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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)

Announcement of Results For the year ended 31 December 2022

ANNUAL RESULTS

The board of directors (the “Board”) of Glorious Sun Enterprises Limited (the “Company”) is pleased to announce the consolidated results of the Company and its subsidiaries (the “Group”) for the year ended 31 December 2022 together with the comparative figures for the year ended 31 December 2021.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Year ended 31 December 2022

	<i>Notes</i>	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
REVENUE			
Revenue from contracts with customers		1,018,111	942,782
Revenue from other sources:			
Interest income from debt investments at amortised cost		32,264	33,235
Others		10,306	21,824
		<u>1,060,681</u>	<u>997,841</u>
Cost of sales	(3)	<u>(898,006)</u>	<u>(831,594)</u>
Gross profit		162,675	166,247
Other income and gains		55,765	103,391
Selling and distribution expenses		(17,452)	(18,906)
Administrative expenses		(92,778)	(82,285)
Other expenses		(14,076)	(4,982)
Loss on derecognition of debt investments at amortised cost		(4,697)	-
Impairment loss on debt investments at amortised cost, net		(34,032)	(99,609)
Impairment loss on other financial and contract assets, net		(7,505)	(11,790)
Finance costs	(4)	<u>(3,335)</u>	<u>(2,492)</u>
PROFIT BEFORE TAX	(5)	44,565	49,574
Income tax credit/(expenses)	(6)	<u>929</u>	<u>(6,413)</u>
PROFIT FOR THE YEAR		<u>45,494</u>	<u>43,161</u>
Attributable to:			
Ordinary equity holders of the Company		39,229	36,996
Non-controlling interests		<u>6,265</u>	<u>6,165</u>
		<u>45,494</u>	<u>43,161</u>
		<i>HK cents</i>	<i>HK cents</i>
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY			
Basic and diluted	(8)		
For profit for the year		<u>2.57</u>	<u>2.40</u>

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 December 2022

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
PROFIT FOR THE YEAR	45,494	43,161
OTHER COMPREHENSIVE INCOME/(LOSS)		
<i>Other comprehensive loss that may be reclassified to profit or loss in subsequent periods:</i>		
Exchange differences:		
Exchange differences on translation of foreign operations	(7,461)	444
Release of exchange reserve upon loss of control of a subsidiary	-	(46,500)
	(7,461)	(46,056)
Net other comprehensive loss that may be reclassified to profit or loss in subsequent periods	(7,461)	(46,056)
<i>Other comprehensive income/(loss) that will not be reclassified to profit or loss in subsequent periods:</i>		
Equity investments designated at fair value through other comprehensive income:		
Change in fair value	20,218	(14,344)
Income tax effect	(3)	(2)
	20,215	(14,346)
Net other comprehensive income/(loss) that will not be reclassified to profit or loss in subsequent periods	20,215	(14,346)
OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR, NET OF TAX	12,754	(60,402)
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR	58,248	(17,241)
Attributable to:		
Ordinary equity holders of the Company	53,724	(23,399)
Non-controlling interests	4,524	6,158
	58,248	(17,241)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 December 2022

	<i>Notes</i>	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
NON-CURRENT ASSETS			
Property, plant and equipment		14,439	15,753
Right-of-use assets		16,035	23,627
Debt investments at amortised cost		277,336	222,125
Equity investments designated at fair value through other comprehensive income		103,405	7,818
Rental deposits		1,813	605
Deferred tax assets		9,178	9,988
Total non-current assets		422,206	279,916
CURRENT ASSETS			
Inventories		159,757	166,756
Debt investments at amortised cost		-	260,621
Equity investments designated at fair value through other comprehensive income		-	327,142
Trade receivables	(9)	242,361	251,382
Prepayments, deposits and other receivables		66,101	78,657
Contract assets		53,548	154,939
Due from related companies		6,577	5,381
Time deposit with original maturity of over three months when acquired		236	-
Cash and cash equivalents		2,166,743	1,772,358
Total current assets		2,695,323	3,017,236
CURRENT LIABILITIES			
Trade payables	(10)	137,948	228,651
Contract liabilities		198,894	250,167
Other payables and accruals		277,163	262,640
Deferred income		1,041	1,822
Interest-bearing bank borrowings		48,755	19,400
Lease liabilities		5,698	8,483
Tax payable		3,241	12,973
Total current liabilities		672,740	784,136
NET CURRENT ASSETS		2,022,583	2,233,100
TOTAL ASSETS LESS CURRENT LIABILITIES		2,444,789	2,513,016
NON-CURRENT LIABILITIES			
Lease liabilities		14,302	21,485
Deferred tax liabilities		874	1,269
Total non-current liabilities		15,176	22,754
Net assets		2,429,613	2,490,262
EQUITY			
Equity attributable to ordinary equity holders of the Company			
Issued capital		152,798	153,003
Reserves		2,276,023	2,313,824
		2,428,821	2,466,827
Non-controlling interests		792	23,435
Total equity		2,429,613	2,490,262

NOTES

(1) BASIS OF PREPARATION

The financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”) (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“HKASs”) and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants, accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for certain investments which have been measured at fair value.

The financial statements are presented in Hong Kong dollars (“HK\$”) and all values are rounded to the nearest thousand (HK\$’000) except when otherwise indicated.

(2) CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted the following revised HKFRSs for the first time for the current year’s financial statements.

Amendments to HKFRS 3	<i>Reference to the Conceptual Framework</i>
Amendments to HKAS 16	<i>Property, Plant and Equipment: Proceeds before Intended Use</i>
Amendments to HKAS 37	<i>Onerous Contracts - Cost of Fulfilling a Contract</i>
<i>Annual Improvements to HKFRSs 2018-2020</i>	Amendments to HKFRS 1, HKFRS 9, Illustrative Examples accompanying HKFRS 16, and HKAS 41

The application of the amendments to HKFRSs in the current year has had no material impact on the Group’s financial positions and performance for the current and prior years and/or on the disclosures set out in the financial statements.

The Group has not early adopted any other new or amended HKFRSs that have been issued but have not yet been effective for the current accounting year.

(3) OPERATING SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their products and services and has four reportable operating segments as follows:

- (a) the “financial investments” segment engages in treasury management and consulting services;
- (b) the “interior decoration and renovation” segment engages in the interior decoration and renovation, and sale of furniture business;
- (c) the “export operations” segment engages in exports of apparel; and
- (d) the “retail, franchise and others” segment mainly includes retail operation in Hong Kong and franchise sales under the “Jeanswest” brand in overseas markets within the casual wear and apparel domain.

The Management monitors the results of the Group’s operating segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on reportable segment profit, which is a measure of adjusted profit before tax. The adjusted profit before tax is measured consistently with the Group’s profit before tax except that interest income, non-leased-related finance costs, as well as head office and corporate income and expenses are excluded from such measurement.

(3) OPERATING SEGMENT INFORMATION *(continued)*

Information regarding the Group's reportable segments, together with their related comparative information, is presented below:

	Year ended 31 December 2022				
	Financial investments <i>HK\$'000</i>	Interior decoration and renovation <i>HK\$'000</i>	Export operations <i>HK\$'000</i>	Retail, franchise and others <i>HK\$'000</i>	Total <i>HK\$'000</i>
Segment revenue					
Revenue from external parties	42,570	701,643	268,191	48,277	1,060,681
Other income and gains	8,376	3,363	4,840	5,898	22,477
Total	<u>50,946</u>	<u>705,006</u>	<u>273,031</u>	<u>54,175</u>	<u>1,083,158</u>
Segment results	<u>8,332</u>	<u>13,968</u>	<u>10,535</u>	<u>8,049</u>	<u>40,884</u>
Interest income					31,111
Unallocated income					2,177
Corporate and other unallocated expenses					(27,475)
Finance costs (other than interest on lease liabilities)					<u>(2,132)</u>
Profit before tax					<u><u>44,565</u></u>

	Year ended 31 December 2021				
	Financial investments <i>HK\$'000</i>	Interior decoration and renovation <i>HK\$'000</i>	Export operations <i>HK\$'000</i>	Retail, franchise and others <i>HK\$'000</i>	Total <i>HK\$'000</i>
Segment revenue					
Revenue from external parties	55,059	698,844	193,693	50,245	997,841
Other income and gains	4,800	5,383	8,003	4,938	23,124
Total	<u>59,859</u>	<u>704,227</u>	<u>201,696</u>	<u>55,183</u>	<u>1,020,965</u>
Segment results	<u>(44,801)</u>	<u>11,663</u>	<u>14,209</u>	<u>7,944</u>	<u>(10,985)</u>
Interest income					21,540
Unallocated income					58,727
Corporate and other unallocated expenses					(18,774)
Finance costs (other than interest on lease liabilities)					<u>(934)</u>
Profit before tax					<u><u>49,574</u></u>

(4) FINANCE COSTS

An analysis of finance costs is as follows:

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Interest on bank loans	2,132	934
Interest on lease liabilities	<u>1,203</u>	<u>1,558</u>
	<u><u>3,335</u></u>	<u><u>2,492</u></u>

(5) PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging/(crediting):

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Cost of inventories sold	897,683	834,147
Depreciation of property, plant and equipment	3,021	2,499
Depreciation of right-of-use assets	6,287	6,550
Loss on disposal of items of property, plant and equipment, net	93	4
Bank interest income	(31,111)	(21,540)

(6) INCOME TAX

Hong Kong profits tax has been provided at the rate of 16.5% (2021: 16.5%) on the estimated assessable profits arising in Hong Kong during the year, except for one subsidiary of the Group which is a qualifying entity under the two-tiered profits tax rates regime. The first HK\$2,000,000 (2021: HK\$2,000,000) of assessable profits of this subsidiary are taxed at 8.25% (2021: 8.25%) and the remaining assessable profits are taxed at 16.5% (2021: 16.5%). Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the jurisdictions in which the Group operates.

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Current - Hong Kong		
Charge for the year	4,259	4,438
(Overprovision)/underprovision in prior years	(9)	289
Current - Elsewhere		
Charge for the year	5,244	4,943
Overprovision in prior years	(10,470)	(2,699)
Deferred	<u>47</u>	<u>(558)</u>
Total tax (credit)/charge for the year	<u><u>(929)</u></u>	<u><u>6,413</u></u>

(7) DIVIDENDS

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Interim - HK2.00 cents (2021: HK2.00 cents) per ordinary share	30,560	30,867
Proposed final - HK4.00 cents (2021: HK4.00 cents) per ordinary share	61,119	61,201
Adjustment on interim dividend	-	(64)
Adjustment on final dividend	-	(82)
	<u>91,679</u>	<u>91,922</u>

The proposed final dividend for the year ended 31 December 2022 calculated by reference to the 1,527,984,000 shares in issue on 27 March 2023 has not been recognised as a liability at the end of the reporting period and is subject to the approval of the Company's shareholders at the forthcoming annual general meeting.

(8) EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY

The calculation of the basic earnings per share amount is based on the profit for the year attributable to ordinary equity holders of the Company of HK\$39,229,000 (2021: HK\$36,996,000) and the weighted average number of ordinary shares of 1,527,985,000 (2021: 1,538,761,000) in issue during the year.

The Group had no potentially dilutive ordinary shares in issue during the years ended 31 December 2022 and 2021.

(9) TRADE RECEIVABLES

An ageing analysis of the trade receivables as at the end of the reporting period, based on the invoice date and net of loss allowance, is as follows:

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Less than 4 months	203,739	213,153
4 to 6 months	33,622	29,285
7 to 12 months	4,731	8,183
Over 1 year	269	761
	<u>242,361</u>	<u>251,382</u>

The credit period is generally 15 to 90 days. The trade receivables are non-interest-bearing.

(10) TRADE PAYABLES

An ageing analysis of the trade payables as at the end of the reporting period, based on the invoice date, is as follows:

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Less than 4 months	136,008	226,919
4 to 6 months	944	800
Over 6 months	<u>996</u>	<u>932</u>
	<u>137,948</u>	<u>228,651</u>

The trade payables are non-interest-bearing and are normally settled on 105-day terms.

(11) DEEMED DISPOSAL OF PARTIAL INTEREST IN A SUBSIDIARY

Pursuant to a capital increase agreement dated 9 July 2021, a director and general manager of 石家莊常宏建築裝飾工程有限公司 (Shijiazhuang Changhong Building Decoration Engineering Company Limited, the English name is for identification only) (“Shijiazhuang Changhong”), an indirect non-wholly owned subsidiary of the Company, agreed to make a capital contribution for 10% of the enlarged share capital of Shijiazhuang Changhong, at a cash consideration of RMB6,125,000 (equivalent to approximately HK\$7,424,000). After the completion of this transaction on 13 July 2021, the Group’s shareholding in Shijiazhuang Changhong was diluted from 65% to 58.5%.

- (i) Net assets at the date of deemed disposal of partial interest in Shijiazhuang Changhong and its subsidiaries were as follows:

	13 July 2021 <i>HK\$'000</i>
Non-current assets	45,246
Current assets (other than cash and cash equivalents)	389,566
Cash and cash equivalents	47,316
Current liabilities	(424,514)
Non-current liabilities	(20,796)
Non-controlling interests	<u>(710)</u>
Net assets after subscription	<u>36,108</u>

- (ii) Gain recognised in the consolidated statement of changes in equity:

	2021 <i>HK\$'000</i>
Consideration of subscription	7,424
Net assets shared by non-controlling interests	<u>(4,945)</u>
Gain recognised in other reserve	<u>2,479</u>

DIVIDEND

The Board has resolved to recommend the payment of a final dividend of HK4.00 cents (2021: HK4.00 cents) per share for the year ended 31 December 2022 at the forthcoming annual general meeting to be held on Tuesday, 30 May 2023. The final dividend amounting to HK\$61,119,000, if approved by the shareholders of the Company, will be paid on Wednesday, 21 June 2023, to those shareholders whose names appear on the register of members of the Company on Wednesday, 7 June 2023.

RESULTS

In 2022, global inflation was higher than expected and remained persistent, forcing central banks to raise interest rates rapidly to contain it. This caused the investment environment to become highly uncertain. As inflation in Europe and the United States hit the highest levels since September 1982, consumers and businesses were seriously affected. With the view to suppress inflation, central banks in Europe and in the United States implemented substantial interest rate hikes. In addition to the declining consumption momentum during the epidemic, the risk of recession also increased. The series of interest rate hikes and balance sheet reductions in Europe and in the United States showed that since the financial tsunami in 2008, the era of low-interest rates and high borrowing has gone. Global economy entered another norm of “economic new normal” of high interest rates and deleveraging. Economic growth was moving towards high-quality development. How to face this new business environment for global enterprises and investors would be a new challenge.

In recent years, due to the impacts of the Covid epidemic, property debt crisis, and China-US trade tension, Mainland’s economic activities declined rapidly. At the beginning of November last year, the Central Government launched a series of policies to revitalise the economy. First, it issued the “Twenty Measures for Optimising Covid Control” to dynamically adjust the measures to prevent and control the Covid epidemic. Then it announced the “Sixteen Measures for Financial” to help those Chinese property companies with liquidity problems. These moves brought respite to the troubled real estate and related industries and marked the meaningful turning point for the Chinese economy.

Hong Kong’s economy remained weak last year. Although the immigration policy was gradually relaxed in the second half of the year, due to the economic downturn in the Mainland, Hong Kong’s economy did not see much improvement. The hotel, catering and tourism industries failed to return to the pre-epidemic levels. The vacancy rate of Grade A office buildings reached a record high of 12.1%. The overall business environment was tough. As the Central Government began to relax the anti-epidemic policy at the end of the year, the HKSAR Government also adjusted its measures accordingly. The day long waited for to reopen the Mainland border and to rekindle tourism finally came.

At the beginning of the year, the Group formulated the “implementing high-quality development” strategy and emphasised on market orientation and customer orientation. With innovation and persistency, we resolved to move forward in the direction of “specialisation, refinement, differentiation and innovation”, to enhance our competitiveness and competency. We will unswervingly pursue the principle of effectiveness and look for room for growth in response to market conditions.

Under the unfavourable conditions of high inflation and amidst the anti-epidemic measures last year, the Group’s annual sales were fortunately not significantly affected. The turnover at the HKD billion level was maintained, achieving an overall increase of 6.30%. Although Mainland’s real estate market was still in a difficult situation, the Mainland real estate bonds invested by the Group needed to make appropriate provisions for impairment in accordance with accounting standards. Because the relevant provisions were deducted from non-cash items and did not affect our cash flow, the profit attributable to shareholders increased by 6.04% compared with the same period last year.

Hereunder are the highlights of our performance in the year under review:

	2022	2021	Changes
<i>(Unit: HK\$'000)</i>			
Consolidated sales	1,060,681	997,841	↑6.30%
of which:			
A. Financial investments	42,570	55,059	↓22.68%
B. Interior decoration and renovation	701,643	698,844	↑0.40%
C. Export operations	268,191	193,693	↑38.46%
D. Hong Kong retailing and overseas franchising	48,259	50,223	↓3.91%
Profit attributable to ordinary equity holders of the Company	39,229	36,996	↑6.04%

<i>(Unit: HK cents)</i>			
Earnings per share (basic)	2.57	2.40	↑7.08%
Dividend per share			
— Final	4.00	4.00	-
— Total	6.00	6.00	-

	As at 31 December 2022	As at 31 December 2021	Changes
<i>(Unit: HK\$'000)</i>			
Net cash and near cash in hand*	2,491,700	2,562,846	↓2.78%

* “Net cash and near cash in hand” consists of debt investments at amortised cost, listed equity investments designated at fair value through other comprehensive income, time deposit with original maturity of over three months when acquired, cash and cash equivalents, net of interest-bearing bank borrowings.

REVIEW OF BUSINESSES

Financial Investments

During the year under review, central banks of various countries all tightened their monetary policies and the world entered an interest rate hike cycle. Various assets, such as stocks, bonds, metals, and major currencies, all fell. Hong Kong stock market also reached new lows. Our Management managed to keep the profits made and maintain the status quo to avoid this market correction. The Management foresaw these market reversals and was extremely cautious in investment. In September last year, seeing that the stock market had fallen to a comfortable level, the Group began to invest in high-quality income stocks for long-term investment purpose. We will continue to monitor and analyse changes in the investment market and wait patiently for prudent investment opportunities.

At the beginning of the year, the Group’s listed investment portfolio was HK\$809,888,000. The portfolio redeemed an approximate HK\$525,608,000 US Dollar bond during the year. In addition, due to the relatively high base of financial investment income last year, for the year ended 31 December 2022, the total income of the financial investments business was HK\$42,570,000 (2021: HK\$55,059,000), showing a decrease of 22.68% from the previous year. As of 31 December 2022, the Group’s listed investment portfolio had a net carrying value of HK\$373,476,000.

Interior Decoration and Renovation

During the year, in addition to improving the overall competitiveness of the business, we actively promoted business intelligence and production supply chain development. We paid close attention to changes in both the internal and external environment. We continued to expand the existing customer base to various industries to capture new business opportunities. Although the business faced various challenges such as the epidemic and the external environment, the annual turnover target was nonetheless met.

For the year ended 31 December 2022, the total turnover of the interior decoration and renovation operations was HK\$701,643,000 (2021: HK\$698,844,000), representing a slight increase of 0.40% compared with last year.

Export Operations

The export operations of the Group were composed of oversea agency trading and design centre targeting the US as our primary market. Although the overseas market might have already entered the path of recovery, overseas buyers remained cautious and conservative in their purchases due to the uncertain consumer market environment. The Group adjusted its brand strategy and operation structure while facing the new market competition. We were proud of our success to be a high-quality exporter who understood customers' business trends with effective deployments. The long-term business base was maintained with rooms for further expansion.

For the year ended 31 December 2022, the total turnover of the export operations was HK\$268,191,000 (2021: HK\$193,693,000), representing an increase of 38.46% from the previous year.

Hong Kong Retailing and Overseas Franchising Operations

At the beginning of the year, due to the fifth wave of Covid epidemic outbreak in Hong Kong, the retail business was the first to bear the brunt. In addition to sales, the epidemic prevention, manpower, and supply chain in business operations were all under pressure. Despite the highly unfavourable external environment, our retail business in Hong Kong has continued to adjust its operating strategy by reducing its scale and adjusting its store mix. As Mainland and Hong Kong gradually opened up economic activities after eradicating various epidemic preventions, we expected the retail market to improve in due course.

For the year ended 31 December 2022, the total turnover of Jeanswest in Hong Kong and overseas was HK\$48,259,000 (2021: HK\$50,223,000), representing a slight decrease of 3.91% when compared with last year.

FINANCIAL POSITION

Liquidity and Financial Resources

During the year, the financial position of the Group was solid. As at 31 December 2022, the Group held net cash and near cash in hand of HK\$2,491,700,000 (31 December 2021: HK\$2,562,846,000), representing a slight decrease of 2.78% from the previous year.

Financial investments held

The Group held marketable debt instruments and equities which, as at 31 December 2022, amounted to HK\$373,476,000 (31 December 2021: HK\$809,888,000). The decrease of HK\$436,412,000 was mainly attributed to the redemption upon maturity and impairment loss of certain debt instruments. In addition, the Group purchased blue-chip income stocks at a total purchase cost of HK\$93,319,000.

HUMAN RESOURCES

As at 31 December 2022, the Group employed 490 employees (2021: 489). The Group granted bonuses to employees based on the Group's results and individual performance from time to time.

SOCIAL RESPONSIBILITY

It was the commitment of the Management that while maximising returns for shareholders, the Group had to take up its social responsibilities. Therefore, we demanded our suppliers strictly adhere to stringent environmental protection policies and regulations in their production process. We also supported and sponsored charitable activities. Under the prevalence of COVID-19, flexible working hours were also introduced to enable our staff to avoid peak traffic hours to minimise the chance of infection.

PROSPECTS

The US economy exceeded expectations in the final quarter of 2022 showing the kind of modest slowdown that the Fed deserved to keep inflation under control without suppressing growth. The high inflation in the past year has caused the market to be apprehensive about the future economy. As the US inflation data has gradually softened since the middle of last year, it signals that the US economy is moving towards the path of a "soft landing". Although US companies are relatively pessimistic about this year's earnings growth, the US economy is believed to survive at a healthy pace.

Mainland China has launched a series of policies since the end of last year. First, it relaxed the stringent anti-epidemic measures to stimulate economic activities which led to a rapid consumption recovery in the Mainland. In addition, it introduced several policies to support the real estate industry in various aspects to solve the liquidity problem of property developers. These policies also assist the upstream and downstream supply chain companies. Finally, additional policies have been announced to address the issue of housing demand. Since then, the real estate industry has improved significantly. As Mainland's short-term economic cycle is approaching its inflection point, the opportunity for the cycle to bottom out and recover, as well as the recovery of Mainland's capital market, is ready to go.

Since the outbreak of the Covid epidemic, under the influence of the complex and ever-changing political and economic environment in the world, Hong Kong's economy has inevitably experienced negative growth last year. As the Central Government began to relax the anti-epidemic policy at the end of last year, the HKSAR government has also introduced adjustment measures one after another. It is expected that various businesses in Hong Kong will benefit. Looking forward to 2023, opportunities and challenges coexist, and the long-awaited economic recovery has dawned. We expect Hong Kong's economy to resume positive growth this year and open a new chapter in the post-epidemic era.

The Group continues the goal of high-quality development from last year. Our 2023 strategy focuses on "continuing to implement high-quality development". We will aim at pursuing the principle of effectiveness resolutely, insisting on focusing on core business, doing what it can, and concentrating resources, time and energy on the most profitable and the most potential business, maintaining and enhancing its competitiveness at all times, and achieving sustainable, high-quality development.

ANNUAL GENERAL MEETING

The annual general meeting of the Company for the year 2023 will be held on Tuesday, 30 May 2023. For details of the annual general meeting, please refer to the notice of annual general meeting of the Company which is expected to be published on the websites of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) (www.hkexnews.hk) and the Company (www.glorisun.com) on or around Thursday, 20 April 2023.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Wednesday, 24 May 2023 to Tuesday, 30 May 2023, both days inclusive, during which period no transfer of shares shall be effected. In order to qualify for the entitlement to attend and vote at the forthcoming annual general meeting, all transfer documents accompanied by the relevant share certificates must be lodged with the Company’s share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wan Chai, Hong Kong for registration no later than 4:30 p.m. on Tuesday, 23 May 2023.

The register of members of the Company will also be closed from Monday, 5 June 2023 to Wednesday, 7 June 2023, both days inclusive, during which period no transfer of shares shall be effected. In order to qualify for the proposed final dividend, all transfer documents accompanied by the relevant share certificates must be lodged with Computershare Hong Kong Investor Services Limited at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wan Chai, Hong Kong for registration no later than 4:30 p.m. on Friday, 2 June 2023.

CORPORATE GOVERNANCE

The Company has complied with the code provisions set out in the Corporate Governance Code (the “CG Code”) in Appendix 14 of the Rules Governing the Listing of Securities on the Stock Exchange throughout the year ended 31 December 2022, except for the deviation from code provision F.2.2 of the CG Code.

Under code provision F.2.2 of the CG Code, the chairman of the board should attend the annual general meeting. Due to COVID-19 pandemic control measures, Mr. Charles Yeung (Chairman of the Board) was not present at the Company’s annual general meeting for the year 2022, Mr. Yeung Chun Fan (Vice-chairman of the Board) took the chair at the meeting and addressed questions raised by shareholders.

SCOPE OF WORK OF THE COMPANY’S AUDITOR ERNST & YOUNG (“EY”)

The figures in respect of the Group’s consolidated statement of financial position, consolidated statement of profit or loss, consolidated statement of comprehensive income and the related notes thereto for the year ended 31 December 2022 as set out in the preliminary announcement have been agreed by the Company’s auditor to the amounts set out in the Group’s draft consolidated financial statements for the year. The work performed by the Company’s auditor in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by the Company’s auditor on the preliminary announcement.

AUDIT COMMITTEE

The Audit Committee has reviewed the Group's consolidated financial statements for the year ended 31 December 2022, including the accounting principles adopted by the Group, with the Company's management. The Audit Committee is to assist the Board to fulfill the functions of reviewing and monitoring the financial reporting procedures, risk management and internal control systems of the Group. The Audit Committee currently consists of three Independent Non-executive Directors, namely Mr. Lau Hon Chuen, Ambrose (Committee Chairman), Mr. Ng Wing Ka, Jimmy and Mr. Choi Tak Shing, Stanley.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the year, the Company repurchased a total of 52,000 shares of the Company on the Stock Exchange. All the repurchased shares were subsequently cancelled by the Company. Details of the repurchases are as follows:

Month of repurchase	Number of shares repurchased	Price per share		Aggregate price HK\$
		Highest HK\$	Lowest HK\$	
January	52,000	0.82	0.81	51,000

The repurchase of the Company's shares during the year was effected by the Directors, pursuant to the mandate from shareholders received at the annual general meeting of the Company for the year 2021, with a view to benefiting shareholders as a whole by enhancing the net asset value per share and earnings per share of the Company.

Except as disclosed above, neither the Company, nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the year.

APPRECIATION

The Board would like to take this opportunity to express its sincere appreciation to the shareholders for their support, and to the Management and staff for their dedicated efforts.

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

Hong Kong, 27 March 2023

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, GBS, JP, Mr. Ng Wing Ka, Jimmy, BBS, JP and Mr. Choi Tak Shing, Stanley, JP