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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)**

**SUPPLEMENTAL ANNOUNCEMENT  
IN RELATION TO THE ANNUAL REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2023**

Reference is made to the annual report (the “**2023 Annual Report**”) of Winshine Science Company Limited (the “**Company**”, which together with its subsidiaries are collectively referred to as the “**Group**”) for the year ended 31 December 2023 (“**FY2023**”). Unless the context otherwise defined, capitalised terms used herein shall have the same meanings as defined in the 2023 Annual Report.

The board (the “**Board**”) of directors (the “**Directors**”) of the Company would like to provide the additional information to the 2023 Annual Report.

**ORIGINAL USE OF PROCEEDS**

As disclosed in the announcement dated on 16 December 2022, the issuance of the Convertible Bond A in an aggregate principal amount of approximately HK\$22.5 million is for the possible investment in a watermelon planting project in Japan and the general working capital of the Group. The detailed breakdown and description of the proceeds of Convertible Bond A is as follows:

<b>Description</b>	<b>Amount</b> <i>HK\$ million</i>
Investment in a watermelon planting project in Japan	20.5
General working capital of the Group	<u>2.0</u>
	<u><u>22.5</u></u>

As per the same announcement dated on 16 December 2022, the issuance of the Convertible Bond B in an aggregate principal amount of approximately HK\$14 million is for the working capital requirement of the Group. The detailed breakdown and description of the net proceeds of Convertible Bond B (after deducting related expenses) amounting to approximately HK\$13.8 million is as follows:

<b>Description</b>	<b>Amount</b> <i>HK\$ million</i>
Settlement of outstanding professional fees, including audit fees and legal fees	8.1
Rent, utilities and other general upkeep and office related fees and expenses	3.6
Directors' fees and staff costs and other miscellaneous staff related expenses	<u>2.1</u>
	<u><u>13.8</u></u>

As at date of this announcement, a total of approximately HK\$13.8 million of the net proceeds from the Convertible Bond B had been utilised by the Group according to the allocation set out as above.

#### **CHANGE IN USE OF PROCEEDS**

Up to the date of this announcement, the proceeds of Convertible Bond A were used with change in the use of proceeds. After careful consideration and detailed evaluation of the Group's operations and the business strategies, the management of the Company (the "**Management**") has changed the use of proceeds amounting to approximately HK\$9.5 million from investment in a watermelon planting project in Japan (the "**Planting Project**") to general working capital of the Group due to the slower than expected business development progress for the investment in a watermelon planting project in Japan. The Management are of the view that to change the use of proceeds originally allocated to watermelon planting project in Japan to be used for general working capital of the group would enable the Group to deploy its financial resources more effectively and is in the interests of the Company and its shareholders as a whole and will not have any material adverse effect on the existing business and operations of the Group.

<b>Description</b>	<b>Proposed to be used</b> <i>HK\$ million</i>	<b>Changed in use</b> <i>HK\$ million</i>	<b>Utilised</b> <i>HK\$ million</i>
Investment the Planting Project	20.0	(9.5)	10.5
General working capital of the Group	<u>2.5</u>	<u>9.5</u>	<u>12.0</u>
	<u><u>22.5</u></u>	<u><u>-</u></u>	<u><u>22.5</u></u>

As at date of this announcement, a total of approximately HK\$22.5 million of the net proceeds from the Convertible Bond A had been utilised by the Group according to the allocation set out as above.

## **REASONS FOR THE CHANGE IN USE OF PROCEEDS**

After detailed evaluation of the Group's investment in the Planting Project, the development for the Planting Project was slower than the expected progress of the Management. Having considered the current market conditions and the uncertainties in the economic outlook, the Group has adopted a more prudent investment strategy to implement the expansion plan in the Planting Project. Therefore, the Management has changed the use of proceeds amounting to approximately HK\$9.5 million from investment in the Planting Project to general working capital of the Group. The Management are of the view that to change in use of proceeds originally allocated to the Planting Project to be used for general working capital of the Group would enable the Group to deploy its financial resources more effectively and is in the interests of the Company and its shareholders as a whole and will not have any material adverse effect on the existing business and operations of the Group.

**Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.**

By Order of the Board  
**Winshine Science Company Limited**  
**Jiang Qinghui**  
*Chairman*

Hong Kong, 9 August 2024

*As at the date of this announcement, the Board comprises three executive Directors, namely Mr. Jiang Qinghui (Chairman), Mr. Weng Zudian (Chief Executive Officer) and Mr. Li Zhonghai; one non-executive Director, namely Mr. Lin Shaopeng; and three independent non-executive Directors, namely Mr. Chan Cheuk Ho, Mr. Kwok Kim Hung Eddie and Mr. Zhao Yong.*

\* *For identification purpose only*