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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)

**(I) RESULTS OF THE RIGHTS ISSUE
ON THE BASIS OF FIVE (5) RIGHTS SHARES
FOR EVERY EIGHT (8) SHARES HELD ON THE RECORD DATE;
AND
(II) ADJUSTMENTS RELATING TO THE OUTSTANDING
SHARE OPTIONS**

Reference is made to the prospectus of Cherish Sunshine International Limited (the “**Company**”) dated 6 January 2023 (the “**Prospectus**”) in relation to the Rights Issue on the basis of five (5) Rights Shares for every eight (8) Shares held on the Record Date and the announcement of the Company dated 27 January 2023 (the “**Announcement**”) in relation to, among others, the number of Unsubscribed Rights Shares subject to the Compensatory Arrangements. Unless otherwise specified, capitalised terms used herein shall have the same meanings as those defined in the Prospectus.

**RESULTS OF THE RIGHTS ISSUE, THE COMPENSATORY ARRANGEMENTS,
THE PLACING AGREEMENT AND THE UNDERWRITING AGREEMENT**

As disclosed in the Announcement, the total number of Rights Shares offered under the Rights Issue is 189,907,953 (the “**Offered Shares**”). As at 4:00 p.m. on Friday, 20 January 2023, being the Latest Time for Acceptance, a total of 12 valid applications had been received for a total of 62,311,275 Rights Shares, representing approximately 32.81% of the Offered Shares. Pursuant to the Irrevocable Undertaking, the Underwriter had subscribed for 43,536,625 Rights Shares provisionally allotted to it. The remaining 127,596,678 Unsubscribed Rights Shares, representing approximately 67.19% of the Offered Shares, were subject to the Compensatory Arrangements.

As at 4:00 p.m. on Friday, 3 February 2023, being the latest time of placing of the Unsubscribed Rights Shares, 4,000,000 Unsubscribed Rights Shares had been successfully placed to one placee, namely, Mr. Chen Yiqiang (陳奕強) (the “Placee”) at the price of HK\$0.63 per Share, which is equal to the Subscription Price. Therefore, there is no Net Gain available to be distributed to the No Action Shareholders and the Non-Qualifying Shareholders under the Compensatory Arrangements.

To the best of the Directors’ knowledge, information and belief after making all reasonable enquiries, the Placee is (i) independent of and not connected with the Company and its connected persons and not a connected person of the Company; (ii) not acting in concert with the Underwriter, Ms. Wu Siyuan, Ms. Liu Luoxiu and their respective concert parties. The Placee has not become a substantial shareholder of the Company (as defined under the Listing Rules) upon completion of the Placing.

As a result of the under-subscription of the Rights Shares and the Placing, there are a total of 123,596,678 Untaken Rights Shares, representing approximately 65.08% of the Offered Shares. The Underwriter had performed its underwriting obligations under the Underwriting Agreement to take up all the 123,596,678 Untaken Rights Shares. Based on the 123,596,678 Untaken Rights Shares underwritten by the Underwriter, together with the 43,536,625 Right Shares provisionally allotted to, and subscribed by the Underwriter and the number of Shares already held by the Underwriter as at the Record Date, the aggregate number of Shares held by the Underwriter is 236,791,903 and represents approximately 47.96% of the enlarged issued share capital of the Company upon completion of the Rights Issue.

As all conditions set out in the Placing Agreement and the Underwriting Agreement had been fulfilled and the Placing Agreement and the Underwriting Agreement were not terminated by the Placing Agent and the Underwriter respectively, the Rights Issue became unconditional at 4:00 p.m. on Friday, 3 February 2023.

The gross proceeds raised from the Rights Issue were approximately HK\$119.6 million and the net proceeds from the Rights Issue after deducting the relevant expenses were approximately HK\$117.1 million. As disclosed in the Prospectus, the Company intends to apply the net proceeds from the Rights Issue in the following manner as to (i) approximately 5% or HK\$5.9 million for research and development of the procurement service software; (ii) approximately 50% or HK\$58.6 million on procurement services business; (iii) approximately 10% or HK\$11.7 million on trading business; (iv) approximately 20% or HK\$23.4 million for investment in office properties in Hong Kong; and (v) approximately 15% or HK\$17.6 million as general working capital.

EFFECT OF THE RIGHTS ISSUE ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

The table below sets out the shareholding structures of the Company immediately before and after completion of the Rights Issue:

	Immediately before completion of the Rights Issue		Immediately after completion of the Rights Issue	
	<i>Number of Shares</i>	<i>%</i>	<i>Number of Shares</i>	<i>%</i>
The Underwriter and parties acting in concert or presumed acting in concert with it (<i>Note 1</i>)	69,658,600	22.93	236,791,903	47.96
Trustee of Share Award Plan	10,769,000	3.54	10,769,000	2.18
The Placee	—	—	4,000,000	0.81
Other public shareholders	223,425,125	73.53	242,199,775	49.05
Total	<u>303,852,725</u>	<u>100.00</u>	<u>493,760,678</u>	<u>100.00</u>

Note:

- All such Shares are held by the Underwriter.

DESPATCH OF SHARE CERTIFICATES

The share certificates for the fully-paid Rights Shares are expected to be posted on Wednesday, 8 February 2023 to those entitled thereto by ordinary post to their respective registered address at their own risks.

COMMENCEMENT OF DEALINGS IN THE RIGHTS SHARES

Dealings in the fully-paid Rights Shares on the Stock Exchange are expected to commence at 9:00 a.m. on Thursday, 9 February 2023.

ADJUSTMENTS RELATING TO THE OUTSTANDING SHARE OPTIONS

Prior to the completion of the Rights Issue, the Company had 13,321,000 outstanding share options granted by the Company on 2 September 2022 pursuant to the Share Option Scheme which each share option shall entitle the holder of the share option to subscribe for one Share.

As a result of the Rights Issue, the Company has calculated the necessary adjustments (the “**Share Option Adjustments**”) to the exercise price and the number of Shares falling to be issued upon exercise of the outstanding share options in accordance with the terms and conditions of the Share Option Scheme and the supplementary guidance issued by the Stock Exchange on 5 September 2005 regarding adjustment of share options under Rule 17.03(13) of the Listing Rules and the Note Immediately After the Rule attached to the Frequently Asked Question No. 072–2020 issued by the Stock Exchange on 6 November 2020 and updated in January 2023 (the “**Supplementary Guidance**”).

The Share Option Adjustments as a results of the Rights Issue are as follows and will become effective from Wednesday, 8 February 2023, being the date on which the fully-paid Rights Shares are allotted and issued:

Date of adoption of the Share Option Scheme	Immediately before completion of the Rights Issue		Immediately after completion of the Rights Issue	
	Exercise price per Share <i>HK\$</i>	Number of Shares to be issued upon full exercise of the outstanding share options	Adjusted exercise price per Share <i>HK\$</i>	Adjusted number of Shares to be issued upon full exercise of the outstanding share option
3 August 2022	1.206	13,321,000	1.16444153	13,796,421

Save for the Share Option Adjustments, all other terms and conditions of the outstanding share options granted under the Share Option Scheme remain unchanged.

Crowe (HK) CPA Limited, the auditor of the Company, has confirmed to the Directors in writing that the adjustments made to the exercise price and the number of Shares falling to be issued upon the exercise of the outstanding share options are in compliance with the requirements set out in the relevant terms and conditions of the Share Option Scheme, Rule 17.03(13) of the Listing Rules and the Supplementary Guidance.

Save for the foregoing, as disclosed in the Prospectus, under the terms and conditions of the Convertible Bonds, no adjustment is required to be made to the conversion price and/or the number of Shares to be issued upon conversion of the outstanding Convertible Bonds with an aggregate principal amount of HK\$27,500,000 convertible into 18,333,333 Shares, at the conversion price of HK\$1.5 per Share.

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

Hong Kong, 7 February 2023

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.

The Directors jointly and severally accept full responsibility for the accuracy of information contained in this announcement and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.