill payables of approximately HK\$180,543,000 (2023: HK\$29,299,000) and an aging analysis based on the invoice date at the end of the reporting period, is as follows:

	2024	2023
	<i>HK\$'000</i>	<i>HK\$'000</i>
0 to 90 days	160,837	27,006
91 to 180 days	1,617	1,687
181 to 365 days	17,498	423
Over 365 days	591	183
	<hr/> 180,543 <hr/>	<hr/> 29,299 <hr/>

MANAGEMENT DISCUSSION AND ANALYSIS

I. BUSINESS REVIEW

The Year remained as a challenging year for the Group. The international trading business and market sentiment was disturbed by the wars in various parts of the world and the increasingly tense geo-political relationships between the major economies. Domestically, while China's macro-economic gross domestic product ("GDP") growth was steady, the general business community remained cautious about the future economy prospect. For example, China's stock market indices were at their multi-years low in February 2024 and has not increased much since then. The Group itself was also facing unprecedented challenges and difficulties and has been working hard to overcome the problems. For example, during the Year, the Group received growing requests from its governmental clients in respect of the procurement software upgrading and data processing, which presented a major task for the Group to fulfill. The Group had to devote significant financial and human resources to address such requests. On the other hand, the financial conditions of the governmental clients were unfortunately worsening, partly due to the adverse impact brought by the cooling real estate market nationwide and partly because of the past consumption of public resources during the fight against the COVID-19 pandemic. Against this background and foreseeable future market trend, the management holds a cautious view about the future public procurement software business and its contribution to the Group's overall financial performance, and as a result is actively exploring new growth paths. To counter-balance the future possible decline in the Group's provision of procurement services and other IT services, in particular the procurement software business, the management is considering and exploring a new growth avenue which might be involved with the artificial intelligence (AI)-related business, such as the super computing power business.

Over the Year, the Group recorded an increase in total revenue of approximately 187.9% to approximately HK\$782.2 million from the total revenue of approximately HK\$271.7 million of the previous year. That was because the Group had achieved revenue growth from all of its business segment except the rental income arising from the office leasing income business, the decline of which was largely due to the general cooling of the real estate market in China. However, the overall gross profit margin achieved by the Group during the Year decreased to approximately 7.6% from approximately 13.9% from the previous year. This was mainly due to a larger percentage of the business coming from the trading business, which had a lower profit margin. The management was satisfied with the successful strategy implementation of its strategy to penetrate deeper and wider into the solar energy business. The Group's offline procurement services rendered to solar energy development projects alone contributed over HK\$146 million of the total revenue for the provision of procurement services and other IT services segment, approximately tripling the revenue contribution

from similar services rendered of the previous year. The Group had also made further preparations for its future role in the new energy business industry. For example, one of its principal subsidiaries has been granted the Grade II certificate of general contractor for electricity power construction projects by the Administration of Office for Housing and Urban and Countryside Construction of Zhejiang Province (浙江省住房和城乡建设廳) in the PRC, enabling the Group to undertake small to medium-size electricity-related projects in the PRC with the capacity of up to 200 megawatts per project. Additionally, the Group has also been recruiting project management personnel to be better equipped to provide full EPC (engineering, procurement and construction) project management services to clients in the new energy industry. The management shares the view of the broader business community that the new energy market, such as the solar power, still has significant growth potential, providing rich business opportunities, and it is expected that the new energy market will continue to be a major engine of economic growth in the years ahead.

One problem the Group has observed is the increasing credit risk associated with the supply chain in relation to the Group's provision of procurement services. Procurement services is one of the principal business activities of the Group involving large amount of monetary transactions. The management is concerned about and closely monitoring the worsening liquidity conditions of the industry players which is becoming a common problem faced by many businesses in the country. To mitigate the potential risks associated with the Group's business, the Group has, on the one hand, taken actions such as increasing its credit provisions to account for future potential losses. On the other hand, the management has also become more selective and cautions in choosing its business partners.

Provision of procurement services and other IT services

During the Year, the Group continued its rapid development momentum thanks to the contribution from the procurement services from the solar power generation construction projects. It achieved a total revenue of approximately HK\$190.5 million, representing an increase of approximately 143.9% as compared with the revenue of approximately HK\$78.1 million for FY22/23. The revenue from the procurement services rendered in relation to EPC projects contributed approximately HK\$146.1 million of the total revenue of this segment. This proves that the Group has tapped into this market and become one of the constant market participants. Although the traditional IT services only contributed approximately HK\$30.7 million to the total revenue of this segment, it still achieved a satisfactory growth and recorded an increase of over 40% compared against the revenue recorded for the same type of service for FY22/23. The IT professional team of the Group continues its hard work to address the needs of the public sector clients to replace foreign technology-based IT software

with China-made products. However, it is far from certain whether the new software would improve the revenue and profits of the Group due to the declining and unsteady financial conditions of the public sector clients.

Trading business

The relaxation of the COVID-19 control measures was gradually reviving the economy and the business activities became more active during the Year. As a result, the Group's trading business was also recovering and achieved a total revenue of approximately HK\$565.8 million during the Year, representing an increase of approximately 232.8% as compared with the revenue of approximately HK\$170.0 million for FY22/23. While the profit margin of the trading business remained similar, a small amount of bad debt recovery helped boost the overall profitability of the trading business segment during the Year. However, the management is conscious of the increasingly challenging economic environment and may adjust the strategy and plan in respect of the trading business based on their assessment of the financial gains against the associated risks of the trading business.

Rental income

During the Year, the rental income of the Group decreased by approximately 10.0% to HK\$15.3 million as compared with HK\$17.0 million for the Corresponding Prior Year. Part of the decrease of the rental revenue for the Year against FY22/23 was due to the depreciation of Renminbi (RMB) against Hong Kong dollars, the presentation currency of the Group. Aside of the foreign exchange impact, the revenue for the Year denominated in RMB had decreased by approximately 5% as compared to that for FY22/23. The decrease was mainly due to the general cooling of the real estate market in China, in view of which the Group offered discount to a new tenant who signed a long-term contract with the Group. The downturn of the real estate market coupling with the competitive rents offered for the office buildings in the neighbourhood affected revenue growth of the leasing business of the Group. Nevertheless, the team had worked hard and the profit margin from the office leasing business remained steady for the Year as compared to that of FY22/23 and hopefully could recover the occupancy rate to the similar level prior to the COVID-19 period.

Energy management contracting business

The Group provides basic operational and maintenance services to solar power generation plants of large power companies, some of which are state-owned. During the Year, this segment achieved a growth and had recorded a revenue of approximately HK\$10.6 million for the Year as compared to approximately HK\$6.6 million for FY22/23. The management is pleased to see that the energy management contracting services segment performed in line with its expectation. Apart from this, the management is seeking more business opportunities to provide value-added services to big corporate companies. An example is that we have started to provide ESG reporting and consulting services to one of these companies using AI modelling technique. This attempt was proven to be inspiring as we met strong interests from various background corporate clients. Therefore, the management is considering to rapidly enhance its development in this area given the regulatory and compliance requirements on ESG issues are expected to be increasingly important for corporate entities in the next few years.

II. FINANCIAL REVIEW

Operational Performance

1. Revenue

Revenue of the Group for the Year was HK\$782,180,000 (FY22/23: HK\$271,719,000).

The revenue for the Year included (i) revenue from provision of procurement services and other IT services of approximately HK\$190,476,000, accounting for approximately 24.4% of the total revenue (FY22/23: HK\$78,075,000, 28.7%); (ii) revenue from trading business of approximately HK\$565,796,000, accounting for approximately 72.3% of the total revenue (FY22/23: HK\$169,969,000, 62.6%); (iii) rental income of approximately HK\$15,340,000, accounting for approximately 2.0% of the total revenue (FY22/23: HK\$17,032,000, 6.3%); and (iv) revenue from energy management contracting business of approximately HK\$10,568,000, accounting for approximately 1.3% of the total revenue (FY22/23: HK\$6,643,000, 2.4%).

2. Cost of sales and services rendered

Cost of sales and services rendered for the Year was approximately HK\$722,666,000 (FY22/23: HK\$234,084,000). The increase in cost of sales and services rendered was in line with the growth of revenue. Through business expansion and new business implementation, the Group recorded increasing

material costs reflecting our purchases to meet orders of customers under the trading business segment and more technical and human resources consumed for new contracts in the segments of provision of procurement services and other IT services and energy management contracting business.

3. *Gross profit*

Gross profit for the Year was approximately HK\$59,514,000 (FY22/23: HK\$37,635,000). Despite an increase in the gross profit, the gross profit margin for the Year was 7.6%, representing a decrease of 6.3 percentage points as compared to the gross profit margin of 13.9% for FY22/23.

The decrease in gross profit margin was mainly attributable to the increased proportion of revenue generated from the trading business, where in line with industry norm, a lower profit margin prevailed. The increase proportion of those businesses therefore caused the decrease in overall profit margin in spite of the significant increase in profit in absolute value. Profit margin in other segments such as provision of other IT services and energy management services showed improvement, however the impact is insignificant as their profit contribution takes a smaller percentage of the total profits.

4. *Other income and gains/(losses)*

The other income and gains/(losses) for the Year mainly comprised fair value changes on investment properties and government grant. The account balance for the Year was a loss of approximately HK\$13,211,000, as compared to a loss of HK\$5,637,000 for FY22/23. Such change was mainly due to fair value loss of investment properties and a one-off government grant.

5. *Administrative expenses*

The administrative expenses for the Year was approximately HK\$55,747,000 (FY22/23: HK\$61,422,000). The administrative expenses mainly comprised staff cost, legal and other professional fees, depreciation for property, plant and equipment and right-of-use assets and general office expenses. The overall administrative expenses reduced by 9.2% thanks to the execution of more stringent costs controlling measures on certain operational expenses.

6. *Reversal of impairment loss for intangible assets*

As at 31 March 2024, based on the valuation conducted by an independent qualified professional valuer, the Group made a reversal of impairment loss for intangible assets, which amounted to approximately HK\$3,711,000 (FY22/23: HK\$13,746,000) arising from an increase in the recoverable amount of intangible assets due to the improvement of financial results of the relevant cash-generating unit resulting from more usage of our procurement platform services and expansion of customers' base in the PRC during the Year. The valuation is determined based on value in use calculation, which based on the financial budgets approved by the management covering a five-year period and a pre-tax discount rate of approximately 22%.

7. *(Impairment loss)/reversal of impairment loss for trade and other receivables and reversal of impairment loss for prepayments*

Based on the expected credit loss calculation performed by an independent qualified professional valuer and internal review on the recoverability of trade and other receivables for the Year, the Group made impairment loss for trade and other receivable of approximately HK\$2,054,000 (FY22/23: a net reversal of impairment loss of HK\$76,000) as the Group had concerns on recoverability of these receivables. The expected loss calculation has been made using provision matrix approach, by reference to the expected credit loss ratio which took into account historical default rate, internal credit rating and forward-looking informations. The Group also made a reversal of impairment loss for prepayments of approximately HK\$2,339,000 (FY22/23: HK\$11,405,000) as such amount had been recovered by the successful legal actions taken in the Year.

8. *Finance costs*

Finance costs for the Year was approximately HK\$6,725,000 (FY22/23: HK\$3,671,000). They were interests on convertible bonds, interests on bank and other borrowings and interests on lease liabilities. The increase in finance costs is mainly due to increase in interest payments to bank and other borrowings. During the Year, the outstanding borrowings of the Group were in place for a longer period as compared to that of FY22/23, and therefore the Group incurred more interest payments resulting in the increase in finance costs.

9. *Income tax credit*

Income tax credit of the Group for the Year amounted to approximately HK\$11,290,000 (FY22/23: HK\$16,995,000). Tax credit made for the Year mainly represented a reversal of deferred taxation on land appreciation tax of our properties located in Wuhan, Hubei Province, the PRC.

10. Profit for the Year

Profit for the Year amounted to approximately HK\$804,000 (FY22/23: HK\$13,594,000). The profit generated for the Year was mainly due to increase in revenue and other income and reduction of administration expenses. In comparison with FY22/23, profit for the Year was significantly reduced. Such decrease is mainly due to fair value loss of investment properties and less reversal of impairment loss for intangible assets, prepayments and loan receivables recorded for the Year.

Financial Position

1. Liquidity and capital structure

As at 31 March 2024, the Group maintained cash and cash equivalents of approximately HK\$6,309,000 (31 March 2023: HK\$8,478,000) of which HK\$5,390,000 (31 March 2023: HK\$6,812,000) were denominated in RMB. The total assets of the Group amounted to approximately HK\$727,927,000 (31 March 2023: HK\$593,424,000), the total equity amounted to approximately HK\$295,310,000 (31 March 2023: HK\$310,367,000), the total liabilities amounted to approximately HK\$432,617,000 (31 March 2023: HK\$283,057,000). The assets-liabilities ratio (total assets over total liabilities) was 1.68:1 (31 March 2023: 2.10:1), the current ratio (current assets over current liabilities) was 1.35:1 (31 March 2023: 1.22:1) and the gearing ratio (total bank and other borrowings and convertible bonds over total equity) was 0.42:1 (31 March 2023: 0.44:1).

2. Structure of interest-bearing bank and other borrowings

As at 31 March 2024, the Group's interest-bearing bank and other borrowings amounted to approximately HK\$100,211,000 (31 March 2023: HK\$113,801,000) which were all denominated in RMB (31 March 2023: all denominated in RMB). As at 31 March 2024, interest-bearing bank and other borrowings of approximately HK\$46,334,000 were wholly repayable within one year (31 March 2023: 100% wholly repayable within one year). As at 31 March 2024, all interest-bearing bank borrowings were arranged at effective interest rates of 4.95% per annum which are ranging at 1-Year Loan Prime Rate (“LPR”) quoted by National Interbank Funding Centre plus 1.3% per annum to 1-Year LPR plus 1.5% per annum. Except for the portion of bank borrowings of approximately HK\$46,334,000 with a fixed 1-Year LPR adopted throughout the loan period, the 1-Year LPR of the remaining portion of bank borrowings of approximately HK\$53,877,000 shall be adjusted at the anniversary of the respective loan drawdown dates. In addition, all interest-bearing bank borrowings were secured by a charge over the Group's buildings, investment properties, certain

right-of-use assets and the entire equity interest of Gongcai Network Technology Limited (“**Gongcai Network**”), a wholly-owned subsidiary of the Company. Furthermore, such facilities were also guaranteed free of charge by Ms. Liu Luoxiu (“**Ms. Liu**”) and Mr. Zou Yuwen (“**Mr. Zou**”, the spouse of Ms. Liu Luoxiu), whereas Ms. Liu is the settlor of a discretionary trust of which Trident Trust Company (Singapore) Pte Limited is the trustee and it indirectly owned 46.44% of the Company’s issued ordinary shares as at 31 March 2024.

3. *Prepayment for goods and services*

As at 31 March 2024, the Group had prepayments for goods and services amounting to approximately HK\$300,867,000 (31 March 2023: HK\$217,987,000) in relation to the provision of EPC services, and the provision of procurement services in respect of goods with regards to new solar power related EPC projects. The increase in the balances is mainly due to a larger scale of the procurement services for new EPC projects the Group engaged in during the Year as compared with the same type of businesses provided by the Group during FY22/23. Such projects include different solar projects at various locations of PRC, such as projects at Zhanjiang City of Guangdong Province, Heshan County of Guangxi Province, Binzhou City of Shaanxi Province, Lianyungang City of Jiangsu Province, and so on. Since those projects would be over 1 gigawatt in aggregate in terms of power capacity upon completion, the total value of investment injected into those new solar power construction projects would be in billions of RMB. The need for procurement services and the total purchase value of materials for those projects will therefore be large. Being one of the procurement service providers to those large projects, in order to secure the customers and suppliers, the Group has to carry out its job along the supply chain of the EPC projects, under which various prepayments for the procurement of materials required for different projects were made during the Year.

During the Year, prepayments in aggregate of approximately HK\$446,424,000 were made mainly for the above mentioned new projects. As at 31 March 2024, approximately HK\$137,144,000 had been utilised and settled upon completion of some projects. For some other projects where the projects construction had come across various problems, such as the need to obtain additional or new governmental approvals leading to prolonged delays in the projects, the management of the Group had decided to pull out and negotiated with the relevant parties, such as suppliers, for a refund of the prepayment made. During the Year, the relevant suppliers agreed to do a refund of approximately HK\$215,934,000, of which HK\$199,025,000 had been received during the Year and the remaining HK\$16,909,000 is expected to be refunded to the Group by the end of 2024. During the period subsequent to 31 March 2024 and as at the date of this announcement, approximately HK\$28,627,000 had been refunded or utilised and settled. The increase in prepayment balance as at 31 March 2024 is a result of the Group’s expansion in EPC business in solar power industry, the Group

recorded an increased transaction volume for procurement services in relation to solar power construction projects towards the end of the Year. It is also partly due to some other pipeline business orders made by the Group in contemplation for the projects that are yet to be completed. The management of the Group are closely monitoring the projects' progress and will take actions timely when necessary such as requesting the refunds of the prepayments. Alternatively, the Group may request the delivery of the goods equaling to the value of the prepayments so that the Group may resell them in return for cash or utilise them in other projects or potential projects of the Group.

III. OTHER ISSUES

1. Significant investment, material acquisition and disposal of subsidiaries and future material investments or capital and assets acquisition plan

The Group did not have any significant investment and material acquisition or disposal of subsidiaries, associates and joint venture during the Year.

The Group did not have any specific and formalised plans for future material investments or capital assets as at 31 March 2024. Nevertheless, the Group will continue to explore and evaluate projects and investment opportunities with potentials to create value for its shareholders in the long run.

2. Pledge of assets

As at 31 March 2024, the Group had a bank borrowing of RMB93,000,000 (equivalent to approximately HK\$100,211,000) from a bank in the PRC which was secured by the pledging of the Group's buildings, investment properties, certain right-of-use assets and the entire equity interest of Gongcai Network. The borrowing is also guaranteed by Ms. Liu and Mr. Zou free of charge.

In addition, bank deposits of the Group with carrying amount of approximately HK\$60,456,000 (31 March 2023: Nil) were pledged as guarantee deposits for bills payable made available to the Group.

3. Litigation

- i) On 8 January 2024, the People's Court of Wuhan Donghu New Technology Development Zone sent a summons and related filing materials (the "**Materials**") to Gongcai Network. According to the Materials, Nanchang Nanfei Fire Protection Equipment Manufacturing Co., Ltd., the plaintiff, requested Gongcai Network and China Energy Construction Group Anhui Electric Power Construction Second Engineering Co., Ltd., the main developer of an EPC project, to repay approximately RMB9,144,000

together with a penalty for late payment in respect of a purchase order for fixing stands. The fixing stands were materials used in a 100 megawatt photovoltaic power station project in Daishan County, Zhejiang Province, the PRC and procured by Gongcai Network. Gongcai Network had instructed its business departments to negotiate with the plaintiff. Due to disputes on quality defects of the goods and the quantities shipped, the plaintiff and Gongcai Network have yet to reach an agreement for settlement as at the date of this announcement. The hearing for this case is scheduled to be conducted in August 2024. At 31 March 2024, the Group had recognised a payable of approximately RMB7,839,000 in the consolidated financial statement in view of the above.

- ii) On 22 February 2024, a civil lawsuit was brought by Ningbo Zhongchun Hi-Tech Co., Ltd. (“**Ningbo Zhongchun**”) as the plaintiff against Hangzhou Chenghui Engineering Technology Co., Ltd. (“**Hangzhou Chenghui**”), a wholly-owned subsidiary of the Company, in regard of a procurement order of pile foundation for a construction project. Ningbo Zhongchun claimed that it had completed the shipments to Hangzhou Chenghui and claimed against Hangzhou Chenghui for the outstanding amount of approximately RMB3,433,000 and interest for the overdue payment. The People’s Court of Yinzhou District of Ningbo City, Zhejiang Province, the PRC, accepted this case for hearing with schedule to be fixed. At 31 March 2024, the Group had recognised a payable of approximately RMB3,433,000 in the consolidated financial statement in view of the above.

4. Foreign exchange exposure

During the Year, the Group mainly earned revenue in RMB and incurred costs mainly in Hong Kong dollars and RMB. The Group does not foresee any real significant risk caused by exchange rate fluctuation to its financial health in the near future. However, any permanent or significant changes in RMB against Hong Kong dollars may still have an impact on the Group’s presentation of financial results in the future. The management will monitor the foreign exchange risk and may adopt appropriate hedging policy when necessary.

5. Staff and remuneration policy

The Group determines staff remuneration in accordance with market terms, individual qualifications and performances. Remuneration of Directors are determined and from time to time reviewed by the Board based on the recommendations from the remuneration committee of the Company with reference to the Group’s operating results, individual performance and comparable market statistics. Staff recruitment and promotion is based on individuals’ merit and their development potential for the positions offered. As at 31 March 2024, the Group employed approximately 185 employees (as at 31 March 2023: 196), and the total remuneration of employees (including

the Directors) was approximately HK\$49,342,000 for the Year (FY22/23: HK\$55,115,000). During the Year, according to the Company's share option scheme and share award plan, 3,003,759 share options and 2,216,500 awarded shares previously granted were vested to Directors and eligible employees upon the respective fulfillment of the relevant vesting conditions of the share option scheme and the share award plan. Subsequent to the vesting of the share options during the Year, 14,760 share options lapsed due to the resignation of an employee. As at 31 March 2024, 2,988,999 share options remained outstanding under the Company's share option scheme.

6. Rights Issue

On 18 October 2022, in order to satisfy the funding needs of the Group for the Group's business expansion, the Company proposed to conduct rights issue of not more than 201,366,286 rights shares (the "**Rights Share(s)**") at the subscription price of HK\$0.63 per Rights Share on the basis of five (5) Rights share for every eight (8) existing shares of the Company in issue (the "**Rights Issue**"). An underwriting agreement was entered into between the Company and Eastmount Global Limited, a substantial shareholder of the Company, as the underwriter to the Rights Issue on 18 October 2022 (the "**Underwriting Agreement**"). Pursuant to the Underwriting Agreement, the Rights Issue had been conducted on a fully underwritten basis. A placing agreement (the "**Placing Agreement**") had also been entered into between the Company and Eddid Securities and Futures Limited as the placing agent (the "**Placing Agent**") on the same day, pursuant to which the Placing Agent has agreed to procure placee(s), on a best effort basis, to subscribe for unsubscribed Rights Shares. An aggregate of 189,907,953 new shares were allotted and issued by the Company on 8 February 2023 as a result of the Rights Issue. Among all 189,907,953 new shares issued, Eastmount Global Limited, as the underwriter, had performed its underwriting obligation under the Underwriting Agreement and took up 123,596,678 Rights Shares that were unsubscribed and were not placed by the Placing Agent.

The Rights Shares had been offered for subscription at the subscription price of HK\$0.63 per Rights Share. The gross proceeds from the Rights Issue were approximately HK\$119.6 million. The net proceeds from the Rights Issue, after deducting professional fees and all other relevant expenses, were approximately HK\$117.1 million. The net price per Rights Share is therefore HK\$0.62. The Rights Shares (when allotted, fully paid or credited as fully paid and issued) rank pari passu in all respect among themselves and with the shares of the Company in issue as at the date of allotment and issuance. The closing price of the shares as quoted on the Stock Exchange on 18 October 2022, being the date of publication of the announcement in relation to the Rights Issue, was HK\$0.73 per share. On 15 January 2024, the Board resolved to change and reallocate the use of the unutilised net proceeds originally intended for property investment of

approximately HK\$23.4 million, such that (i) approximately HK\$20.0 million will be used for the pursuance of strategic acquisitions of businesses engaging in energy management contracting (“EMC”) services; and (ii) the remaining HK\$3.4 million will be reallocated as the general working capital of the Group.

The utilisation of the net proceeds from the Rights Issue has been summarised as follows:

	Approximate percentage of total net proceeds	Original allocation of net proceeds <i>HK\$'000</i>	Revised allocation of net proceeds <i>HK\$'000</i>	Amount utilised up to 31 March 2024 <i>HK\$'000</i>	Balance as at 31 March 2024 <i>HK\$'000</i>	Expected timeline for utilisation
1) Research and development of the procurement service software	5%	5,855	—	4,218	1,637	By the end of December 2024
2) Procurement services business	50%	58,550	—	58,550	—	N/A
3) Trading business	10%	11,710	—	11,710	—	N/A
4) Investment in office properties in Hong Kong	—	23,420	(23,420)	—	—	N/A
5) General working capital	18%	17,565	3,420	20,985	—	N/A
6) Acquisition of EMC business	17%	—	20,000	—	20,000	By the end of March 2025
		<u>117,100</u>	<u>—</u>	<u>95,463</u>	<u>21,637</u>	

As at 31 March 2024, the net proceeds of approximately HK\$70.3 million were used for paying orders for procurement services business and trading business; approximately HK\$4.2 million were used for research and development of the procurement service software; and approximately HK\$21.0 million were used for payment to suppliers and operating expenses as intended.

For further details of the Rights Issue and change in use of proceeds, please refer to the announcements of the Company dated 18 October 2022, 29 November 2022, 20 December 2022, 7 February 2023 and 15 January 2024 and the prospectus of the Company dated 6 January 2023.

7. Event after the reporting period

There are no other material events subsequent to the end of the Year.

IV. BUSINESS PROSPECTS

Although the Group achieved a satisfactory revenue growth record and kept its growth momentum that it has been achieving for the past few years, it is facing an increasingly tough business operational environment, which applies to both the business partners of the Group in its upper and lower business chain as well as the general business community. To ensure that the business of the Group can grow in a more sustainable manner, the Group will further strengthen its risk management and control system to better safeguard its economic benefits. More internal control measures shall be implemented within the Group to better monitor and control both financial and non-financial risks. The Group shall strive to take these actions to counter balance and mitigate the risks from the future potential problems that might arise from its operational partners who might be facing an increasing liquidity risks under the current macro-economic situation just like many other businesses.

Apart from the worsening business and economic environment, the Group also has to deal with the increasingly sophisticated requests from its public sector clients who are also facing growing financial pressure. The Group shall strive to look for new business opportunities to support its future growth. Leveraging on the Group's deep understanding of and long term presence in the information technology industry, the Group is researching and considering to explore the AI-related business opportunities, such as super computing power business which is developing rapidly and where a lot of potential business opportunities await further development and exploration. Hopefully, the Group could open up a new income avenue to support the long term growth for its shareholders.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES

Neither the Company nor any of its subsidiaries has purchased, redeemed or sold any of the Company's listed securities during the Year.

Dividend

The Directors do not recommend the payment of final dividend for the Year (FY22/23: Nil).

COMPLIANCE WITH THE LISTING RULES AND CORPORATE GOVERNANCE PRACTICES

The Stock Exchange issued the corporate governance code ("**CG Code**") as set out in part 2 of Appendix C1 to the Rules Governing the Listing of Securities on the Stock Exchange ("**Listing Rules**"), which provides code provisions and recommends best practices for corporate governance practices by listed companies. The Company considered that its prevailing structures and systems satisfied the applicable requirements of the code provisions of the CG Code that was in force during the Year. The Company will continuously enhance the corporate governance standards throughout the Group and ensure further standards to be put in place by reference to the recommended best practices whenever suitable and appropriate. During the Year, the Company has complied with the CG Code.

CODE OF CONDUCT FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules (the "**Model Code**") as the code of conduct for securities transactions by Directors and the relevant employees of the Group. The Company, having made specific enquiry of all Directors, confirmed that all Directors have complied with the required standard of dealings set out therein throughout the Year.

AUDIT COMMITTEE

The audit committee of the Company (the “**Audit Committee**”) was established with written terms of reference based on terms no less exacting than the required standard in the CG Code. As at the date of this announcement, the Audit Committee comprises three members, namely Mr. Zhong Dengyu (chairman), Ms. Deng Hua and Ms. Yang Xiaoyan. All of them are independent non-executive Directors.

The Audit Committee has reviewed the audited consolidated annual results of the Group for the Year.

SCOPE OF WORK OF CROWE (HK) CPA LIMITED

The financial figures in respect of the Group’s consolidated statement of financial position, consolidated statement of profit or loss, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the Year as set out in this announcement have been agreed by the Group’s auditors, Crowe (HK) CPA Limited (“**Crowe**”), to the amounts set out in the Group’s consolidated financial statements for the Year. The work performed by Crowe in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by Crowe on this announcement.

ANNUAL REPORT

The annual report of the Company for the Year will be despatched to the shareholders of the Company and made available on the website of the Stock Exchange (www.hkexnews.hk) and the website of the Company (www.sunshine1094.com) in due course.

DELAYED PUBLICATION OF THE ANNUAL RESULTS FOR THE YEAR

As disclosed in the announcement of the Company dated 28 June 2024, the Company has delayed the release of the audited annual results of the Company for the Year to the date of this announcement. The delay was primarily resulted from the additional time required for Crowe to obtain the necessary audit confirmations from certain parties which are unfamiliar with the Company’s auditing procedures and required additional guidance on the return of audit confirmations.

RESUMPTION OF TRADING

Trading in the shares of the Company on the Stock Exchange has been suspended since 2 July 2024 pending the release of the announcement for the audited annual results of the Group for the Year. Application has been made by the Company to the Stock Exchange for the resumption of trading in the shares of the Company on the Stock Exchange with effect from 9:00 a.m. on 8 July 2024.

By order of the Board
CHERISH SUNSHINE INTERNATIONAL LIMITED
Wu Siyuan
Chairman

Hong Kong, 5 July 2024

As at the date of this announcement, the Board comprises three executive directors, namely Ms. Wu Siyuan (Chairman), Mr. Shi Qiang (Chief Executive) and Ms. He Qian; one non-executive director, namely Mr. Li Shun; and three independent non-executive directors, namely Mr. Zhong Dengyu, Ms. Deng Hua and Ms. Yang Xiaoyan.