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

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**If you are in any doubt** as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker, or other licensed securities dealer, bank manager, solicitors, professional accountant or other professional adviser.

**If you have sold or transferred** all your shares in Winshine Science Company Limited (the “Company”), you should at once hand this circular and the accompanying form of proxy to the purchaser or transferee, or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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**WINSHINE SCIENCE COMPANY LIMITED**

**瀛晟科學有限公司\***

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 209)**

- (I) PROPOSED CAPITAL REORGANISATION;  
(II) PROPOSED SHARE PREMIUM CANCELLATION;  
(III) CHANGE IN BOARD LOT SIZE;  
(IV) PROPOSED ISSUE OF CONVERTIBLE BONDS UNDER SPECIFIC  
MANDATE; AND  
(V) NOTICE OF SGM**
- 

A notice convening a special general meeting of Winshine Science Company Limited to be held at 9/F, Infinitus Plaza, 199 Des Voeux Road Central, Hong Kong on Monday, 28 November 2022 at 11:00 a.m. is set out on pages SGM-1 to SGM-6 of this circular. A form of proxy for use at the special general meeting is enclosed.

Whether or not you intend to attend and vote at the special general meeting, you are requested to complete and return the enclosed form of proxy to the branch share registrar and transfer office of the Company in Hong Kong, Tricor Tengis Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong in accordance with the instructions printed thereon as soon as possible and in any event not less than 48 hours before the time appointed for holding the special general meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the special general meeting or any adjournment thereof should you so wish, and in such event, the form of proxy previously submitted shall be deemed to have revoked.

3 November 2022

\* For identification purpose only

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## DEFINITION

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*In this circular, unless the context otherwise requires, the following expressions shall have the meaning defined below:*

“Announcement”	the announcement of the Company dated 14 October 2022 in respect of the Capital Reorganisation, the Share Premium Cancellation, the Change in Board Lot Size and the CB Subscription
“Board”	board of the Directors
“Bondholder(s)”	holder(s) of the Convertible Bonds
“Business Day(s)”	a day (other than a Saturday and Sunday or a day on which a black rainstorm warning or tropical cyclone warning signal number 8 or above is hoisted in Hong Kong at any time between 9:00 a.m. and 12:00 noon and is not lowered at or before 12:00 noon) on which banks are open for business in Hong Kong
“Bye-laws”	the bye-laws of the Company (as amended from time to time)
“Capital Reduction”	the proposed cancellation of any fractional Consolidated Share in the issued share capital of the Company arising from the Share Consolidation and the proposed reduction of the par value of each of the then issued Consolidated Shares from HK\$1.00 to HK\$0.01 by cancelling the paid-up capital to the extent of HK\$0.99 on each of the then issued Consolidated Shares
“Capital Reorganisation”	the proposed reorganisation of the share capital of the Company involving: (i) the Share Consolidation; (ii) the Capital Reduction; and (iii) the Share Sub-division
“CB Specific Mandate”	the specific mandate to be granted to the Directors by the requisite majority of the Shareholders at the SGM for the issue of the Convertible Bonds and the allotment and issuance of the Conversion Shares
“CB Subscription”	the subscription by the Subscribers of the Convertible Bonds pursuant of the terms of the CB Subscription Agreements
“CB Subscription Agreement A”	the conditional subscription agreement dated 14 October 2022 and entered into between the Company and Subscriber A in respect of the subscription of the Convertible Bonds in the principal amount of up to HK\$20,000,000

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## DEFINITION

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“CB Subscription Agreement B”	the conditional subscription agreement dated 14 October 2022 and entered into between the Company and Subscriber B in respect of the subscription of the Convertible Bonds in the principal amount of up to HK\$2,500,000
“CB Subscription Agreements”	the CB Subscription Agreement A and the CB Subscription Agreement B collectively
“CCASS”	the Central Clearing and Settlement System operated by HKSCC
“CCASS Operational Procedures”	the Operational Procedures of HKSCC in relation to CCASS, containing the practices, procedures and administrative requirements relating to operations and functions of CCASS, as amended from time to time
“Change in Board Lot Size”	the proposed change in board lot size of the Shares for trading on the Stock Exchange from 4,000 Existing Shares to 10,000 New Shares conditional upon the Capital Reorganisation becoming effective
“Companies Act”	the Companies Act 1981 of Bermuda (as amended)
“Company”	Winshine Science Company Limited, a company incorporated in Bermuda with limited liability, the issued Shares of which are listed on the Main Board of the Stock Exchange (stock code: 209)
“Consolidated Share(s)”	ordinary share(s) of HK\$1.00 each in the issued share capital of the Company immediately after the Share Consolidation but before the Capital Reduction becoming effective
“Contributed Surplus Account”	the contributed surplus account of the Company within the meaning of the Companies Act
“Conversion Price”	the conversion price of the Convertible Bonds, being HK\$0.25 per Conversion Share initially (subject to adjustments pursuant to the terms of the instrument of the Convertible Bonds)
“Conversion Share(s)”	new Share(s) to be issued upon the exercise of the conversion rights attaching to the Convertible Bonds
“Convertible Bonds”	the convertible bonds in the aggregate principal amount of up to HK\$22,500,000 to be issued by the Company to the Subscribers pursuant to the CB Subscription Agreements
“Directors”	directors of the Company

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## DEFINITION

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“Effective Date”	the second Business Day immediately following the date of the SGM (subject to the passing of the relevant special resolutions approving the Capital Reorganisation and the Share Premium Cancellation and the fulfillment of the other conditions set forth in the paragraphs headed “Conditions of the Capital Reorganisation” and “Conditions of the Share Premium Cancellation” in this circular)
“Existing Share(s)”	ordinary share(s) of HK\$0.1 each in the share capital of the Company prior to the Capital Reorganisation becoming effective
“Group”	the Company and its subsidiaries
“HKICPA”	Hong Kong Institute of Certified Public Accountants
“HKSCC”	Hong Kong Securities Clearing Company Limited
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party(ies)”	any person or company and their respective ultimate beneficial owner(s) (if applicable) who, to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, are third parties independent of the Company and its connected persons
“Last Trading Day”	14 October 2022, being the last full trading day of the Shares on the Stock Exchange, being the date of the Announcement
“Latest Practicable Date”	31 October 2022, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“Listing Committee”	the listing committee of the Stock Exchange for considering applications for listing and the granting of listing
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Main Board”	the main board maintained and operated by the Stock Exchange
“Maturity Date”	31 December 2024

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## DEFINITION

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“New Share(s)”	the ordinary share(s) of par value of HK\$0.01 each in the share capital of the Company immediately upon the Capital Reorganisation becoming effective
“Registrar”	the Company’s branch share registrar and transfer office in Hong Kong, Tricor Tengis Limited of 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong
“SGM”	the special general meeting of the Company convened to be held to consider and, if thought fit, approve the Capital Reorganisation, the Share Premium Cancellation, the grant of the CB Specific Mandate, the CB Subscription Agreements and the transactions contemplated under the Capital Reorganisation, the Share Premium Cancellation and the CB Subscription
“Share(s)”	Existing Share(s), Consolidated Share(s), New Share(s) and/or Conversion Share(s), as the case may be
“Share Consolidation”	the proposed consolidation of every ten (10) issued Existing Shares of par value of HK\$0.1 each in the issued share capital of the Company into one (1) issued Consolidated Share of par value of HK\$1.00
“Share Premium Account”	the share premium account of the Company
“Share Premium Cancellation”	the proposed cancellation of the entire amount standing to the credit of the Share Premium Account of the Company as of the Effective Date to nil
“Share Sub-division”	the proposed sub-division of each of the then authorised but unissued Existing Shares of par value of HK\$0.1 each into ten (10) New Shares of par value of HK\$0.01 each
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscriber(s)”	Subscriber A and/or Subscriber B
“Subscriber A”	Richsun Investment Development Limited, a company incorporated in the British Virgin Islands
“Subscriber B”	Victor Arise Limited, a company incorporated in the British Virgin Islands
“%”	per cent.

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## EXPECTED TIMETABLE

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The expected timetable for the Capital Reorganisation, the Share Premium Cancellation and the Change in Board Lot Size is set out below. The expected timetable is subject to the results of the SGM and is therefore for indicative purpose only. Any change to the expected timetable will be announced in a separate announcement by the Company as and when appropriate. All times and dates in this circular refer to Hong Kong local times and dates.

<b>Event</b>	<b>Time and date</b>
Latest date and time for lodging transfer documents in order to qualify for attending and voting at the SGM	4:30 p.m. on 22 November 2022
Closure of the register of members of the Company to determine the entitlement to attend and vote at the SGM (both days inclusive)	23 November 2022 to 28 November 2022
Latest date and time for lodging the proxy forms for the SGM	11:00 a.m. on 26 November 2022
Date and time of the SGM	11:00 a.m. on 28 November 2022
Publication of announcement of poll results of SGM	28 November 2022

**The following events are conditional upon the fulfilment of the conditions for the implementation of the Capital Reorganisation and the Share Premium Cancellation as set out in this circular.**

Effective date of the Capital Reorganisation and the Share Premium Cancellation	30 November 2022
First day of free exchange of existing share certificates for new share certificates for New Shares	9:00 a.m. on 30 November 2022
Dealing in New Shares commences	9:00 a.m. on 30 November 2022
Original counter for trading in Existing Shares in board lots of 4,000 Existing Shares (in the form of existing share certificates) temporarily closes	9:00 a.m. on 30 November 2022
Temporary counter for trading in New Shares in board lots of 400 New Shares (in the form of existing share certificates) opens	9:00 a.m. on 30 November 2022

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## EXPECTED TIMETABLE

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Original counter for trading in New Shares in board lots of 10,000 New Shares (in the form of new share certificates) re-opens	9:00 a.m. on 14 December 2022
Parallel trading in New Shares (in the form of new share certificates and existing share certificates) commences	9:00 a.m. on 14 December 2022
Designated broker starts to stand in the market to provide matching services for the sale and purchase of odd lots of the New Shares	9:00 a.m. on 14 December 2022
Designated broker ceases to stand in the market to provide matching services for the sale and purchase of odd lots of the New Shares	4:00 p.m. on 6 January 2023
Temporary counter for trading in New Shares in board lots of 400 New Shares (in the form of existing share certificates) closes	4:10 p.m. on 6 January 2023
Parallel trading in New Shares (in the form of new share certificates and the existing share certificates) ends	4:10 p.m. on 6 January 2023
Latest time for free exchange of existing share certificates for the New Shares	4:30 p.m. on 10 January 2023

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LETTER FROM THE BOARD

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**WINSHINE SCIENCE COMPANY LIMITED**

**瀛晟科學有限公司\***

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 209)**

*Executive Directors:*

Mr. Zhao Deyong (*Chairman*)

Dr. Liao Wenjian (*Chief Executive Officer*)

*Non-executive Director:*

Mr. Lin Shaopeng

*Independent Non-executive Directors:*

Mr. Kwok Kim Hung Eddie

Mr. Ng Wai Hung

Mr. Zhao Yong

*Registered office:*

Clarendon House

2 Church Street

Hamilton HM 11

Bermuda

*Principal place of business in Hong Kong:*

Room 2804, 28/F.

Tower One, Lippo Centre

89 Queensway

Hong Kong

3 November 2022

*To the Shareholders*

Dear Sir or Madam,

**(I) PROPOSED CAPITAL REORGANISATION;  
(II) PROPOSED SHARE PREMIUM CANCELLATION;  
(III) CHANGE IN BOARD LOT SIZE;  
(IV) PROPOSED ISSUE OF CONVERTIBLE BONDS UNDER SPECIFIC  
MANDATE; AND (V) NOTICE OF SGM**

**INTRODUCTION**

Reference is made to the Announcement in relation to the Capital Reorganisation, the Share Premium Cancellation, the grant of the CB Specific Mandate, the CB Subscription Agreements and the transactions contemplated thereunder.

The purpose of this circular is to provide you with details of (i) the proposed Capital Reorganisation; (ii) the proposed Share Premium Cancellation; (iii) the Change in Board Lot Size; (iv) the CB Subscription; and to give you the notice of SGM to be held.

\* *For identification purpose only*

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## LETTER FROM THE BOARD

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### PROPOSED CAPITAL REORGANISATION

The Board proposes to reorganise the share capital of the Company in the following manner:

**(a) Share Consolidation**

Every ten (10) issued Existing Shares of par value of HK\$0.1 each in the issued share capital of the Company be consolidated into one (1) issued Consolidated Share of par value of HK\$1.00 and where applicable, the total number of Consolidated Shares in the issued share capital of the Company immediately following the Share Consolidation will be rounded down to a whole number by cancelling any fraction in the issued share capital of the Company which may arise from the Share Consolidation.

**(b) Capital Reduction**

Immediately following the Share Consolidation, the share capital of the Company will be reduced whereby:

- (i) any fractional Consolidated Share in the issued share capital of the Company arising from the Share Consolidation shall be cancelled; and
- (ii) the par value of each of the then issued Consolidated Shares will be reduced from HK\$1.00 to HK\$0.01 by cancelling the paid-up capital of the Company to the extent of HK\$0.99 on each of the then issued Consolidated Shares; and
- (iii) the credit arising from the Capital Reduction will be credited to the Contributed Surplus Account for use by the Directors in any manner as permitted by applicable laws and the Bye-laws.

**(c) Share Sub-division**

Immediately following the Capital Reduction, each of the then authorised but unissued Existing Shares of par value of HK\$0.1 each will be sub-divided into ten (10) New Shares of par value of HK\$0.01 each.

### Conditions of the Capital Reorganisation

The Capital Reorganisation is conditional upon:

- (a) the passing of the necessary special resolution by the Shareholders at the SGM to approve the Capital Reorganisation involving the Share Consolidation, the Capital Reduction and the Share Sub-division;
- (b) compliance with the requirements of section 46(2) of the Companies Act to effect the Capital Reorganisation and the Directors having satisfied that on the Effective Date, there are no reasonable grounds for believing that the Company is, or after the Effective Date would be, unable to pay its liabilities as they become due;

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## LETTER FROM THE BOARD

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- (c) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the New Shares arising from the Capital Reorganisation;
- (d) the compliance with the relevant procedures and requirements under the Listing Rules to effect the Capital Reorganisation; and
- (e) the obtaining of all necessary approvals from the regulatory authorities or otherwise as may be required in respect of the Capital Reorganisation.

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

Subject to the fulfilment of the above conditions, the Capital Reorganisation will be completed and become effective on the Effective Date.

### **Effect of the Capital Reorganisation and Status of the New Shares**

As at the Latest Practicable Date, the authorised share capital of the Company is HK\$7,000,000,000 divided into 700,000,000,000 Existing Shares of par value of HK\$0.1 each, of which 3,661,864,729 Existing Shares have been issued and fully paid or credited as fully paid.

Assuming there will be no change in the issued share capital of the Company from the Latest Practicable Date up to the Effective Date, the authorised share capital of the Company will be HK\$700,000,000 divided into 70,000,000,000 New Shares of par value of HK\$0.01 each, of which 366,186,472 New Shares will be issued as fully paid or credited as fully paid. The aggregate par value of issued share capital of the Company will be HK\$3,661,864.72 (assuming that there is no change in the issued share capital of the Company from the Latest Practicable Date up to the Effective Date).

Based on 3,661,864,729 Existing Shares in issue as at Latest Practicable Date, an amount of credit of approximately HK\$362,524,608 will arise as a result of the Capital Reorganisation. Shareholders and potential investors of the Company should note that the credit arising in the books from the Capital Reorganisation will be subject to change depending on the number of Shares in issue immediately prior to the Capital Reorganisation becoming effective.

It is proposed that the total credit arising in the accounts of the Company from the Capital Reorganisation to be transferred to the Contributed Surplus Account. The credits in the Contributed Surplus Account will be applied by the Directors in any manner as permitted under the applicable laws and the Bye-laws.

Upon the Capital Reorganisation becoming effective, the New Shares shall rank *pari passu* in all respects with each other. The Capital Reorganisation will not result in any change in the relative rights of the Shareholders. Other than the expenses to be incurred by the Company in relation to the Capital Reorganisation, the implementation thereof will not, by itself, affect the underlying assets, business operations, management or financial position of the Group or the proportionate interests or rights of the Shareholders as a whole, save for any fractional New Share which may arise. Any fractional Share arising from the Share Consolidation will not be allocated to the Shareholders. Any fractional entitlement to the Consolidated Shares will be aggregated, sold and retained for the benefit of the Company.

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## LETTER FROM THE BOARD

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The following table sets out the effects of the Capital Reorganisation on the share capital of the Company before and after the implementation of the Capital Reorganisation, assuming that there is no change in the issued share capital of the Company from the Latest Practicable Date until the Effective Date:

	<b>As at the Latest Practicable Date</b>	<b>Immediately after the Capital Reorganisation becoming effective</b>
<b>Par value per Share</b>	HK\$0.1 per Existing Share	HK\$0.01 per New Share
<b>Authorised share capital</b>	HK\$700,000,000 divided into 7,000,000,000 Existing Shares	HK\$700,000,000 divided into 70,000,000,000 New Shares
<b>Issued share capital</b>	HK\$366,186,472.9 divided into 3,661,864,729 Existing Shares	HK\$3,661,864.72 divided into 366,186,472 New Shares

### **Fractional entitlement to the Consolidated Shares**

Fractional Consolidated Shares arising from the Share Consolidation, if any, will be disregarded and will not be issued to the Shareholders but all such fractional Consolidated Shares will be aggregated and, if possible, sold for the benefit of the Company. Fractional Consolidated Shares will only arise in respect of the entire shareholding of a holder of the Existing Shares regardless of the number of share certificates held by such holder.

### **Listing Application**

Application has been made to the Stock Exchange for the listing of, and permission to deal in, the New Shares to be in issue upon the Capital Reorganisation becoming effective.

Subject to the granting of listing of, and permission to deal in, the New Shares on the Stock Exchange, as well as compliance with the stock admission requirement of HKSCC upon the Capital Reorganisation becoming effective, the New Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in the New Shares on the Stock Exchange or such other date 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. All necessary arrangements will be made for the New Shares to be admitted into CCASS established and operated by HKSCC.

The New Shares will be identical in all respects and rank *pari passu* in all respects with each other in accordance with the Bye-laws as to all future dividends and distributions which are to be declared, made or paid.

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## LETTER FROM THE BOARD

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None of the Existing Shares and debt securities of the Company are listed or dealt in on another stock exchanges other than the Stock Exchange, and at the time when the Capital Reorganisation becoming effective, the New Shares in issue will not be listed or dealt in on any stock exchange other than the Stock Exchange, and no such listing or permission to deal is being or is proposed to be sought.

### **OTHER ARRANGEMENTS**

#### **Exchange of Certificates for New Shares**

Subject to the Capital Reorganisation becoming effective, which is currently expected to be on 30 November 2022, being the second Business Day immediately after the date of the SGM, the Shareholders may on or after 9:00 a.m. on 30 November 2022 and until 4:30 p.m. on 10 January 2023, submit their existing share certificates for the Existing Shares (in the colour of blue) to the Company's branch share registrar and transfer office in Hong Kong, Tricor Tengis Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, during business hours to exchange for new share certificates for the New Shares (in the colour of yellow) at the expense of the Company.

Thereafter, share certificates for the Existing Shares will be accepted for exchange only upon payment of a fee of HK\$2.50 (or such other amount as may from time to time be specified by the Stock Exchange) by the Shareholders for each share certificate for the Existing Shares submitted for cancellation or each new share certificate issued for the New Shares, whichever the number of share certificates cancelled or issued is higher.

Subject to and upon the Capital Reorganisation becoming effective, after trading hours on 6 January 2023, trading will only be in the New Shares. Share certificates for the Existing Shares will continue to remain good evidence of legal title and may be exchanged for share certificates for the New Shares at any time but will not be accepted for delivery, trading, settlement and registration purposes.

### **PROPOSED SHARE PREMIUM CANCELLATION**

The Board intends to put forward for approval by the Shareholders at the SGM a proposal to cancel the entire amount standing to the credit of the Share Premium Account as of the Effective Date to nil with the credit arising therefrom to be transferred to the Contributed Surplus Account and to authorise the Board to apply such amount in such manner as permitted under the applicable laws and the Bye-laws.

#### **Conditions for the Share Premium Cancellation**

The Share Premium Cancellation is conditional upon:

- (i) the passing of the necessary special resolution by the Shareholders at the SGM to approve the Share Premium Cancellation;
- (ii) compliance with the requirements of section 46(2) of the Companies Act to effect the Share Premium Cancellation and the Directors having satisfied that on the Effective Date, there are no reasonable grounds for believing that the Company is, or after the Effective Date would be, unable to pay its liabilities as they become due; and

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## LETTER FROM THE BOARD

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- (iii) the obtaining of all necessary approvals from the regulatory authorities or otherwise as may be required in respect of the Share Premium Cancellation.

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

Subject to the fulfilment of the conditions above, the Share Premium Cancellation will be completed and become effective on the Effective Date.

### **Effects of the Share Premium Cancellation**

The implementation of the Share Premium Cancellation does not involve any reduction in the authorised or issued share capital of the Company, or any reduction in the nominal value of the Shares or alteration of the trading arrangements concerning the Shares.

Save for the expenses to be incurred by the Company in relation to the Share Premium Cancellation, the Board considers that the implementation of the Share Premium Cancellation will not, in itself, have a material adverse effect on the underlying assets, liabilities, business operations, management or financial position of the Company or the interests of the Shareholders as a whole.

Based on the unaudited financial statements of the Company as at 30 June 2022, the amounts standing to the credit of the Share Premium Account as at 30 June 2022 were approximately HK\$942,400,000. The balances of the Share Premium Account have not changed since 30 June 2022 and up to the date of Latest Practicable Date.

### **PROPOSED CHANGE IN BOARD LOT SIZE**

The Existing Shares are currently traded on the Stock Exchange in board lot size of 4,000 Existing Shares. The Board proposes that upon the Capital Reorganisation becoming effective, the board lot size for trading in the New Shares will be at 10,000 New Shares per board lot.

Based on the closing price of HK\$0.020 per Existing Share (equivalent to the theoretical closing price of HK\$0.20 per New Share upon the Capital Reorganisation becoming effective) as at the Latest Practicable Day, (i) the value per board lot of 4,000 Existing Shares is HK\$80; and (ii) the value per board lot of 10,000 New Shares would be HK\$2,000 on the assumption that the Capital Reorganisation becomes effective.

### **REASONS FOR AND THE BENEFITS OF THE CAPITAL REORGANISATION, THE SHARE PREMIUM CANCELLATION AND THE CHANGE IN BOARD LOT SIZE**

The proposed Capital Reorganisation will enable the par value of the Shares to be reduced from HK\$0.1 to HK\$0.01 each. The credit arising from the Capital Reduction and the Share Premium Cancellation will be applied towards offsetting the accumulated loss of the Company as at the Effective Date, thereby reducing the accumulated loss of the Company. The balance of credit (if any) will be transferred to the Contributed Surplus Account.

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## LETTER FROM THE BOARD

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Pursuant to the Companies Act and the Bye-laws, the Company shall not issue any shares at a price below par value. As the Existing Shares are currently trading at a price below par value, in order to facilitate possible fund raising activities in the future, it is necessary to implement the Capital Reorganisation to lower the par value of the Shares, giving greater flexibility to the Company to issue new Shares in the future.

Further, pursuant to Rule 13.64 of the Listing Rules, where the market price of the securities of an issuer approaches the extremities of HK\$0.01 or HK\$9,995.00, the issuer may be required either to change the trading method or to proceed with a consolidation or splitting of its securities.

The “Guide on Trading Arrangements for Selected Types of Corporate Actions” issued by the Hong Kong Exchanges and Clearing Limited on 28 November 2008 and updated on 1 October 2020 has stated that market price of the Shares at a level less than HK\$0.1 will be considered as trading at extremity as referred to under Rule 13.64 of the Listing Rules.

Taking into account of the closing price of HK\$0.020 per Existing Share on the Latest Practicable Date, the Share Consolidation would enable the Company to comply with the trading requirements under the Listing Rules.

The Share Consolidation will increase the nominal value of the Shares and will reduce the total number of Shares currently in issue. As such, it is expected that the Share Consolidation will bring about a corresponding upward adjustment in the trading price of the Shares.

As set out in the “Guide on Trading Arrangements for Selected Types of Corporate Actions” issued by Hong Kong Exchanges and Clearing Limited, the value of each board lot shall not be less than HK\$2,000. Based on the closing price of HK\$0.020 per Existing Share (equivalent to the theoretical closing price of HK\$0.20 per New Share upon the Capital Reorganisation becoming effective) as at the Latest Practicable Date, (i) the value per board lot of 4,000 Existing Shares is HK\$80; and (ii) the value per board lot of 10,000 New Shares would be HK\$2,000 on the assumption that the Capital Reorganisation becomes effective. The Board believes that the Change in Board Lot Size would allow the Company to comply with the requirement and will reduce the transaction costs and registration costs to be incurred by the Shareholders and potential investors. The Change in Board Lot Size will not affect the relative rights of Shareholders.

The Board considers that the Capital Reorganisation, the Share Premium Cancellation and the Change in Board Lot Size are beneficial to and in the interests of the Company and the Shareholders as a whole.

### **Odd lots trading arrangement**

In order to facilitate the trading of odd lots of the New Shares, the Company will appoint a securities firm to provide a matching service, on a best efforts basis, to those Shareholders who wish to acquire odd lots of the New Shares to make up a full board lot, or to dispose of their holding of odd lots of the New Shares.



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## LETTER FROM THE BOARD

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### **Subject matter**

Pursuant to each of the CB Subscription Agreements, the Company has conditionally agreed to issue and each of the Subscribers has conditionally agreed to subscribe for the Convertible Bonds in an aggregate principal amount of up to HK\$22,500,000.

### **Conditions for the CB Subscription**

Completion of each of the CB Subscription Agreements is conditional upon the satisfaction of the following conditions precedent:

- (i) the result of due diligence conducted by the Subscriber or its agent on the Company's assets, liabilities, operations and affairs being satisfactory to the Subscriber;
- (ii) the approval of the CB Subscription and the transactions and other arrangements (as necessary) contemplated thereunder, including the grant of the CB Specific Mandate for the issue of the Convertible Bonds and the allotment and issue of the Conversion Shares, by the Shareholders at the SGM;
- (iii) the Listing Committee of the Stock Exchange granting approval for the listing of, and permission to deal in, the Conversion Shares (and such listing and permission not being subsequently revoked prior to the completion of the CB Subscription);
- (iv) the Capital Reorganisation of the Company having become effective;
- (v) the Company having received all necessary approvals and permissions for the CB Subscription Agreements and the transactions contemplated thereunder; and
- (vi) the Subscribers having received all necessary approvals and permissions for the CB Subscription Agreements and the transactions contemplated thereunder.

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

If any of the conditions precedent above have not been fulfilled on or before 28 February 2023 (or such later date as may be agreed between the Subscribers and the Company in writing, and in such event the Company shall re-seek the approval for the CB Subscription from the Shareholders), the CB Subscription Agreements shall lapse immediately thereafter and be of no further effect and neither the Company nor the Subscribers shall have any claim against or liability or obligation to each other under the CB Subscription Agreements save for any rights or obligations which may accrue prior to the date of such termination.

### **Completion**

After all the conditions precedent of the CB Subscription Agreements have been satisfied and before 30 June 2023, the Subscriber shall have the right to issue closing notice(s) to the Company from time to time to demand for the issue of the Convertible Bonds by tranches on the third Business Day upon receipt of the closing notice(s) by the Company.

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## LETTER FROM THE BOARD

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### PRINCIPAL TERMS OF THE CONVERTIBLE BONDS

- Issuer** : The Company
- Principal Amount** : Up to HK\$22,500,000 in aggregate, of which
- (i) HK\$20,000,000 will be subscribed by Subscriber A; and
  - (ii) HK\$2,500,000 will be subscribed by Subscriber B.
- Issue Price** : 100% of the principal amount
- Interest** : The Convertible Bonds shall bear interest at the rate of 16% per annum from the date of issue (inclusive of such date), payable on a monthly basis, until the Maturity Date or the date on which the Convertible Bonds are converted into Shares, payable on such date
- Maturity Date** : 31 December 2024
- Conversion Right** : The Bondholder shall have the right to convert all or any part of the Convertible Bonds in the lots of HK\$500,000 of the principal amount at any time from the date of issue of the Convertible Bonds up to seven (7) days prior to the Maturity Date.
- If the issue of Conversion Shares following the exercise by a Bondholder relating to any of the Convertible Bonds held by such Bondholder would result in the Company not meeting the requirement under the Listing Rules that not less than 25% (or such other percentage as may from time to time be specified in the Listing Rules) of the Shares shall be held by the public immediately after the conversion, the Bondholder shall not be allowed to convert the Convertible Bonds.
- Conversion Price** : Initially HK\$0.25 per Conversion Share, subject to adjustments in the events set out in the paragraph headed “Adjustment Events” below.
- The Conversion Price of HK\$0.25 per Conversion Share was arrived at after arm’s length negotiations between the Company and the Subscribers with reference to the recent market prices of the Shares and taking into account of the Capital Reorganisation and represents:

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## LETTER FROM THE BOARD

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- (i) a premium of approximately 13.64% over the closing price of HK\$0.22 per Share (as adjusted for the Capital Reorganisation) as quoted on the Stock Exchange on the Last Trading Day;
- (ii) a premium of approximately 11.61% over the average closing price of HK\$0.224 per Share (as adjusted for the Capital Reorganisation) as quoted on the Stock Exchange for the five consecutive trading days up to and including the Last Trading Day; and
- (iii) a premium of 25% over the closing price of HK\$0.20 per Share (as adjusted for the Capital Reorganisation) as quoted on the Stock Exchange as at the Latest Practicable Date.

### **Adjustment Events**

: The Conversion Price shall from time to time be subject to adjustment in accordance with the provisions of the instrument of the Convertible Bonds and in line with market practice upon occurrence of the following events:

- (a) consolidation or sub-division of Shares;
- (b) capitalisation of profits or reserves;
- (c) grant of rights to the Shareholders to acquire for cash assets of the Company or any of its subsidiaries;
- (d) offer to the Shareholders for subscription by way of rights, or grant of options or warrants to subscribe for Shares at a price which is less than 90% of the then market price of the Shares;
- (e) issue of securities convertible into or exchangeable for or carrying rights of subscription for Shares, where the total effective consideration per Share initially receivable for such securities is less than 90% of the then market price per Share, or the modification of the conversion, exchange or subscription rights attached to such securities so that the total effective consideration per Share initially receivable for such securities is less than 90% of the then market price;
- (f) issue of Shares being made wholly for cash at a price less than 90% of the then market price of the Shares;

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## LETTER FROM THE BOARD

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(g) issue of Shares for the acquisition of asset at a total effective consideration per Share less than 90% of the market price per Share; and

(h) capital distribution.

**Conversion Shares** : Based on the initial Conversion Price of HK\$0.25 per Conversion Share, a total of 90,000,000 Conversion Shares will be allotted and issued upon exercise of the conversion rights attaching to the Convertible Bonds in full, representing (i) approximately 24.58% of the total number of Shares in issue as adjusted for the Capital Reorganisation, and (ii) approximately 19.73% of the total number of Shares in issue as enlarged by the allotment and issue of the 90,000,000 Conversion Shares upon full conversion of the Convertible Bonds.

The Conversion Shares will rank *pari passu* in all respects with the Shares in issue as at the date of conversion.

**Redemption on Maturity** : Unless previously converted, the Convertible Bonds will be redeemed by the Company on the Maturity Date at its principal amount outstanding.

**Application for listing** : No application will be made for a listing of the Convertible Bonds. Application has been made by the Company to the Stock Exchange for the listing of, and permission to deal in, the Conversion Shares.

**Voting** : The Bondholder will not be entitled to attend or vote at any meetings of the Company by reason only of it being the Bondholder.

**Transferability** : The Convertible Bonds are freely transferable.

The terms of the CB Subscription Agreements are agreed upon by the parties after arm's length negotiations.

The pledging arrangement with Subscriber A was determined as reasonable having regard to the latest published financial position of the Group with capital deficiencies with no existing assets available for securities to be taken. Such pledging arrangement is attributed to the business decision of Subscriber A to enter into the CB Subscription Agreement A in view of the enhanced recoverability of the Convertible Bonds by securing any further assets to be acquired by the Group. For these reasons, the Directors consider that such pledging arrangement is in the interests of the Company and Shareholders as a whole as it has facilitated the conclusion of the CB Subscription Agreement A to provide additional funding to the Company to develop its business.

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## LETTER FROM THE BOARD

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The interest rate of 16% per annum on the Convertible Bonds was determined based on the interest rate of 15% per annum for the previous proposed issue of convertible bonds by the Company announced on 24 September 2021, the deteriorating financial position of the Group since then and the general increase in market interest rate.

### **Specific Mandate to issue the Conversion Shares**

The Conversion Shares will be issued pursuant to the CB Specific Mandate proposed to be sought from the Shareholders at the SGM.

### **Fund raising activities in the past twelve months**

The Company has not conducted any equity fund raising activity in the past twelve months before the Latest Practicable Date.

### **INFORMATION ON THE SUBSCRIBERS**

#### **Subscriber A**

To the best of the Directors' knowledge, information and belief having made all reasonable enquires, Subscriber A is a company incorporated in the British Virgin Islands with limited liability and is principally engaged in the import and export of food. As at the Latest Practicable Date, Subscriber A and its ultimate beneficial owner, namely Ms. Liu Lian, are Independent Third Parties.

Subscriber A and its associates had no prior business relationship with the Company and its connected persons.

#### **Subscriber B**

To the best of the Directors' knowledge, information and belief having made all reasonable enquires, Subscriber B is a company incorporated in the British Virgin Islands with limited liability and is principally engaged in investment holding.

As at the Latest Practicable Date, Subscriber B and its ultimate beneficial owner, namely Mr. Chiu Chun Tak, are Independent Third Parties.

Mr. Chiu Chun Tak is a member of the HKICPA. He, through another company, is providing accounting services to the Company. Save as disclosed herein, Subscriber B and its associates had no prior business relationship with the Company and its connected persons.

### **REASONS FOR THE CB SUBSCRIPTION AND USE OF PROCEEDS**

The Group is principally engaged in the manufacturing and trading of toys and securities investments. The Directors consider that the raising of funds by the issue of the Convertible Bonds upon the Capital Reorganisation is an appropriate method to raise the necessary funding for the Company and in the interests of the Company and Shareholders as a whole.

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## LETTER FROM THE BOARD

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The Directors consider that the issue of the Convertible Bonds is an appropriate means of raising additional capital for the Company since it will not have an immediate dilution effect on the shareholding of the existing Shareholders.

Subject to the completion of the CB Subscription, the aggregate gross proceeds from the CB Subscription will be up to HK\$22.5 million and the net proceeds from the CB Subscription (after deduction of estimated professional fees and other related expenses which are estimated to be up to approximately HK\$22 million. The Company intends to use the net proceeds from the CB Subscription as to: (i) up to approximately HK\$20 million for possible investment in a watermelon planting project in Japan (which, if materialized, will be pledged in favour of Subscriber A as security of the subscription monies and such security shall be released when Subscriber A ceases to be a Bondholder) (the “**Possible Investment**”); and (ii) the remaining amount for the general working capital of the Group. The Possible Investment is in line with the Company’s plan to explore opportunities and develop a business in the agricultural sector. Reference is made to the annual report of the Company for the year ended 31 December 2021 (the “**Annual Report**”). Under the section headed “Chairman’s Statement”, it was disclosed that on 6 June 2021, the Group entered into the operation management agreement with Cangshan County Huakai Vegetables Sales Co., Ltd.\* (蘭陵縣華凱農產品有限公司) (the “**PRC Partner**”), pursuant to which, among others, the PRC Partner shall grant the Group the management and operation rights of the brand “Cangshan Vegetables (蒼山蔬菜)”, and the management and operation rights of the equipment and facilities of the Lanling Agricultural Products Wholesale Market from the PRC Partner, for a term of five (5) years at an annual fee of RMB2 million. In addition, Dr. Liao Wenjian, one of the executive Directors of the Company, possesses experience in the agriculture products industry. In respect of such investment, it is preliminarily expected that up to HK\$5 million may be applied for acquiring the controlling stake in the target of the Potential Investment target (the “**Target**”) and the remaining sum may be applied as general working capital of the Target depending on its operational needs. As at the Latest Practicable Date, the Possible Investment is still under negotiation and no agreement whatsoever (including the terms and any capital commitment or otherwise) has been reached between the Group and the Target. Based on the preliminary assessment of the Board, it is expected that the proposed allocation of proceeds to the Possible Investment would be sufficient to meet the estimated capital requirement and hence no additional need for funding is expected presently.

The net price per Conversion Share, which is calculated by dividing the aggregate net proceeds by the total number of the Conversion Shares based on the initial Conversion Price, is approximately HK\$0.24.

### EFFECTS ON SHAREHOLDING STRUCTURE

The shareholding structure of the Company (i) as at the Latest Practicable Date; and (ii) immediately after the allotment and issue of the Conversion Shares upon the exercise of the conversion rights under the Convertible Bonds in full (assuming that the Conversion Price is HK\$0.25 per Conversion Share and there is no further issue or repurchase of Shares before the exercise of such conversion rights), are illustrated in the below table:

\* For identification purpose only

## LETTER FROM THE BOARD

	As at the Latest Practicable Date		Immediately after completion of the Share Consolidation		Immediately after completion of the Share Consolidation and the Capital Reduction		Immediately after completion of the Capital Reorganisation and the CB Subscription (assuming the Convertible Bonds are converted in full)	
	Approximate % of		Approximate % of		Approximate % of		Approximate % of	
	Number of Shares held	total Shares in issue	Number of Shares held	total Shares in issue	Number of Shares held	total Shares in issue	Number of Shares held	total Shares in issue
<i>Substantial shareholder</i>								
China Strategic Holdings Limited	651,995,472	17.80%	65,199,547	17.80%	65,199,547	17.80%	65,199,547	14.29%
Ji Xiang ("Mr. Ji") (Note 1)	496,976,000	13.57%	49,697,600	13.57%	49,697,600	13.57%	49,697,600	10.89%
Shen Jia	400,000,000	10.93%	40,000,000	10.93%	40,000,000	10.93%	-	-
Subscriber A	-	-	-	-	-	-	80,000,000	17.54%
	1,548,971,472	42.30%	154,897,147	42.30%	154,897,147	42.30%	194,897,147	42.72%
<i>Public shareholders</i>								
Shen Jia	-	-	-	-	-	-	40,000,000	8.77%
Subscriber B	-	-	-	-	-	-	10,000,000	2.19%
Other public Shareholders	2,112,893,257	57.70%	211,289,325	57.70%	211,289,325	57.70%	211,289,325	46.32%
Total	3,661,864,729	100.00%	366,186,472	100.00%	366,186,472	100.00%	456,186,472	100.00%

*Notes:*

- 496,976,000 Shares (or 49,697,600 Shares after completion of the Share Consolidation) were held by Excel Jade Limited, which was owned as to 100% by Mr. Ji. Accordingly, Mr. Ji was deemed to be interested in 496,976,000 Shares (or 49,697,600 Shares after completion of the Share Consolidation) of the Company under the Securities and Futures Ordinance.
- The figures are provided for illustrative purposes only. The terms of the Convertible Bonds will not permit conversion if immediately after such conversion, the public float of the Shares will fall below the minimum requirements of the Listing Rules from time to time.

### SGM

A notice convening the SGM to be held at 9/F, Infinitus Plaza, 199 Des Voeux Road Central, Hong Kong on Monday, 28 November 2022 at 11:00 a.m. is set out on pages SGM-1 to SGM-6 of this circular, at which relevant resolutions will be proposed to the Shareholders to consider and, if thought fit, approve the Capital Reorganisation, the Share Premium Cancellation, the grant of the CB Specific Mandate, the CB Subscription Agreements and the transactions contemplated under the Capital Reorganisation, the Share Premium Cancellation and the CB Subscription.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, as no Shareholder has a material interest in the Capital Reorganisation, the Share Premium Cancellation, the grant of the CB Specific Mandate and the CB Subscription Agreements, no Shareholder will be required to abstain from voting to approve the Capital Reorganisation, the Share Premium Cancellation, the grant of the CB Specific Mandate and the CB Subscription Agreements at the SGM.

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## LETTER FROM THE BOARD

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A form of proxy for use by the Shareholders at the SGM is enclosed herewith. Whether or not you intend to attend the SGM, you are requested to complete and return the form of proxy accompanying with this circular in accordance with the instructions printed thereon not less than 48 hours before the time appointed for holding the SGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting at the SGM or any adjournment thereof in person if you so wish, and in such event, the form of proxy previously submitted shall be deemed to have revoked.

Pursuant to Rule 13.39(4) of the Listing Rules, all resolution(s) at the SGM shall be taken by way of poll and an announcement will be made by the Company on the results of the SGM.

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

For determining the entitlement to attend and vote at the SGM, the register of members of the Company will be closed from 23 November 2022 to 28 November 2022 (both days inclusive) during which period no transfer of Existing Shares will be registered. In order to be eligible to attend and vote at the SGM, unregistered holders of Existing Shares shall ensure that all transfer documents accompanied by the relevant share certificates must be lodged with the branch share registrar and transfer office of the Company, Tricor Tengis Limited of 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, for registration no later than 4:30 p.m. on 22 November 2022.

### **RECOMMENDATION**

The Directors consider that the terms of the proposed Capital Reorganisation and the proposed Share Premium Cancellation are in the interests of the Company and the Shareholders as a whole and recommend the Shareholders to vote in favour of the relevant resolution(s) approving the Capital Reorganisation and the Share Premium Cancellation at the SGM.

The Directors consider that the terms of the CB Subscription Agreements are fair and reasonable and the entering into of the CB Subscription Agreements is in the interests of the Company and the Shareholders as a whole and recommend the Shareholders to vote in favour of the relevant resolution(s) approving the CB Subscription Agreements and the transactions contemplated thereunder (including the grant of the CB Specific Mandate to allot and issue the Conversion Shares) at the SGM.

By order of the Board  
**Winshine Science Company Limited**  
**Zhao Deyong**  
*Chairman*

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## NOTICE OF SGM

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### WINSHINE SCIENCE COMPANY LIMITED

瀛晟科學有限公司\*

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 209)**

## NOTICE OF SGM

**NOTICE IS HEREBY GIVEN** that a special general meeting (the “**SGM**”) of Winshine Science Company Limited (the “**Company**”) will be held at 9/F, Infinitus Plaza, 199 Des Voeux Road Central, Hong Kong on Monday, 28 November 2022 at 11:00 a.m. for the purpose of considering and, if thought fit, passing the following special resolutions (without amendments) and ordinary resolutions with or without amendments:

### SPECIAL RESOLUTIONS

1. “**THAT** subject to and conditional upon (i) compliance with the relevant procedures and requirements of section 46(2) of the Companies Act 1981 of Bermuda (as amended) to effect the Capital Reorganisation (as defined below); (ii) the granting by the Listing Committee of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) of the listing of, and permission to deal in, the New Shares (as defined below); (iii) compliance with the relevant procedures and requirements under the Rules Governing the Listing of Securities on the Stock Exchange to effect the Capital Reorganisation (as defined below); and with effect from the second business day immediately following the date on which this resolution is passed or the above conditions are fulfilled (whichever is the later) (the “**Capital Reorganisation Effective Date**”):
  - (a) every ten (10) issued ordinary shares of par value of HK\$0.1 each in the issued share capital of the Company be consolidated into one (1) ordinary share of par value of HK\$1.00 (the “**Consolidated Shares**”) (the “**Share Consolidation**”);
  - (b) the total number of Consolidated Shares in the issued share capital of the Company immediately following the Share Consolidation be and is hereby rounded down to a whole number by cancelling any fraction in the issued share capital of the Company arising from the Share Consolidation (the “**Rounding**”);

\* For identification purpose only

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## NOTICE OF SGM

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- (c) the issued and paid-up share capital of the Company be reduced by cancelling the paid-up capital of the Company to the extent of HK\$0.99 on each of the then issued Consolidated Shares so that the par value of each issued Consolidated Share will be reduced from HK\$1.00 to HK\$0.01 (each such reduced ordinary share, a “**New Share**”) (which together with the Rounding, the “**Capital Reduction**”);
  - (d) each of the then authorised but unissued ordinary shares of par value of HK\$0.1 each be subdivided into ten (10) New Shares of par value of HK\$0.01 each (the “**Share Subdivision**”);
  - (e) the credits arising from the Capital Reduction be entirely transferred to the contributed surplus account of the Company within the meaning of the Companies Act 1981 of Bermuda (as amended) (the “**Contributed Surplus Account**”) and the board of directors of the Company (the “**Directors**”) or a committee thereof be and are hereby authorised to use the amount then standing to the credit of the Contributed Surplus Account to eliminate or set off the accumulated losses of the Company as at the Capital Reorganisation Effective Date and/or to eliminate or set off the accumulated losses of the Company which may arise from time to time and/or to pay dividend and/or to make any other distribution out of the Contributed Surplus Account from time to time without further authorisation from the shareholders of the Company and/or to use the credit in such other manner as may be permitted under the bye-laws of the Company in effect from time to time and all applicable laws without further authorisation from the shareholders of the Company and all such actions in relation thereto be approved, ratified and confirmed;
  - (f) fractional Consolidated Shares will not be issued to holders of the same but all such fractional Consolidated Shares shall be aggregated and, if possible, sold and the net proceeds shall be retained for the benefit of the Company in such manner and on such terms as the Directors may think fit; and
  - (g) the Directors and each of them be and are fully authorised to take any and all steps, and to do and/or procure to be done any and all acts and things, and to approve, sign and execute any documents which he/she/they in his/her/their absolute discretion consider necessary, desirable, expedient or appropriate to effect and implement this resolution and to exercise such discretion in connection, relating to or arising from the Share Consolidation, the Capital Reduction and the Share Subdivision (collectively, the “**Capital Reorganisation**”) and/or the respective transactions contemplated herein, with such modifications thereto (if any) as he/she/they may from time to time consider necessary, expedient and/or appropriate in order to implement, finalise and give full effect to the Capital Reorganisation.”
2. “**THAT** conditional upon compliance by the Company with the relevant procedures and requirements of section 46(2) of the Company Act 1981 of Bermuda (as amended) to effect the cancellation of share premium account referred to below, and with effect from the second

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## NOTICE OF SGM

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business day immediately following the date of passing of this resolution or upon the day on which the above condition is fulfilled (whichever is the later) (the “**Share Premium Cancellation Effective Date**”):

- (a) the entire amount standing to the credit of the share premium account of the Company as at the Share Premium Cancellation Effective Date be and is hereby reduced to nil (the “**Share Premium Cancellation**”);
- (b) the credits arising from the Share Premium Cancellation be entirely transferred to the contributed surplus account of the Company within the meaning of the Companies Act 1981 of Bermuda (as amended) (the “**Contributed Surplus Account**”);
- (c) the board of directors of the Company (the “**Board**”) or a committee thereof be and is hereby authorised to utilise and apply any credit balance of the Contributed Surplus Account to eliminate or to set off the accumulated losses of the Company as at the Share Premium Cancellation Effective Date and/or to eliminate or to set off the accumulated losses of the Company which may arise from time to time and/or to make any other distributions out of the Contributed Surplus Account from time to time without further authorisation from the shareholders of the Company and/or to use the credit in such other manner as may be permitted under the bye-laws of the Company in effect from time to time and all applicable laws without further authorisation from the shareholders of the Company and all such actions in relation thereto be approved, confirmed and ratified; and
- (d) the Board or a committee thereof be and is hereby authorised to do all such acts and things and execute all such documents on behalf of the Company, including under seal where applicable, as they may consider necessary or expedient to give effect to the Share Premium Cancellation.”

### ORDINARY RESOLUTIONS

3. “**THAT**

- (a) the subscription agreement dated 14 October 2022 (the “**CB Subscription Agreement A**”) entered into between the Company and Richsun Investment Development Limited (a copy of which marked “A” has been produced to the Meeting and initialed by the chairman of the Meeting for identification purpose) in respect of the issue of convertible bonds in an aggregate principal amount of up to HK\$20,000,000 (the “**Convertible Bonds A**”) upon and subject to the terms and conditions as set out therein and the transactions contemplated thereunder be and are hereby approved, confirmed and ratified;
- (b) subject to the fulfillment of the conditions precedent set out in the CB Subscription Agreement A, the issue of Convertible Bonds A in accordance with the terms and conditions of the CB Subscription Agreement A be and is hereby approved;

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## NOTICE OF SGM

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- (c) the allotment and issue of new ordinary shares of par value of HK\$0.01 each in the share capital of the Company (the “**Conversion Shares A**”) which may fall to be allotted and issued upon the exercise of the conversion rights attaching to the Convertible Bonds A in accordance with the terms and conditions thereof be and are hereby approved;
- (d) conditional upon, among others, the listing committee of The Stock Exchange of Hong Kong Limited granting the listing of, and permission to deal in, the Conversion Shares A, the specific mandate to the Directors to exercise the powers of the Company for the allotment and issue of the Conversion Shares A in accordance with the terms and conditions of the Convertible Bonds A be and is hereby approved; and
- (e) any one or more Directors be and are hereby authorised to do all such things and acts as he/she/they may in his/her/their discretion consider necessary, desirable or expedient, for the purposes of or in connection with the implementation of the CB Subscription Agreement A and the transactions contemplated thereunder, including but not limited to the execution of all such documents under seal where applicable, as he/she/they considers necessary or expedient in his/her/their opinion to implement and/or give effect to the issue of the Convertible Bonds A and the allotment and issue of the Conversion Shares A which may fall to be allotted and issued upon exercise of the conversion rights attaching to the Convertible Bonds A.”

4. **“THAT**

- (a) the subscription agreement dated 14 October 2022 (the “**CB Subscription Agreement B**”) entered into between the Company and Victor Arise Limited (a copy of which marked “B” has been produced to the Meeting and initialed by the chairman of the Meeting for identification purpose) in respect of the issue of convertible bonds in an aggregate principal amount of up to HK\$2,500,000 (the “**Convertible Bonds B**”) upon and subject to the terms and conditions as set out therein and the transactions contemplated thereunder be and are hereby approved, confirmed and ratified;
- (b) subject to the fulfillment of the conditions precedent set out in the CB Subscription Agreement B, the issue of Convertible Bonds B in accordance with the terms and conditions of the CB Subscription Agreement B be and is hereby approved;
- (c) the allotment and issue of new ordinary shares of par value of HK\$0.01 each in the share capital of the Company (the “**Conversion Shares B**”) which may fall to be allotted and issued upon the exercise of the conversion rights attaching to the Convertible Bonds B in accordance with the terms and conditions thereof be and are hereby approved;

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## NOTICE OF SGM

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- (d) conditional upon, among others, the listing committee of The Stock Exchange of Hong Kong Limited granting the listing of, and permission to deal in, the Conversion Shares B, the specific mandate to the Directors to exercise the powers of the Company for the allotment and issue of the Conversion Shares B in accordance with the terms and conditions of the Convertible Bonds B be and is hereby approved; and
- (e) any one or more Directors be and are hereby authorised to do all such things and acts as he/she/they may in his/her/their discretion consider necessary, desirable or expedient, for the purposes of or in connection with the implementation of the CB Subscription Agreement B and the transactions contemplated thereunder, including but not limited to the execution of all such documents under seal where applicable, as he/she/they considers necessary or expedient in his/her/their opinion to implement and/or give effect to the issue of the Convertible Bonds B and the allotment and issue of the Conversion Shares B which may fall to be allotted and issued upon exercise of the conversion rights attaching to the Convertible Bonds B.”

By order of the Board  
**Winshine Science Company Limited**  
**Zhao Deyong**  
*Chairman*

Hong Kong, 3 November 2022

***Registered office***

Clarendon House  
2 Church Street  
Hamilton HM 11  
Bermuda

***Principal place of business in Hong Kong***

Room 2804, 28/F.  
Tower One, Lippo Centre  
89 Queensway  
Hong Kong

*Notes:*

1. Any member entitled to attend and vote at the SGM is entitled to appoint one, or if such member is a holder of more than one Share, more than one proxies to attend and vote in his/her stead. Where a member appoints more than one proxy, the instrument of proxy shall state which proxy is entitled to vote on a poll. A proxy need not be a member of the Company.
2. A proxy or proxies representing either a member who is an individual or a member which is a corporation shall be entitled to exercise the same powers on behalf of the member which he or they represent as such member could exercise.
3. In order to be valid, the form of proxy must be duly lodged at the Company's branch share registrar and transfer office in Hong Kong, Tricor Tengis Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong together with a power of attorney or other authority, if any, under which it is duly signed or a certified copy of that power of attorney or authority, not less than 48 hours before the time for the SGM or any adjourned meeting.

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## NOTICE OF SGM

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4. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing, or if the appointor is a corporation, either under its seal or under the hand of an officer or attorney duly authorised to sign the same.
5. Where there are joint holders of any share, any one of such joint holder may vote, either in person or by proxy, in respect of such share as if he were solely entitled thereto, but if more than one of such joint holders is present at any meeting, the vote of the such holder so present whose name stands first on the register of members of the Company in respect of such share shall alone be entitled to vote in respect thereof. Several executors or administrators of a deceased member in whose name any share stands shall be deemed joint holders thereof.
6. Completion and return of a form of proxy will not preclude a member from attending in person and voting at the SGM or any adjournment thereof, should he so wish, and in such event, the form of proxy previously submitted shall be deemed to be revoked.
7. For determining the entitlement to attend and vote at the SGM, the register of members of the Company will be closed from 23 November 2022 to 28 November 2022 (both days inclusive) during which period no transfer of the existing ordinary share(s) of HK\$0.1 each in the share capital of the Company (prior to the Capital Reorganisation becoming effective) will be registered. In order to be eligible to attend and vote at the SGM, unregistered holders of the existing ordinary share(s) of HK\$0.1 each in the share capital of the Company (prior to the Capital Reorganisation becoming effective) shall ensure that all transfer documents accompanied by the relevant share certificates must be lodged with the branch share registrar and transfer office of the Company, Tricor Tengis Limited of 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, for registration no later than 4:30 p.m. on 22 November 2022.

*As at the date of this notice, the Board comprises two executive Directors, namely Mr. Zhao Deyong (Chairman) and Dr. Liao Wenjian (Chief Executive Officer); one non-executive Director, namely Mr. Lin Shaopeng; and three independent non-executive Directors, namely Mr. Kwok Kim Hung Eddie, Mr. Ng Wai Hung and Mr. Zhao Yong.*