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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 2020

ANNUAL RESULTS

The Directors of Glorious Sun Enterprises Limited (the “Company”) are pleased to announce the consolidated results of the Company and its subsidiaries (the “Group”) for the year ended 31 December 2020 together with the comparative figures for the year ended 31 December 2019.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Year ended 31 December 2020

	<i>Notes</i>	2020 <i>HK\$'000</i>	2019 <i>HK\$'000</i>
REVENUE			
Revenue from contracts with customers		641,575	1,093,783
Revenue from other sources:			
Interest income from financial assets measured at amortised cost		43,593	67,786
Others		22,380	50,719
	(3)	<u>707,548</u>	<u>1,212,288</u>
Cost of sales		<u>(567,855)</u>	<u>(989,812)</u>
Gross profit		139,693	222,476
Other income and gains		74,937	29,683
Gains from derecognition of financial assets measured at amortised costs		3,544	2,728
Selling and distribution expenses		(19,789)	(30,148)
Administrative expenses		(79,489)	(85,143)
Other expenses		(11,948)	(17,288)
Reversal of impairment loss/(impairment loss) on financial and contract assets, net		(2,149)	7,629
Finance costs	(4)	<u>(2,084)</u>	<u>(5,481)</u>
PROFIT BEFORE TAX	(5)	102,715	124,456
Income tax expenses	(6)	<u>(4,598)</u>	<u>(11,718)</u>
PROFIT FOR THE YEAR		<u>98,117</u>	<u>112,738</u>
Attributable to:			
Ordinary equity holders of the Company		90,018	110,383
Non-controlling interests		8,099	2,355
		<u>98,117</u>	<u>112,738</u>
		HK cents	HK cents
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY			
	(8)		
Basic and diluted			
For profit for the year		<u>5.89</u>	<u>7.22</u>

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 December 2020

	2020 <i>HK\$'000</i>	2019 <i>HK\$'000</i>
PROFIT FOR THE YEAR	<u>98,117</u>	<u>112,738</u>
OTHER COMPREHENSIVE INCOME		
<i>Other comprehensive income that may be reclassified to profit or loss in subsequent periods:</i>		
Exchange differences:		
Exchange differences on translation of financial information	<u>55,955</u>	<u>(1,088)</u>
Net other comprehensive income that may be reclassified to profit or loss in subsequent periods	<u>55,955</u>	<u>(1,088)</u>
<i>Other comprehensive income 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	(1,759)	50,073
Income tax effect	<u>4</u>	<u>603</u>
	<u>(1,755)</u>	<u>50,676</u>
Net other comprehensive income that will not be reclassified to profit or loss in subsequent periods	<u>(1,755)</u>	<u>50,676</u>
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX	<u>54,200</u>	<u>49,588</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>152,317</u>	<u>162,326</u>
Attributable to:		
Ordinary equity holders of the Company	142,699	161,358
Non-controlling interests	<u>9,618</u>	<u>968</u>
	<u>152,317</u>	<u>162,326</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 December 2020

	<i>Notes</i>	2020 <i>HK\$'000</i>	2019 <i>HK\$'000</i>
NON-CURRENT ASSETS			
Property, plant and equipment		12,997	12,177
Right-of-use assets		27,221	34,072
Goodwill		-	4,579
Debt investments at amortised cost		583,153	810,835
Equity investments designated at fair value through other comprehensive income		349,110	349,977
Rental deposits		975	1,214
Deferred tax assets		9,214	7,994
Total non-current assets		982,670	1,220,848
CURRENT ASSETS			
Inventories		69,305	69,734
Debt investments at amortised cost		40,013	225,744
Equity investments designated at fair value through other comprehensive income		-	448,750
Trade receivables	(9)	136,420	166,411
Prepayments, deposits and other receivables		46,968	61,696
Contract assets		47,168	64,786
Due from related companies		5,874	2,156
Financial assets at fair value through profit or loss		87,784	-
Pledged deposits		18,582	17,086
Cash and cash equivalents		1,712,218	734,736
Total current assets		2,164,332	1,791,099
CURRENT LIABILITIES			
Trade payables	(10)	91,294	149,675
Contract liabilities		173,550	42,828
Other payables and accruals		203,858	214,386
Interest-bearing bank borrowings		17,720	16,456
Lease liabilities		10,017	11,055
Tax payable		21,568	15,056
Total current liabilities		518,007	449,456
NET CURRENT ASSETS		1,646,325	1,341,643
TOTAL ASSETS LESS CURRENT LIABILITIES		2,628,995	2,562,491
NON-CURRENT LIABILITIES			
Lease liabilities		27,136	29,944
Deferred tax liabilities		1,050	71
Total non-current liabilities		28,186	30,015
Net assets		2,600,809	2,532,476
EQUITY			
Equity attributable to ordinary equity holders of the Company			
Issued capital		152,834	152,834
Reserves		2,425,518	2,362,292
		2,578,352	2,515,126
Non-controlling interests		22,457	17,350
Total equity		2,600,809	2,532,476

NOTES

(1) Basis of preparation

This 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 (“HKICPA”), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. The financial statements have been prepared under the historical cost convention, except for certain investments which have been measured at fair value. They 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 *Conceptual Framework for Financial Reporting 2018* and the following revised HKFRSs for the first time for the current year’s financial statements.

Amendments to HKFRS 3	<i>Definition of a Business</i>
Amendments to HKFRS 9, HKAS 39 and HKFRS 7	<i>Interest Rate Benchmark Reform</i>
Amendment to HKFRS 16	<i>Covid-19-Related Rent Concessions</i> (early adopted)
Amendments to HKAS 1 and HKAS 8	<i>Definition of Material</i>

Except as described below, 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 these financial statements.

Amendment to HKFRS 16 provides a practical expedient for lessees to elect not to apply lease modification accounting for rent concessions arising as a direct consequence of the COVID-19 pandemic. The practical expedient applies only to rent concessions occurring as a direct consequence of the pandemic and only if (i) the change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change; (ii) any reduction in lease payments affects only payments originally due on or before 30 June 2021; and (iii) there is no substantive change to other terms and conditions of the lease. The amendment is effective for annual periods beginning on or after 1 June 2020 with earlier application permitted and shall be applied retrospectively.

During the year ended 31 December 2020, certain monthly lease payments for the leases of the Group’s retail stores and office premises have been reduced or waived by the lessors as a result of the pandemic and there are no other changes to the terms of the leases. The Group has early adopted the amendment on 1 January 2020 and elected not to apply lease modification accounting for all rent concessions granted by the lessors as a result of the pandemic during the year ended 31 December 2020. Accordingly, a reduction in the lease payments arising from the rent concessions of HK\$1,177,000 has been accounted for as a variable lease payment by derecognising part of the lease liabilities and crediting to profit or loss for the year ended 31 December 2020.

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

(3) Operating segment information

By business

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.

Year ended 31 December 2020

	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	65,973	468,685	137,533	35,357	707,548
Other income and gains	7,987	4,334	4,033	6,063	22,417
Total	<u>73,960</u>	<u>473,019</u>	<u>141,566</u>	<u>41,420</u>	<u>729,965</u>
Segment results	<u>58,689</u>	<u>18,029</u>	<u>(3,308)</u>	<u>(4,162)</u>	<u>69,248</u>
Interest income					21,574
Unallocated income					34,490
Corporate and other unallocated expenses					(22,285)
Finance costs (other than interest on lease liabilities)					(312)
Profit before tax					<u>102,715</u>
Income tax expenses					<u>(4,598)</u>
Profit for the year					<u>98,117</u>

Year ended 31 December 2019

	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	118,505	705,194	335,934	52,655	1,212,288
Other income and gains	2,000	953	7,130	5,353	15,436
Total	<u>120,505</u>	<u>706,147</u>	<u>343,064</u>	<u>58,008</u>	<u>1,227,724</u>
Segment results	<u>107,272</u>	<u>11,173</u>	<u>12,897</u>	<u>336</u>	<u>131,678</u>
Interest income					12,422
Unallocated income					1,825
Corporate and other unallocated expenses					(18,118)
Finance costs (other than interest on lease liabilities)					(3,351)
Profit before tax					<u>124,456</u>
Income tax expenses					<u>(11,718)</u>
Profit for the year					<u>112,738</u>

(4) Finance costs

An analysis of finance costs is as follows:

	2020 <i>HK\$'000</i>	2019 <i>HK\$'000</i>
Interest on bank loans	312	3,351
Interest on lease liabilities	<u>1,772</u>	<u>2,130</u>
	<u>2,084</u>	<u>5,481</u>

(5) Profit before tax

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

	2020 <i>HK\$'000</i>	2019 <i>HK\$'000</i>
Cost of inventories sold	562,462	985,982
Depreciation of property, plant and equipment	1,856	1,960
Depreciation of right-of-use assets	10,880	12,010
Impairment of items of property, plant and equipment, net	379	268
Impairment of right-of-use assets	3,909	1,667
Loss/(gain) on disposal of items of property, plant and equipment, net	24	(35)
Bank interest income	(21,574)	(12,422)

(6) Income tax

Hong Kong profits tax has been provided at the rate of 16.5% (2019: 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 (2019: HK\$2,000,000) of assessable profits of this subsidiary are taxed at 8.25% (2019: 8.25%) and the remaining assessable profits are taxed at 16.5% (2019: 16.5%). Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the countries in which the Group operates.

	2020 <i>HK\$'000</i>	2019 <i>HK\$'000</i>
Current - Hong Kong		
Charge for the year	4,105	7,291
Overprovision in prior years	(928)	(233)
Current - Elsewhere		
Charge for the year	2,613	4,139
Overprovision in prior years	(1,147)	(1,440)
Deferred	<u>(45)</u>	<u>1,961</u>
Total tax charge for the year	<u>4,598</u>	<u>11,718</u>

(7) Dividends

	2020 <i>HK\$'000</i>	2019 <i>HK\$'000</i>
Interim - HK1.80 cents (2019: HK2.60 cents) per ordinary share	27,510	39,737
Proposed final - HK4.20 cents (2019: HK3.40 cents) per ordinary share	64,820	51,963
	92,330	91,700

The proposed final dividend for the year ended 31 December 2020 calculated by reference to 1,543,336,000 shares in issue on 22 March 2021 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\$90,018,000 (2019: HK\$110,383,000) and the weighted average number of ordinary shares of 1,528,336,000 (2019: 1,528,345,000) in issue during the year.

The Group had no potentially dilutive ordinary shares in issue during the years ended 31 December 2020 and 2019.

(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:

	2020 <i>HK\$'000</i>	2019 <i>HK\$'000</i>
Less than 4 months	94,487	120,913
4 to 6 months	32,122	19,672
Over 6 months	9,811	25,826
	136,420	166,411

The credit period is generally 15 days 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:

	2020 <i>HK\$'000</i>	2019 <i>HK\$'000</i>
Less than 4 months	88,602	148,185
4 to 6 months	1,495	423
Over 6 months	1,197	1,067
	91,294	149,675

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

(11) Events after the end of reporting period

Subscription of new shares

On 15 January 2021 (after trading hours), the Company entered into the subscription agreement with iFree Group (HK) Limited, an independent third party (the “Subscriber”), pursuant to which the Subscriber conditionally agreed to subscribe for, and the Company conditionally agreed to allot and issue 15,000,000 subscription shares at the subscription price of HK\$1.20 per subscription share (the “Subscription”). The Subscription was completed on 27 January 2021 and the 15,000,000 subscription shares were allotted and issued by the Company to the Subscriber. The gross proceeds and the net proceeds from the Subscription were HK\$18,000,000 and HK\$17,595,946 respectively. The net proceeds is expected to be used for general working capital of the Group and has been placed as bank balance with a licensed bank in Hong Kong as at the date of this announcement. Details of the Subscription are set out in the Company’s announcements dated 15 January 2021 and 27 January 2021.

DIVIDEND

The Directors have resolved to recommend the payment of a final dividend of HK4.20 cents (2019: HK3.40 cents) per share for the year ended 31 December 2020 at the forthcoming annual general meeting to be held on Wednesday, 2 June 2021. The final dividend amounting to HK\$64,820,000, if approved by the shareholders of the Company, will be paid on Friday, 25 June 2021 to those shareholders whose names appear on the register of members of the Company on Thursday, 10 June 2021.

RESULTS

The global economic developments in 2020 were mainly steered by the outburst and still uncontained global spread of the new corona virus (COVID-19) and the trembling Sino-American conflicts.

COVID-19 has been a more threatening pandemic than the SARS (Severe Acute Respiratory Syndrome) in 2003 in terms of its infectiousness, penetration and duration. As at 31 December 2020, more than 81.48 million people were infected and the death toll was above 1.79 million. Nearly all countries in the world had to impose various social distancing measures, including locking down cities, ports and even the countries. Consequentially, economic activities came to nearly a stand still and unemployment rate soared. Quantitative easing measures were launched in all major economies including the reduction of interest rate down to almost zero level to alleviate the impact of unemployment. However, recession was still inevitable.

In the year under review, Sino-American conflicts intensified. Special tariff was imposed on each other's exports and then followed by sanctions of counterpart officials and corporations. The special status granted to Hong Kong by US as a special independent customs territory was repudiated. Hong Kong thus ceased to be the entrepot for Mainland China products vis-à-vis US. This further underpinned the already depressed Hong Kong economy under the impact of the pandemic. The 2020 GDP growth rate in Mainland China was expected to reduce from the previous 6.1% to 2.3% and the economic shrinkage in Hong Kong also to widen from last year -1.2% to -6%.

Under the prevalence of COVID-19 and the ascending conflicts between US and PRC, the Group's markets were adversely affected. The Management calmly and prudently faced these challenges by modifying swiftly our operation strategies to cope with these drastic changes in the markets. As a result, despite turnover decreased by more than 40%, profit attributable to shareholders only reduced by about 18%.

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

	2020	2019	Changes
<i>(Unit: HK\$'000)</i>			
Consolidated sales	707,548	1,212,288	↓41.64%
of which:			
A. Financial investments	65,973	118,505	↓44.33%
B. Interior decoration and renovation	468,685	705,194	↓33.54%
C. Export sales	137,533	335,934	↓59.06%
D. Hong Kong retailing and overseas franchising	35,349	49,553	↓28.66%
Profit attributable to ordinary equity holders of the Company	90,018	110,383	↓18.45%

<i>(Unit: HK cents)</i>			
Earnings per share (basic)	5.89	7.22	↓18.42%
Dividend			
— Final	4.20	3.40	↑ 23.53%
— Total	6.00	6.00	-

<i>(Unit: HK\$'000)</i>			
Net cash and near cash in hand*	2,765,528	2,563,490	↑ 7.88%

* “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, financial assets at fair value through profit or loss, pledged deposits, cash and cash equivalents, net of interest-bearing bank borrowings.

REVIEW OF BUSINESSES

Financial Investments

In view of the uncertainties ahead, the Management at the beginning of the year decided to increase the cash in hand in its investment portfolio. Before the Chinese New Year, the bond holding in the portfolio was reduced from HK\$1,828 million to HK\$1,199 million. In May, some bonds were redeemed upon maturity and the investment portfolio was further decreased to HK\$965 million.

The Group thereafter did not increase its investment portfolio in view of the different repayment defaults from time to time by various bond issuers in the Mainland. Some of those bond issuers were well known state-owned corporations such as Peking University Founder Group Corp., Tewood Group Co., Ltd., Qinghai State-owned Assets Investment and Management Co., Ltd., Baoshang Bank Co., Ltd., Tsinghua Unigroup Co., Ltd., Brilliance China Automotive Holdings Limited and Yongcheng Coal And Electricity Group Co., Ltd. At the beginning of the year, the market was under the illusion that the pandemic would be gradually contained by the summer heat. The quantitative easing measures adopted by various governments further facilitated vast influx of capital in the markets. These caused sharp rebound in the equity markets and substantially dragged down the bond yields. In early September, Central Government demarcated the “Three Red Lines” to curb the problem of high gearing among property companies. This aroused the concern of investors. Consequentially, even Evergrande Group, the leading property company in the Mainland had to cut deals with its creditors by the conversion of debts into shareholdings so as to avoid technical default. Thereafter the third and the fourth waves of pandemic hit the world again. Although the equity markets reached their record high in the year, the Management opted not to pursuit in such high risks environment.

At the beginning of the year, the Group's bond portfolio was HK\$1,828 million. As at 31 December 2020, the Group's holding of bonds had a net carrying amount of HK\$965 million with the average yield of around 6%.

For the year ended 31 December 2020, the total turnover of the financial investments was HK\$65,973,000 (2019: HK\$118,505,000), showing a decrease of 44.33% from the previous year.

Interior Decoration and Renovation

In the year under review, the retail sentiment under the impact of the pandemic was slothful and our project orders were affected. Benefited with the outstanding orders in hand, we still managed to have a very mild growth of our turnover in the first half of the year. In the ensuing period, expansion plans of our major clients had been either curtailed or suspended. A drop of our yearly turnover was therefore registered.

For the year ended 31 December 2020, the total turnover of the interior decoration and renovation operations was HK\$468,685,000 (2019: HK\$705,194,000), showing a decrease of 33.54%.

Export Operations

The export operations of the Group were composed of oversea agency trading and design centre targeting US as our main market. Due to the prevalence of COVID-19 pandemic in the US, our customers either demanded delay shipments or outright cancellation of orders notwithstanding that our supply chain was no longer based in Mainland China. In the period under review, our export turnover dropped substantially from the previous year.

For the year ended 31 December 2020, the total sales of the export operations was HK\$137,533,000 (2019: HK\$335,934,000), showing a decrease of 59.06% from the previous year.

Hong Kong Retailing and Overseas Franchising Operations

Under the adverse impact of the pandemic, retail business environment in Hong Kong was extremely arduous. Jeanswest's performance was far inferior to the previous year. Even more flexible payment terms were offered to help our overseas franchisees to weather through the depressed period, orders received from them were still under average. A drop in the turnover was registered.

As at 31 December 2020, Jeanswest had 10 stores operated in Hong Kong (2019: 9 stores). The total turnover of Jeanswest in Hong Kong and overseas franchisees for the year ended 31 December 2020 was HK\$35,349,000 (2019: HK\$49,553,000), showing a decrease of 28.66% when compared with last year.

FINANCIAL POSITION

The Group had ample cash / near cash in hand and its financial position remained very healthy during the year under review.

HUMAN RESOURCES

As at 31 December 2020, the Group employed 481 employees. The Group granted bonus to employees based on the Group's results and individual performance from time to time.

SOCIAL RESPONSIBILITY

It is the commitment of the Management that while maximizing returns for shareholders, the Group had to take up its social responsibilities. Therefore we demanded our sub-contractors to 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, our employees, as recommended by the government, were divided into A and B teams and to work in the office and work from home alternatively. Flexible working hours were also introduced to enable our staff to stay away from peak traffic hours to minimize the chance of infection. Staff with chronic illness and those in pregnancy were advised to work from home.

PROSPECTS

Looking forward to the ensuing months in 2021, most of the economic analysts are optimistic in view of the launches of various CoronaVacs. The outburst of COVID-19 is subsiding gradually as more and more people have received these CoronaVacs. However, improvement of Sino-American relationship is not yet in sight.

In 2021, the PRC economic development strategy focuses on “seeking progress while maintaining stability”, “taking science and technology independence and self-reliance as a strategic support for national development” and “accelerating the construction of a new development pattern with the domestic big cycle as the main body and the domestic and international double cycles mutually promoting each other” and emphasizes “adopting high quality development as the main theme”. Innovation and creative technologies will be the main driving force of further development in the Mainland. As the control of the pandemic and the resumption of production under the prevalence of COVID-19 in the Mainland last year were better than elsewhere, the recovery momentum in the coming months is expected to be stronger than Europe and US. Hong Kong will be benefited. However, there are still fundamental problems to be overcome, particularly for businesses relating to exports to US, tourism and retailing. Their operations will still be very challenging.

The strategy of the Group in 2021 is to focus on “stringent operational controls” and to practice “precise management”. In other words, our development will be focused on quality and efficiency and the assessment of our performance will be result oriented. We need to identify our strengths and weaknesses and to conduct operations only within our areas of competency so as to maintain our competitiveness in our core businesses.

ANNUAL GENERAL MEETING

The annual general meeting of the Company for the year 2021 will be held on Wednesday, 2 June 2021. 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 Wednesday, 14 April 2021.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Friday, 28 May 2021 to Wednesday, 2 June 2021, 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 Thursday, 27 May 2021.

The register of members of the Company will also be closed from Tuesday, 8 June 2021 to Thursday, 10 June 2021, 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 Monday, 7 June 2021.

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 2020, save and except for the deviation from code provision E.1.2 of the CG Code.

Under code provision E.1.2 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 2020, Mr. Yeung Chun Fan (Vice-chairman of the Board) was appointed as the chairman and addressed questions raised by shareholders at the meeting.

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 2020 as set out in this announcement have been agreed by EY to the amounts set out in the Group's draft consolidated financial statements for the year. The work performed by EY 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 EY on this announcement.

AUDIT COMMITTEE

The Audit Committee has reviewed the Group's consolidated financial statements for the year ended 31 December 2020, 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 procedure of the Company. The Audit Committee currently consists of three Independent Non-executive Directors, namely Mr. Lau Hon Chuen, Ambrose (Committee Chairman), Mr. Chung Shui Ming, Timpson and Mr. Ng Wing Ka, Jimmy.

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

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 of Directors of the Company 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, 22 March 2021

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, SBS, MH, JP, Ms. Cheung Wai Yee and Ms. Yeung Yin Chi, Jennifer

Independent Non-executive Directors:

Mr. Lau Hon Chuen, Ambrose, GBS, JP, Dr. Chung Shui Ming, Timpson, GBS, JP, Dr. Chan Chung Bun, Bunny, GBS, JP and Mr. Ng Wing Ka, Jimmy, BBS, JP