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CHERISH SUNSHINE INTERNATIONAL LIMITED

承輝國際有限公司

(Incorporated in Bermuda with limited liability)

(Stock code: 1094)

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

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

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

The new Shares to be issued and allotted by the Company to the Trustee to satisfy the grant of Awarded Shares represent approximately 3.67% of the Company's issued share capital as at the date of this announcement and approximately 3.54% of the Company's enlarged issued share capital after the proposed allotment and issue of such new Shares.

The SGM will be convened and held to consider, and if thought fit, approve, among other things, the proposed allotment and issue of the Awarded Shares to the Share Award Grantees pursuant to the Specific Mandate.

A circular containing, among others, further details of the proposed allotment and issue of the Awarded Shares to the Share Award Grantees pursuant to the Specific Mandate, a letter of advice from the Independent Board Committee to the Independent Shareholders, a letter of advice from the independent financial adviser to the Independent Board Committee and the Independent Shareholders in respect of the proposed allotment and issue of Connected Awarded Shares to the Connected Grantees and the transactions contemplated thereunder and the notice of convening the SGM will be despatched to the Shareholders on or before 30 September 2022, which is more than 15 business days after the publication of this announcement as additional time is required for the Company to prepare the information to be included therein.

GRANT OF SHARE OPTIONS PURSUANT TO THE SHARE OPTION SCHEME

The Board announces that on 2 September 2022, the Company granted Share Options to 52 Option Grantees to subscribe for an aggregate of 15,884,000 Shares, representing approximately 5.42% of the total issued Shares as at the date of this announcement, under the Share Option Scheme, subject to the acceptance by the Option Grantees.

Reference is made to the announcement of the Company dated 29 April 2022 and circular of the Company dated 11 July 2022 in relation to, among others, the adoption of the Share Award Plan and the Share Option Scheme by the Company.

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

The Board is pleased to announce that on 2 September 2022, it has resolved to grant, subject to acceptance of the Share Award Grantees and other conditions, a total of not more than 10,769,000 Awarded Shares to 44 Share Award Grantees pursuant to the Share Award Plan,

of which, (i) not more than 5,055,000 Non-connected Awarded Shares are granted to 39 Non-connected Grantees and shall be satisfied by the proposed allotment and issue of new Shares to the Trustee pursuant to the relevant Specific Mandate, subject to the approval of the Shareholders, and in accordance with the terms of the Share Award Plan Rules; and (ii) not more than 5,714,000 Connected Awarded Shares are proposed to be granted to 5 Connected Grantees and shall be satisfied by the proposed allotment and issue of new Shares to the Trustee pursuant to the relevant Specific Mandate, subject to the approval of the Independent Shareholders, and in accordance with the terms of the Share Award Plan Rules.

The Share Award Grantees upon acceptance of the grant of Awarded Shares are required to pay the grant price of HK\$0.46, per Awarded Share to the Company, representing (i) a discount of approximately 58.18% to the closing price of the Shares on the Date of Grant of HK\$1.100; and (ii) a discount of approximately 61.86% to the average closing price of the Shares as quoted on the Stock Exchange for the five consecutive trading days immediately preceding the Date of Grant of HK\$1.206. As such, if all Share Award Grantees accept the grant of Awarded Shares, an aggregate of HK\$4,953,740 will be received by the Company as a result of the allotment and issue of the new Shares. The aggregate nominal value of the Awarded Shares is HK\$1,076,900. The Company intends to apply the proceeds from the receipt of the grant price, if any, for general working capital of the Group.

Based on the closing price of HK\$1.100 per Share as quoted on the Stock Exchange on the date of this announcement, the market value of the Non-connected Awarded Shares granted to the Non-connected Grantees, and the Connected Awarded Shares granted to the Connected Grantees are approximately HK\$5,560,500 and approximately HK\$6,285,400, respectively. Based on the average closing price of the Shares for the five consecutive trading days immediately preceding the date of this announcement as quoted on the Stock Exchange which is HK\$1.206 per Share, the market value of the Non-connected Awarded Shares granted to the Non-connected Grantees, and the Connected Awarded Shares granted to the Connected Grantees are approximately HK\$6,096,330 and approximately HK\$6,891,084, respectively.

All the new Shares to be issued, when issued and fully paid, shall rank *pari passu* among themselves and with those Shares in issue, with the right to receive all dividends and other distributions declared, made or paid on or after the allotment date. Applications will be made by the Company to the Listing Committee of the Stock Exchange for the granting of the listing of, and permission to deal in the new Shares on the Stock Exchange.

The new Shares to be issued and allotted by the Company to the Trustee to satisfy the grant of Awarded Shares represent approximately 3.67% of the Company's issued share capital as at the date of this announcement and approximately 3.54% of the Company's enlarged issued share capital after the proposed allotment and issue of such new Shares.

Details of the grant of Awarded Shares are as follows:

Name of the Share Award Grantees	Number of Awarded Shares granted	Percentage of the issued Share capital as at the Date of Grant
Non-connected Grantees		
39 employees of the Group, and to the best knowledge of the Directors, are not connected persons of the Company	5,055,000	1.72%
Connected Grantees		
<i>Directors of the Company</i>		
Ms. Wu Siyuan	1,258,000	0.43%
Ms. Liu Qian	2,717,000	0.93%
Mr. Li Shun	1,258,000	0.43%
Mr. Li Guanghua	306,000	0.10%
<i>Director and chief executive of certain subsidiaries of the Company</i>		
Mr. Li Shipeng	175,000	0.06%
Total Connected Awarded Shares	5,714,000	1.95%
Total Awarded Shares Granted	10,769,000	3.67%

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

Vesting schedule

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

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

Conditions precedent

The proposed allotment and issue of not more than 5,055,000 Non-connected Awarded Shares to the Non-connected Grantees shall be subject to (i) the approval by the Shareholders at the SGM in respect of the grant of the relevant Specific Mandate for the allotment and issue of the Non-connected Awarded Shares; (ii) the Listing Committee of the Stock Exchange having granted the approval for the listing of, and permission to deal in the Non-connected Awarded Shares; (iii) the fulfilment of the conditions as specified by the Board in the letters of grant; and (iv) the acceptance of the Non-connected Grantees.

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

REASONS FOR AND BENEFITS OF THE GRANT OF AWARDED SHARES UNDER THE SHARE AWARD PLAN

The Share Award Plan forms part of the equity incentive package of the Group designed to offer to its potential eligible participants. The Board considers that the grant of the Awarded Shares to the Share Award Grantees is an effective means to (i) recognise the contributions made to the Group by the Share Award Grantees; (ii) retain and attract the current and future employees, whose contributions are beneficial to the continual operation, development and long-term growth of the Group; and (iii) encourage and motivate the Share Award Grantees to achieve individual performance goals as well as the corporate objectives, thus increasing the value of the Group and aligning the interests of the Share Award Grantees to the Shareholders through ownership of Shares.

The Board considers that the terms and conditions of the proposed grant of the Awarded Shares to the Share Award Grantees are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

INFORMATION OF THE GROUP

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

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

The Company has conducted equity fund raising activities in the past 12 months before the date of this announcement and the details are as follows:

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	To strengthen its general working capital to support the day-to-day operations of the Group's existing businesses	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\$26,500,000	(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\$1,500,000 as general working capital	Net proceeds has been fully used as intended

Save as disclosed, the Company has not conducted any equity fund raising activities in the past 12 months immediately preceding the date of this announcement.

LISTING RULES IMPLICATIONS

As the Awarded Shares will be satisfied by new Shares to be allotted and issued to the Share Award Grantees by the Company under the Specific Mandate, applications will be made by the Company to the Listing Committee of the Stock Exchange for the granting of the listing of, and permission to deal in the new Shares on the Stock Exchange.

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

All of the Non-connected Grantees are employees of the Group and are not regarded as connected persons of the Company pursuant to Rule 14A.09 of the Listing Rules.

The SGM will be convened and held to consider, and if thought fit, approve, among other things, the proposed allotment and issue of Awarded Shares to the Share Award Grantees pursuant to the Specific Mandate. The relevant Share Award Grantees and their associates who hold Shares on the date of the SGM are required to abstain from voting on the relevant resolutions to approve the proposed allotment and issue of Awarded Shares to the Share Award Grantees pursuant to the Specific Mandate at the SGM to be convened by the Company.

An Independent Board Committee comprising all the independent non-executive Directors will be formed to advise the Independent Shareholders on the proposed allotment and issue of Connected Awarded Shares to the Connected Grantees and the transactions contemplated thereunder. An independent financial adviser will be appointed to advise the Independent Board Committee and the Independent Shareholders in relation to the proposed allotment and issue of the Connected Awarded Shares to the Connected Grantees and the transactions contemplated thereunder.

A circular containing, among others, further details of the proposed allotment and issue of the Awarded Shares to the Share Award Grantees pursuant to the Specific Mandate, a letter of advice from the Independent Board Committee to the Independent Shareholders, a letter of advice from the independent financial adviser to the Independent Board Committee and the Independent Shareholders in respect of the proposed allotment and issue of Connected Awarded Shares to the Connected Grantees and the transactions contemplated thereunder and the notice of convening the SGM will be despatched to the Shareholders on or before 30 September 2022, which is more than 15 business days after the publication of this announcement as additional time is required for the Company to prepare the information to be included therein.

GRANT OF SHARE OPTIONS PURSUANT TO THE SHARE OPTION SCHEME

The disclosure in this section is made pursuant to Rule 17.06A of the Listing Rules.

The Board announces that on 2 September 2022, the Company granted Share Options to 52 Option Grantees to subscribe for an aggregate of 15,884,000 Shares, representing approximately 5.42% of the total issued Shares as at the date of this announcement, under the Share Option Scheme, subject to the acceptance by the Option Grantees.

Details of the Share Options granted are as follows:

Date of Grant	:	2 September 2022
Number of Option Grantees	:	52
Number Share Options granted	:	15,884,000 Share Options (each Share Option shall entitle the Option Grantees to subscribe for one Share)
Exercise price of the Share Options	:	HK\$1.206 per Share, representing the highest of: <ul style="list-style-type: none">(i) the closing price of HK\$1.100 per Share as stated in the Stock Exchange's daily quotation sheets on the Date of Grant;(ii) the average closing price of HK\$1.206 per Share as stated in the Stock Exchange's daily quotation sheets for the five business days immediately preceding the Date of Grant; and(iii) the nominal value of HK\$0.1 per Share.
Validity period and vesting period of the Share Options	:	Subject to and conditional upon the fulfillment of certain performance targets and/or vesting conditions as specified by the Board at the time of making the grant of Share Options, the Share Options granted to the Option Grantees shall vest in the Option Grantees in four tranches as follows: (i) 25% shall be vested immediately following the first anniversary of the Date of Grant; (ii) 25% shall be vested immediately following the second anniversary of the Date of Grant; (iii) 25% shall be vested immediately following the third anniversary of the Date of Grant; and (iv) the remaining 25% shall be vested immediately following the fourth anniversary of the Date of Grant.

The Share Options vested in each tranche are valid and exercisable until the last trading day in the 12-month period from each date of vesting.

Unless otherwise determined by the Board or its delegate(s) at their absolute discretion, if the performance targets and/or vesting conditions are not fulfilled before vesting or if the Share Options are not exercised during the exercisable period, the Share Options granted will lapse.

Among the Share Options granted, 5,326,000 Share Options were granted to Directors. Details of the Share Options granted to the Option Grantees who are Directors are as follows:

Name of Director	Position	Number of the Share Options granted	Percentage of the issued Share capital as at the Date of Grant
Ms. Wu Siyuan	Chairman, Chief Executive and executive Director	2,018,000	0.69%
Ms. Liu Qian	Non-executive Director	1,453,000	0.50%
Mr. Li Guanghua	Non-executive Director	1,182,000	0.40%
Mr. Li Shun	Non-executive Director	673,000	0.23%
	Total	<u>5,326,000</u>	<u>1.82%</u>

The grant of the Share Options to each of the above Directors has been reviewed and approved by the independent non-executive Directors in accordance with Rule 17.04(1) of the Listing Rules.

Save as disclosed above, none of the Option Grantees is a Director, chief executive or substantial shareholder of the Company or any of their respective associates (as defined under the Listing Rules).

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following meanings when used herein:

“associate(s)”	has the meaning ascribed thereto in the Listing Rules
“Awarded Share(s)”	any Share(s) that may be offered by the Company to any selected participants under the Share Award Plan
“Company”	Cherish Sunshine International Limited, a company incorporated in Bermuda with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange

“Connected Awarded Shares”	5,714,000 Awarded Shares granted by the Company to the Connected Grantees
“Connected Grantee(s)”	the Share Award Grantee(s) who is/are the connected person(s) of the Company
“connected person(s)”	has the meaning ascribed thereto in the Listing Rules
“Date of Grant”	2 September 2022
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	an independent board committee of the Board, comprising all the independent non-executive Directors, which will be established for the purpose of advising the Independent Shareholders on the proposed allotment and issue of Connected Awarded Shares to Connected Grantees and the transactions contemplated thereunder
“Independent Shareholders”	independent Shareholders other than the Connected Grantees and their respective associates
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Non-connected Awarded Shares”	5,055,000 Awarded Shares granted by the Company to the Non-connected Grantees
“Non-connected Grantee(s)”	the Share Award Grantee(s) who is/are, to the best of the Directors’ knowledge, information and belief having made all reasonable enquiry, third parties independent of the Group and connected persons of the Group

“Option Grantee(s)”	the recipient(s) of the grant of the Share Options pursuant to the Share Option Scheme
“PRC”	the People’s Republic of China, which for the purpose herein, excludes Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan
“SGM”	the special general meeting of the Company to be convened and held for the Shareholders to consider and, if thought fit, approve, among other things, the proposed allotment and issue of the Awarded Shares to the Share Award Grantees pursuant to the Specific Mandate
“Share Award Grantee(s)”	the selected participant(s) granted or proposed to be granted the Awarded Shares under the Share Award Plan
“Share Award Plan Rules”	the rules governing the Share Award Plan adopted by the Company
“Share Award Plan”	the Share Award Plan adopted by the Company on 29 April 2022
“Share Option(s)”	the share option(s) to subscribe for Share(s) under the Share Option Scheme
“Share Option Scheme”	the share option scheme adopted by the Company on 3 August 2022
“Share(s)”	the ordinary share(s) in the capital of the Company with nominal value of HK\$0.1 each
“Shareholder(s)”	the holder(s) of the Shares
“Specific Mandate”	the specific mandate to be granted to the Board to allot and issue the Connected Awarded Shares and the Non-connected Awarded Shares at the SGM
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

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

“%” per cent

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

Hong Kong, 2 September 2022

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