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GLORIOUS SUN ENTERPRISES LIMITED

旭日企業有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 393)

PROFIT WARNING UPDATE ON IMPAIRMENT LOSS — DEBT INVESTMENT

This announcement is made by Glorious Sun Enterprises Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance, Chapter 571, the Laws of Hong Kong.

The principal activities of the Group include financial investments, interior decoration and renovation, and export and retailing of casual wear.

The board of directors of the Company (the “**Board**”) wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors as follows:

- recent management assessment, which was made during the Group’s preparation work for its interim results, of the Group’s significant investments has revealed that a significant impairment loss on the Group’s debt investment (including debt instruments issued by Guangzhou R&F Properties Co., Ltd. and/or its subsidiaries) at amortised cost is expected to be recorded for the first 6 months ended 30 June 2022 (“**H1 2022**”).
- such expected impairment loss is estimated in the range of HK\$45,000,000 and HK\$50,000,000, which takes into account the volatile debt market of the property market of the People’s Republic of China in H1 2022 so far and such amount may change subject to prevailing market condition.
- such impairment loss is expected to be recorded for H1 2022, which is in addition to the impairment loss allowance on the Group’s debt investments of about HK\$108,000,000, which was already recorded and recognised in the previous financial year (i.e. the financial year ended 31 December 2021).

There is a growth in the performance of the other operations of the Group, namely interior decoration and renovation, and export and retailing of casual wear for H1 2022 as compared to the same period last year. Hence, it is expected that the Group still makes a profit for H1 2022. The aforementioned expected impairment loss is a non-cash item and has no immediate impact on the cash flow of the Group.

The Board wishes to update the Shareholders and potential investors that the Group is expected to record a decrease in the consolidated profit attributable to ordinary equity holders of the Company by approximately 50% to 60% in H1 2022 as compared to that for the first 6 months ended 30 June 2021.

The information contained in this announcement represents a preliminary assessment based on information that is currently available to the Board and such information has not been reviewed or audited by the independent auditor of the Group. Further information about the expected impairment loss, as and where appropriate, will be included in the interim results announcement and report of the Company for H1 2022, which are expected to be published by the end of August 2022 and by the end of September 2022, respectively.

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

By Order of the Board
Glorious Sun Enterprises Limited
Dr. Charles Yeung, GBS, JP
Chairman

Hong Kong, 8 August 2022

As at the date of this announcement, the directors of the Company are as follows:

Executive Directors:

Dr. Charles Yeung, GBS, JP, Mr. Yeung Chun Fan, Mr. Hui Chung Shing, Herman, GBS, MH, JP, Ms. Cheung Wai Yee and Ms. Yeung Yin Chi, Jennifer

Independent Non-executive Directors:

Mr. Lau Hon Chuen, Ambrose, GBS, JP, Dr. Chan Chung Bun, Bunny, GBM, JP, Mr. Ng Wing Ka, Jimmy, BBS, JP and Mr. Choi Tak Shing, Stanley, JP