

INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE COMPILATION OF UNAUDITED PRO FORMA FINANCIAL INFORMATION

The Directors
Glorious Sun Enterprises Limited
38/F., One Kowloon
1 Wang Yuen Street
Kowloon Bay
Hong Kong

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of Glorious Sun Enterprises Limited (the "Company") and its subsidiaries (hereinafter collectively referred to as the "Group") by the directors of the Company (the "Directors") for illustrative purposes only. The unaudited pro forma financial information consists of the unaudited pro forma statement of financial position of the Group as at 30 June 2023 and the unaudited pro forma statement of profit or loss and other comprehensive income and statement of cash flows of the Group for the period ended 30 June 2023, and related notes (the "Unaudited Pro Forma Financial Information") as set out on pages II-1 to II-9 of Appendix II of the circular dated 5 February 2024 (the "Circular") issued by the Company in connection with the major transactions and the possible very substantial acquisitions related to acquisitions of listed securities (the "Acquisitions"). The applicable criteria on the basis of which the Directors have compiled the Unaudited Pro Forma Financial Information are described on II-1 to II – 9 of Appendix II of the Circular.

The Unaudited Pro Forma Financial Information has been compiled by the Directors to illustrate the impact of the Acquisitions on the Group's financial position as at 30 June 2023 as if the transactions had taken place at 30 June 2023. As part of this process, information about the Group's financial position, financial performance and cash flows has been extracted by the Directors from the Group's financial statements for the period ended 30 June 2023, on which an unaudited interim report has been published.

Directors' responsibility for the Unaudited Pro Forma Financial Information

The Directors are responsible for compiling the Unaudited Pro Forma Financial Information in accordance with paragraph 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and with reference to Accounting Guideline ("AG") 7 *Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars* issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA").

Our independence and quality management

We have complied with the independence and other ethical requirements of the *Code of Ethics for Professional Accountants* issued by the HKICPA, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Our firm applies Hong Kong Standard on Quality Management 1 *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements* which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Auditor's responsibilities

Our responsibility is to express an opinion, as required by paragraph 4.29(7) of the Listing Rules, on the Unaudited Pro Forma Financial Information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the Unaudited Pro Forma Financial Information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3420 *Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus* issued by the HKICPA. This standard requires that the reporting accountants plan and perform procedures to obtain reasonable assurance about whether the Directors have compiled the Unaudited Pro Forma Financial Information in accordance with paragraph 4.29 of the Listing Rules and with reference to AG 7 issued by the HKICPA.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the Unaudited Pro Forma Financial Information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the Unaudited Pro Forma Financial Information.

The purpose of the Unaudited Pro Forma Financial Information included in the Circular is solely to illustrate the impact of Acquisitions on unadjusted financial information of the Group as if the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the transaction would have been as presented.

A reasonable assurance engagement to report on whether the Unaudited Pro Forma Financial Information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the Directors in the compilation of the Unaudited Pro Forma Financial Information provide a reasonable basis for presenting the significant effects directly attributable to the transaction, and to obtain sufficient appropriate evidence about whether:

- the related pro forma adjustments give appropriate effect to those criteria; and
- the Unaudited Pro Forma Financial Information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountants' judgment, having regard to the reporting accountants' understanding of the nature of the Group, the transaction in respect of which the Unaudited Pro Forma Financial Information has been compiled, and other relevant engagement circumstances.

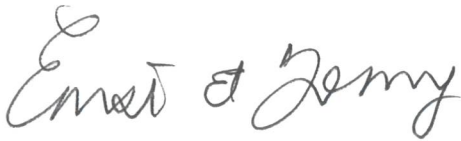
The engagement also involves evaluating the overall presentation of the Unaudited Pro Forma Financial Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion:

- (a) the Unaudited Pro Forma Financial Information has been properly compiled on the basis stated;
- (b) such basis is consistent with the accounting policies of the Group; and
- (c) the adjustments are appropriate for the purpose of the Unaudited Pro Forma Financial Information as disclosed pursuant to paragraph 4.29(1) of the Listing Rules.



Certified Public Accountants
Hong Kong

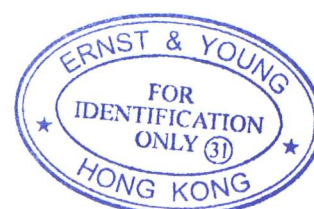
5 February 2024

A. UNAUDITED PRO FORMA CONSOLIDATED FINANCIAL INFORMATION

The following is an illustrative unaudited pro forma statement of profit or loss and other comprehensive income, unaudited pro forma statement of financial position and unaudited pro forma statement of cash flows of Glorious Sun Enterprises Limited (the “**Company**”) and its subsidiaries (hereinafter collectively referred to as the “**Group**”) as if the major transactions and the possible very substantial acquisitions related to acquisitions of listed securities (“**Acquisitions**”) had been completed on 30 June 2023 (the “**Unaudited Pro Forma Financial Information**”).

The Pro Forma Financial Information been prepared in accordance with paragraph 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited for illustrative purposes only, based on their judgments, estimations and assumptions, and because of its hypothetical nature, it may not give a true picture of the actual results of financial position, operations or cash flows of the Group that would have been attained had the proposed Acquisitions been completed on the dates indicated herein. Furthermore, the Unaudited Pro Forma Financial Information does not purport to predict the Group’s future results of financial position, operations or cash flows.

The Unaudited Pro Forma Financial Information should be read in conjunction with other financial information included elsewhere in this circular.



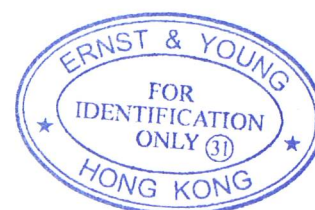
Unaudited pro forma statement of profit or loss and other comprehensive income of the Group

	Unaudited and unaudited pro forma for the six months ended 30 June 2023 HK\$'000 (Note 1)
REVENUE	
Revenue from contracts with customers	421,535
Revenue from other sources	<u>32,662</u>
	454,197
Cost of sales	<u>(356,976)</u>
Gross profit	97,221
Other income and gains	58,294
Selling and distribution expenses	(9,417)
Administrative expenses	(38,987)
Other expenses	(84,093)
Finance costs	<u>(2,111)</u>
PROFIT BEFORE TAX	20,907
Income tax expenses	<u>(3,450)</u>
PROFIT FOR THE PERIOD	<u><u>17,457</u></u>
Attributable to:	
Ordinary equity holders of the Company	17,618
Non-controlling interests	<u>(161)</u>
Profit for the period	<u><u>17,457</u></u>



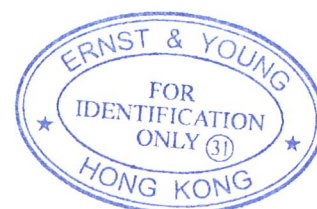
Unaudited pro forma statement of profit or loss and other comprehensive income of the Group
(continued)

	Unaudited and unaudited pro forma for the six months ended 30 June 2023 HK\$'000 (Note 1)
OTHER COMPREHENSIVE INCOME	
<i>Other comprehensive loss that may be reclassified to profit or loss in subsequent periods:</i>	
Exchange differences on translation of foreign operations	(1,392)
Net other comprehensive loss that may be reclassified to profit or loss in subsequent periods	(1,392)
<i>Other comprehensive income that will not be reclassified to profit or loss in subsequent periods:</i>	
Change in fair value of equity investments designated at fair value through other comprehensive income, net of tax	5,914
Net other comprehensive income that will not be reclassified to profit or loss in subsequent periods	5,914
OTHER COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX	4,522
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	21,979
Attributable to:	
Ordinary equity holders of the Company	23,290
Non-controlling interests	(1,311)
	21,979



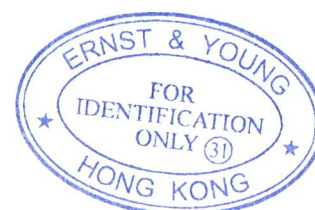
Unaudited pro forma statement of financial position of the Group

	Unaudited		Pro forma adjustments		Unaudited	
	30 June 2023				pro forma 30 June 2023	
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(Note 1)	(Note 2)	(Note 3)	(Note 4)	(Note 5)	
NON-CURRENT ASSETS						
Debt investments at amortised cost	218,667					218,667
Equity investments designated at fair value through other comprehensive income	213,048	426,720	405,464	178,092	400,000	1,623,324
Deferred tax assets	9,551					9,551
Other non-current assets	36,608					36,608
Total non-current assets	<u>477,874</u>					<u>1,888,150</u>
CURRENT ASSETS						
Inventories	152,965					152,965
Trade receivables	169,741					169,741
Time deposit with original maturity of over three months when acquired	250					250
Cash and cash equivalents	2,057,816	(426,720)	(405,464)	(178,092)	(400,000)	647,540
Other current assets	95,883					95,883
Total current assets	<u>2,476,655</u>					<u>1,066,379</u>



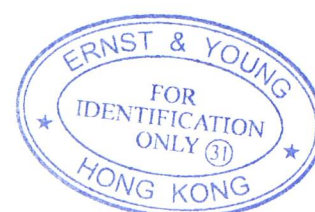
Unaudited pro forma statement of financial position of the Group (continued)

	Unaudited	Pro forma adjustments			Unaudited
	30 June	HK\$'000	HK\$'000	HK\$'000	pro forma
	2023	HK\$'000	HK\$'000	HK\$'000	30 June
	<i>(Note 1)</i>				2023
		<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
CURRENT LIABILITIES					
Trade payables	97,322				97,322
Other payables and accruals	273,087				273,087
Interest-bearing bank borrowings	21,812				21,812
Lease liabilities	5,277				5,277
Tax payable	5,907				5,907
Other current liabilities	<u>141,909</u>				<u>141,909</u>
Total current liabilities	<u>545,314</u>				<u>545,314</u>
NET CURRENT ASSETS	<u>1,931,341</u>				<u>521,065</u>
TOTAL ASSETS LESS					
CURRENT LIABILITIES	<u>2,409,215</u>				<u>2,409,215</u>
NON-CURRENT LIABILITIES					
Lease liabilities	18,078				18,078
Deferred tax liabilities	<u>845</u>				<u>845</u>
Total non-current liabilities	<u>18,923</u>				<u>18,923</u>
Net assets	<u><u>2,390,292</u></u>				<u><u>2,390,292</u></u>
EQUITY					
Equity attributable to ordinary equity holders of the Company					
Issued capital	152,798				152,798
Reserves	<u>2,237,420</u>				<u>2,237,420</u>
	2,390,218				2,390,218
Non-controlling interests	<u>74</u>				<u>74</u>
Total equity	<u><u>2,390,292</u></u>				<u><u>2,390,292</u></u>



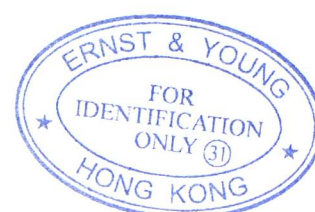
Unaudited pro forma statement of cash flows of the Group

	Unaudited pro forma adjustments					Unaudited pro forma for the six months ended 30 June 2023
Unaudited six months ended 30 June 2023	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	<i>(Note 1)</i>	<i>(Note 2)</i>	<i>(Note 3)</i>	<i>(Note 4)</i>	<i>(Note 5)</i>	
Cash flows from operating activities						
Cash generated from operations	40,549					40,549
Interest paid	(2,111)					(2,111)
Tax paid	<u>(1,645)</u>					<u>(1,645)</u>
Net cash flows from operating activities	<u>36,793</u>					<u>36,793</u>
Cash flows from investing activities						
Bank interest received	47,058					47,058
Purchases of equity investments designated at fair value through other comprehensive income	(103,966)	(426,720)	(405,464)	(178,092)	(400,000)	(1,514,242)
Other cash flows used in investing activities	<u>(2,584)</u>					<u>(2,584)</u>
Net cash flows used in investing activities	<u>(59,492)</u>					<u>(1,469,768)</u>



Unaudited pro forma statement of cash flows of the Group (continued)

	Unaudited				Unaudited	
	Pro forma adjustments	Pro forma adjustments	Pro forma adjustments	Pro forma adjustments	Pro forma adjustments	Pro forma adjustments
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(Note 1)	(Note 2)	(Note 3)	(Note 4)	(Note 5)	(Note 5)
Cash flows from financing activities						
New bank loans	84,001					84,001
Repayment of bank loans	(109,354)					(109,354)
Dividends paid	(58,742)					(58,742)
Other cash flows used in financing activities	(3,467)					(3,467)
Net cash flows used in financing activities	(87,562)					(87,562)
Net decrease in cash and cash equivalents	(110,261)	(426,720)	(405,464)	(178,092)	(400,000)	(1,520,537)
Cash and cash equivalents at beginning of period	2,166,743					2,166,743
Effect of foreign exchange rate changes, net	1,334					1,334
Cash and cash equivalents at end of period	2,057,816					647,540
Analysis of balances of cash and cash equivalents						
Cash and bank balances	232,883					232,883
Non-pledged time deposits	1,825,183	(426,720)	(405,464)	(178,092)	(400,000)	414,907
	2,058,066					647,790
Less: Non-pledged time deposit with original maturity of over three months when acquired	(250)					(250)
Cash and cash equivalents as stated in the consolidated statement of financial position	2,057,816					647,540



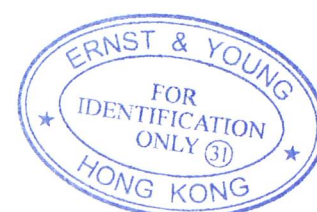
Notes to the Unaudited Pro Forma Financial Information of the Group:

- (1) The amounts were extracted from the Company's published interim report for the six months ended 30 June 2023.
- (2) In December 2023 and January 2024, the Group acquired aggregate 96,050,000 China Construction Bank (Stock code: 939) shares ("CCB Shares") through the open market with details below. Total consideration of CCB Shares was approximately HK\$426,720,000, being assumed to the fair value of CCB Shares as at 30 June 2023.

Trade date	Number of shares acquired	Average purchase price per share HK\$	Consideration (excluding stamp duty and related expenses) HK\$'000	Stamp duty and related expenses HK\$'000	Total consolidation HK\$'000
4 December 2023	28,000,000	4.4981	125,946	325	126,271
5 December 2023	37,000,000	4.4100	163,170	422	163,592
	<u>65,000,000</u>		<u>289,116</u>	<u>747</u>	<u>289,863</u>
17 January 2024	31,050,000	4.3967	136,517	340	136,857
	<u>96,050,000</u>		<u>425,633</u>	<u>1,087</u>	<u>426,720</u>

- (3) In December 2023 and January 2024, the Group acquired aggregate 108,020,000 Industrial and Commercial Bank of China (Stock code: 1398) shares ("ICBC Shares") through the open market. Total consideration of ICBC Shares was approximately HK\$405,464,000, being assumed to the fair value of ICBC Shares as at 30 June 2023.

Trade date	Number of shares acquired	Average purchase price per share HK\$	Consideration (excluding stamp duty and related expenses) HK\$'000	Stamp duty and related expenses HK\$'000	Total consolidation HK\$'000
4 December 2023	20,000,000	3.7200	74,400	155	74,555
16 January 2024	10,000,000	3.6600	36,600	84	36,684
17 January 2024	18,000,000	3.6178	65,120	136	65,256
25 January 2024	24,620,000	3.7975	93,494	242	93,736
26 January 2024	5,400,000	3.8300	20,682	53	20,735
30 January 2024	30,000,000	3.8087	114,260	238	114,498
	<u>88,020,000</u>		<u>330,156</u>	<u>753</u>	<u>330,909</u>
	<u>108,020,000</u>		<u>404,556</u>	<u>908</u>	<u>405,464</u>



- (4) In January 2024, the Group acquired aggregate 59,824,000 Bank of China (Stock code: 3988) shares (“BOC Shares”) through the open market with details below. Total consideration of BOC Shares was approximately HK\$178,092,000, being assumed to the fair value of BOC Shares as at 30 June 2023.

Trade date	Number of shares acquired	Consideration		Stamp duty and related expenses <i>HK\$'000</i>	Total consolidation <i>HK\$'000</i>
		Average purchase price per share <i>HK\$</i>	(excluding stamp duty and related expenses) <i>HK\$'000</i>		
25 January 2024	31,000,000	2.9842	92,510	193	92,703
30 January 2024	<u>28,824,000</u>	2.9562	<u>85,211</u>	<u>178</u>	<u>85,389</u>
	<u>59,824,000</u>		<u>177,721</u>	<u>371</u>	<u>178,092</u>

- (5) The adjustment represents the proposed further acquisitions of CCB Shares and ICBC Shares for the maximum aggregate amount HK\$400,000,000 (excluding stamp duty and related expenses). The consideration for the potential acquisitions of CCB Shares and ICBC Shares will be satisfied in cash. The CCB Shares and ICBC Shares are classified as financial assets designated at fair value through other comprehensive income. Total consideration of CCB Shares and ICBC Shares is assumed to be HK\$400,000,000 and to be the fair value of CCB Shares and ICBC Shares as at 30 June 2023, and the stamp duty and related expenses are assumed to be nil.

