

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



GLORIOUS SUN ENTERPRISES LIMITED

旭日企業有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code : 393)

POSSIBLE VERY SUBSTANTIAL ACQUISITIONS

VARIATION OF TERMS IN RELATION TO THE ORIGINAL ACQUISITION MANDATES

VARIATION OF TERMS IN RELATION TO THE ORIGINAL ACQUISITION MANDATES

Reference are made to (i) the announcement of the Company dated 2 February 2024; (ii) the circular of the Company dated 5 February 2024; and (iii) the poll results of the Company dated 21 February 2024, pursuant to which the Board was authorised to acquire each of CCB Shares and ICBC Shares for an aggregate not exceeding HK\$200 million (excluding stamp duty and related expenses) in open market transactions.

At the Previous SGM, it has come to the attention of the Board that the Original Acquisition Mandates were positively received by the attending Shareholders, many of whom expressed their views that the Company should purchase even more CCB Shares and ICBC shares beyond the limit under the Original Acquisition Mandates. In view of such positive reception of the Original Acquisition Mandates at the Previous SGM coupled with the reasons more particularly described in the section headed “REASONS FOR AND BENEFITS OF THE REVISED ACQUISITION MANDATES AND THE FURTHER ACQUISITIONS” below, after careful consideration, the Board believes that it is necessary to revise the maximum amount of each of the Original Acquisition Mandates to HK\$400 million (excluding stamp duty and related expenses) to conduct the Further Acquisitions. The Board is of the view that the Revised Acquisition Mandates will provide more flexibility to the Board in capturing fleeting opportunities for attractive investments and create greater value for the Shareholders and the Company in the long term. The variation seeks to increase the maximum amount for conducting each of the Further Acquisitions only. The Revised Acquisition Mandates shall only take effect after approval is obtained from the Shareholders at the SGM. All other terms in each of the Original Acquisition Mandates shall remain unchanged.

LISTING RULES IMPLICATIONS

Pursuant to Rule 14.36 of the Listing Rules, since the Company proposes to vary certain terms of the Original Acquisition Mandates which constitute material change to the terms by way of the Revised Acquisition Mandates, the Company is required to re-comply with all applicable provisions under the Listing Rules, including the reporting, announcement, circular and shareholders' approval requirements under Chapter 14 of the Listing Rules.

As the profits ratio in respect of the Further CCB Acquisitions, when aggregated with the Previous CCB Acquisitions, is expected to exceed 100% while all the other percentage ratios are expected to be less than 100%, which are computed based on the Listing Rules and FAQ Series 7, No. 12 published by the Stock Exchange, the Further CCB Acquisitions, if they materialise, together with the Previous CCB Acquisitions may constitute a very substantial acquisition of the Company and will therefore be subject to the reporting, announcement, circular and shareholders' approval requirements under Chapter 14 of the Listing Rules.

As the profits ratio in respect of the Further ICBC Acquisitions, when aggregated with the Previous ICBC Acquisitions, is expected to exceed 100% while all the other percentage ratios are expected to be less than 100%, which are computed based on the Listing Rules and FAQ Series 7, No. 12 published by the Stock Exchange, the Further ICBC Acquisitions, if they materialise, together with the Previous ICBC Acquisitions may constitute a very substantial acquisition of the Company and will therefore be subject to the reporting, announcement, circular and shareholders' approval requirements under Chapter 14 of the Listing Rules.

A circular containing, among other things, further details of the Revised Acquisition Mandates, the notice of the SGM and other information as required under the Listing Rules is expected to be despatched to the Shareholders on or before 3 May 2024.

Shareholders and potential investors of the Company should note that any possible acquisition(s) of CCB Shares or ICBC Shares by the Group may depend on market conditions and will be made at the Board's discretion. The stock market may be volatile in the near-term and the prices of CCB Shares and ICBC Shares may be subject to fluctuations. There is therefore no assurance as to the timing, quantity or price of any CCB Shares or ICBC Shares to be acquired by the Group. Accordingly, Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares.

VARIATION OF TERMS IN RELATION TO THE ORIGINAL ACQUISITION MANDATES

Reference are made to (i) the announcement of the Company dated 2 February 2024; (ii) the circular of the Company dated 5 February 2024; and (iii) the poll results of the Company dated 21 February 2024, pursuant to which the Board was authorised to acquire each of CCB Shares and ICBC Shares for an aggregate not exceeding HK\$200 million (excluding stamp duty and related expenses) in open market transactions.

At the Previous SGM, it has come to the attention of the Board that the Original Acquisition Mandates were positively received by the attending Shareholders, many of whom expressed their views that the Company should purchase even more CCB Shares and ICBC shares beyond the limit under the Original Acquisition Mandates. In view of such positive reception of the Original Acquisition Mandates at the Previous SGM coupled with the reasons more particularly described in the section headed “REASONS FOR AND BENEFITS OF THE REVISED ACQUISITION MANDATES AND THE FURTHER ACQUISITIONS” below, after careful consideration, the Board believes that it is necessary to revise the maximum amount of each of the Original Acquisition Mandates to HK\$400 million (excluding stamp duty and related expenses) to conduct the Further Acquisitions. The Board is of the view that the Revised Acquisition Mandates will provide more flexibility to the Board in capturing fleeting opportunities for attractive investments and create greater value for the Shareholders and the Company in the long term. The variation seeks to increase the maximum amount for conducting each of the Further Acquisitions only. The Revised Acquisition Mandates shall only take effect after approval is obtained from the Shareholders at the SGM. All other terms in each of the Original Acquisition Mandates shall remain unchanged.

As at the date of this announcement, the Group was interested in:

- (i) 110,550,000 CCB Shares (representing approximately 0.04422% of the total issued share capital of CCB as at the date of this announcement), which were acquired prior to obtaining the Original CCB Acquisition Mandate for a total cash consideration (excluding stamp duty and related expenses) of HK\$496,727,880; and
- (ii) 128,453,000 ICBC Shares (representing approximately 0.03604% of the total issued share capital of ICBC as at the date of this announcement), which were acquired prior to obtaining the Original ICBC Acquisition Mandate for a total cash consideration (excluding stamp duty and related expenses) of HK\$488,344,300.

After obtaining the Original Acquisition Mandates and up to the date of this announcement, the Company has not made any purchase of CCB Shares or ICBC Shares.

THE TERMS OF THE REVISED ACQUISITION MANDATES

The variation seeks to increase the maximum amount for conducting each of the Further Acquisitions only. The Revised Acquisition Mandates shall only take effect after approval is obtained from the Shareholders at the SGM. All other terms in each of the Original Acquisition Mandates shall remain unchanged. The terms of the Revised Acquisition Mandates (reflecting the original terms under the Original Acquisition Mandates, together with the present variation to be sought from the Shareholders at the SGM) are as follows:

The Revised CCB Acquisition Mandate

1. *Mandate Period*

The Revised CCB Acquisition Mandate is for the Mandate Period, i.e. a period of 12 months from the date on which the ordinary resolution in relation to the Revised CCB Acquisition Mandate and the Further CCB Acquisitions are duly passed by the Shareholders at the SGM.

2. *Scope of Authorisation*

The Board shall be authorised to determine, decide, execute and implement with full discretion in relation to the Further CCB Acquisitions, including but not limited to the number of the CCB Shares to be acquired under each transaction and the timing and price of the Further CCB Acquisitions.

3. *Maximum Amount of the Further CCB Acquisitions*

The Revised CCB Acquisition Mandate, if granted, shall authorise the Board to acquire the CCB Shares in an aggregate amount not exceeding HK\$400 million (excluding stamp duty and related expenses) in open market transactions, which was determined with reference to the investment strategy of the Group.

For the avoidance of doubt, the above amount does not include the amount of the CCB Shares acquired by the Group before obtaining the Original CCB Acquisition Mandate.

4. *Consideration for the Further CCB Acquisitions*

The consideration for the Further CCB Acquisitions will be determined according to the prevailing market prices of the CCB Shares as quoted on the Stock Exchange, and the Company will purchase the CCB Shares at its discretion with reference to the market conditions and the suitability of the market price, which will be determined based on, among other things, (i) whether the market price represents a potential annual dividend yield of 7% or more based on historical distribution level; (ii) the financial position of CCB; and (iii) a dividend payout ratio of approximately 30% for the past five years.

The consideration for the Further CCB Acquisitions will be settled in cash by the Group's internal resources.

5. *Manner of the Further CCB Acquisitions*

The Further CCB Acquisitions shall be conducted in the open market.

The Revised ICBC Acquisition Mandate

1. *Mandate Period*

The Revised ICBC Acquisition Mandate is for the Mandate Period, i.e. a period of 12 months from the date on which the ordinary resolution in relation to the Revised ICBC Acquisition Mandate and the Further ICBC Acquisitions are duly passed by the Shareholders at the SGM.

2. *Scope of Authorisation*

The Board shall be authorised to determine, decide, execute and implement with full discretion in relation to the Further ICBC Acquisitions, including but not limited to the number of the ICBC Shares to be acquired under each transaction and the timing and price of the Further ICBC Acquisitions.

3. *Maximum Amount of the Further ICBC Acquisitions*

The Revised ICBC Acquisition Mandate, if granted, shall authorise the Board to acquire the ICBC Shares in an aggregate amount not exceeding HK\$400 million (excluding stamp duty and related expenses) in open market transactions, which was determined with reference to the investment strategy of the Group.

For the avoidance of doubt, the above amount does not include the amount of the ICBC Shares acquired by the Group before obtaining the Original ICBC Acquisition Mandate.

4. *Consideration for the Further ICBC Acquisitions*

The consideration for the Further ICBC Acquisitions will be determined according to the prevailing market prices of the ICBC Shares as quoted on the Stock Exchange, and the Company will purchase the ICBC Shares at its discretion with reference to the market conditions and the suitability of the market price, which will be determined based on, among other things, (i) whether the market price represents a potential annual dividend yield of 7% or more based on historical distribution level; (ii) the financial position of ICBC; and (iii) a dividend payout ratio of approximately 30% for the past five years.

The consideration for the Further ICBC Acquisitions will be settled in cash by the Group's internal resources.

5. *Manner of the Further ICBC Acquisitions*

The Further ICBC Acquisitions shall be conducted in the open market.

INFORMATION ON CCB AND ICBC

CCB is a company incorporated in the PRC with limited liability. The principal activities of the CCB Group are the provision of corporate and personal banking services, conducting treasury business, the provision of asset management, trustee, finance leasing, investment banking, insurance and other financial services.

The following financial information is extracted from the published documents of CCB:

	For the year ended 31 December			
	2023	2022	2022	2021
	<i>RMB million</i>	<i>RMB million</i>	<i>RMB million</i>	<i>RMB million</i>
		<i>(Restated)</i>	<i>(Before restatement)</i>	
Operating income	745,615	757,510	758,155	764,706
Profit before taxation	389,377	383,699	382,017	378,412
Profit for the year	332,460	324,863	323,166	303,928
Total assets	38,324,826	34,600,711	34,601,917	30,253,979
Net assets value	3,172,074	2,876,244	2,878,760	2,614,122

ICBC is a company incorporated in the PRC with limited liability. The principal activities of the ICBC Group comprise corporate and personal financial services, treasury operations, investment banking, asset management, trust, financial leasing, insurance and other financial services.

The following financial information is extracted from the published documents of ICBC:

	For the year ended 31 December			
	2023	2022	2022	2021
	<i>RMB million</i>	<i>RMB million</i> <i>(Restated)</i>	<i>RMB million</i> <i>(Original)</i>	<i>RMB million</i>
Operating income	806,458	842,352	841,441	860,880
Profit before taxation	421,966	424,720	422,565	424,899
Profit for the year	365,116	362,110	361,038	350,216
Total assets	44,697,079	39,610,146	39,609,657	35,171,383
Net assets value	3,776,588	3,515,419	3,513,826	3,275,258

As the Further Acquisitions will be conducted in the open market, the identities of the counterparties of the CCB Shares and ICBC Shares to be acquired cannot be ascertained. In the event that any counterparty is a connected person of the Company, the Company will comply with the requirements under Chapter 14A of the Listing Rules.

REASONS FOR AND BENEFITS OF THE REVISED ACQUISITION MANDATES AND THE FURTHER ACQUISITIONS

The principal activity of the Company is investment holding. The Group is principally engaged in financial investments, interior decoration and renovation, and export and retailing of casual wear.

Both CCB and ICBC are among the market leaders in the banking industry. The Board holds positive views towards the economic growth of the PRC in the long term and by extension, the financial performance and future prospect of CCB and ICBC.

Considering the likelihood of interest rate cuts in the near future, the Board expects that the Group's interest income from its fixed deposits will decline accordingly. It is thus vital that the Group seeks out other investment opportunities to achieve revenue growth. The Board considers that the Further Acquisitions represent opportunities to acquire attractive and highly liquid investments with reasonably high fixed return, in particular considering (i) CCB Shares and ICBC Shares customarily being able to present relatively high annual dividend yield in the region of high single-digit percent based on their respective historical distribution level and (ii) their customarily consistent and high dividend payout ratios in the region of 30%.

In addition, at the Previous SGM, it has come to the attention of the Board that the Original Acquisition Mandates were positively received by the attending Shareholders, many of whom expressed their views that the Company should purchase even more CCB Shares and ICBC Shares beyond the limit under the Original Acquisition Mandates. The Board attaches utmost importance to two-way communication with the Shareholders and considers that the Revised Acquisition Mandates would ensure the feedback of the Shareholders has been taken into account in the Board's decision-making and the interests of the Shareholders have been recognised by the Company.

In determining the varied maximum amount of HK\$400 million (excluding stamp duty and related expenses) under each of the Revised Acquisition Mandates, the Board has fully considered the Group's financial situation based on the following:

- (i) as disclosed in the Company's annual results announcement dated 25 March 2024, as at 31 December 2023, the Group had cash and cash equivalents of approximately HK\$1,703 million. After taking into account (a) the Group's acquisitions of CCB Shares, ICBC Shares and BOC Shares for a total of approximately HK\$646 million (including stamp duty and related expenses) in January 2024, the details of which are disclosed in the Company's circular dated 5 February 2024; and (b) the total maximum amount of HK\$800 million under the Revised Acquisition Mandates, the Group's cash and cash equivalents will remain approximately HK\$250 million which will be sufficient for the Group's daily operations;
- (ii) as disclosed in the annual results announcements of CCB and ICBC dated 28 March 2024 and 27 March 2024, CCB and ICBC have announced, subject to their respective shareholders' approval, a cash final dividend of RMB0.400 (including tax) per share and RMB3.064 (pre-tax) per each ten shares, respectively, such that the Group is expected to receive cash dividends of an aggregate of approximately HK\$99 million (after taking into account cash dividends from other listed securities held by the Group) around August 2024;
- (iii) the Group will continue to receive interest income from its fixed deposits, to the extent that the bank balance has not been used for conducting the Further Acquisitions; and
- (iv) the Board will ensure the timing and consideration for the Further Acquisitions are in the interests of the Group, after taking into account, among others, those factors as stated in the sections headed "THE TERMS OF THE REVISED ACQUISITION MANDATE – The Revised CCB Acquisition Mandate – 4. Consideration for the Further CCB Acquisitions" and "THE TERMS OF THE REVISED ACQUISITION MANDATE – The Revised ICBC Acquisition Mandate – 4. Consideration for the Further ICBC Acquisitions" above.

In light of the foregoing, the Board considers that the Revised Acquisition Mandates, if granted, will not have any material impact on the Group's financial situation and daily operations.

Overall, the Board believes that the Revised Acquisition Mandates will provide more flexibility to the Board in capturing fleeting opportunities for attractive investments and create greater value for the Shareholders and the Company in the long term.

In view of the above, the Directors are of the view that the terms of the Revised Acquisition Mandates and the Further Acquisitions are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

Pursuant to Rule 14.36 of the Listing Rules, since the Company proposes to vary certain terms of the Original Acquisition Mandates which constitute material change to the terms by way of the Revised Acquisition Mandates, the Company is required to re-comply with all applicable provisions under the Listing Rules, including the reporting, announcement, circular and shareholders' approval requirements under Chapter 14 of the Listing Rules.

As the profits ratio in respect of the Further CCB Acquisitions, when aggregated with the Previous CCB Acquisitions, is expected to exceed 100% while all the other percentage ratios are expected to be less than 100%, which are computed based on the Listing Rules and FAQ Series 7, No. 12 published by the Stock Exchange, the Further CCB Acquisitions, if they materialise, together with the Previous CCB Acquisitions may constitute a very substantial acquisition of the Company and will therefore be subject to the reporting, announcement, circular and shareholders' approval requirements under Chapter 14 of the Listing Rules.

As the profits ratio in respect of the Further ICBC Acquisitions, when aggregated with the Previous ICBC Acquisitions, is expected to exceed 100% while all the other percentage ratios are expected to be less than 100%, which are computed based on the Listing Rules and FAQ Series 7, No. 12 published by the Stock Exchange, the Further ICBC Acquisitions, if they materialise, together with the Previous ICBC Acquisitions may constitute a very substantial acquisition of the Company and will therefore be subject to the reporting, announcement, circular and shareholders' approval requirements under Chapter 14 of the Listing Rules.

To the best of the Board's knowledge, information and belief having made all reasonable enquiries, no Shareholders have a material interest in the Revised Acquisition Mandates and the Further Acquisitions. Accordingly, it is expected that no Shareholder is required to abstain from voting at the SGM. Glorious Sun Holdings (BVI) Limited and Advancetex Holdings (BVI) Limited, each owned as to 51.934% by Dr. Charles Yeung and as to 48.066% by Mr. Yeung Chun Fan, being controlling Shareholders interested in 54.725% of the issued share capital of the Company as at the date of this announcement, had indicated that they will vote in favour of the resolutions approving the Revised Acquisition Mandates and the Further Acquisitions at the SGM.

A circular containing, among other things, further details of the Revised Acquisition Mandates, the notice of the SGM and other information as required under the Listing Rules is expected to be despatched to the Shareholders on or before 3 May 2024.

Shareholders and potential investors of the Company should note that any possible acquisition(s) of CCB Shares or ICBC Shares by the Group may depend on market conditions and will be made at the Board’s discretion. The stock market may be volatile in the near-term and the prices of CCB Shares and ICBC Shares may be subject to fluctuations. There is therefore no assurance as to the timing, quantity or price of any CCB Shares or ICBC Shares to be acquired by the Group. Accordingly, Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares.

DEFINITIONS

In this announcement, the following expressions shall (unless the context otherwise requires) have the following meanings:

“Board”	the board of Directors
“BOC”	Bank of China Limited, a company incorporated in the PRC with limited liability whose shares are listed on the Main Board of the Stock Exchange (stock code: 3988) and the Shanghai Stock Exchange (stock code: 601988), respectively
“BOC Shares”	ordinary shares in the share capital of BOC
“CCB”	China Construction Bank Corporation, a company incorporated in the PRC with limited liability whose shares are listed on the Main Board of the Stock Exchange (stock code: 939) and the Shanghai Stock Exchange (stock code: 601939), respectively
“CCB Group”	CCB and its subsidiaries
“CCB Shares”	ordinary shares in the share capital of CCB
“Company”	Glorious Sun Enterprises Limited 旭日企業有限公司, a company incorporated in Bermuda with limited liability, the shares of which are listed on the Main Board of the Stock Exchange
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Directors”	the directors of the Company
“Further Acquisitions”	the Further CCB Acquisitions and the Further ICBC Acquisitions
“Further CCB Acquisitions”	the possible acquisition of the CCB Shares in an aggregate amount not exceeding HK\$400 million (excluding stamp duty and related expenses) in the open market transactions on an ongoing basis

“Further ICBC Acquisitions”	the possible acquisition of the ICBC Shares in an aggregate amount not exceeding HK\$400 million (excluding stamp duty and related expenses) in the open market transactions on an ongoing basis
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“ICBC”	Industrial and Commercial Bank of China Limited, a commercial bank established in the PRC whose shares are listed on the Main Board of the Stock Exchange (stock code: 1398) and the Shanghai Stock Exchange (stock code: 601398), respectively
“ICBC Group”	ICBC and its subsidiaries
“ICBC Shares”	ordinary shares in the share capital of ICBC
“Listing Rules”	the rules governing the listing of securities on the Stock Exchange
“Mandate Period”	the period of 12 months from the date on which the ordinary resolutions in relation to the Revised Acquisition Mandates and the Further Acquisitions are duly passed by the Shareholders at the SGM
“Original Acquisition Mandates”	collectively, the Original CCB Acquisition Mandate and the Original ICBC Acquisition Mandate
“Original CCB Acquisition Mandate”	the specific mandate in relation to the acquisition of the CCB Shares in an aggregate amount not exceeding HK\$200 million (excluding stamp duty and related expenses), which was approved at the Previous SGM
“Original ICBC Acquisition Mandate”	the specific mandate in relation to the acquisition of the ICBC Shares in an aggregate amount not exceeding HK\$200 million (excluding stamp duty and related expenses), which was approved at the Previous SGM
“PRC”	the People’s Republic of China which, and for the purpose of this announcement, excludes Hong Kong, Macao Special Administrative Region of the PRC and Taiwan

“percentage ratio(s)”	has the meaning ascribed to it under the Listing Rules
“Previous CCB Acquisitions”	the acquisition by the Company of an aggregate of 96,050,000 CCB Shares through a series of transactions for a total consideration (excluding stamp duty and related expenses) of HK\$425,632,880 within the 12-month period immediately preceding and up to the date of this announcement
“Previous ICBC Acquisitions”	the acquisition by the Company of an aggregate of 108,203,000 ICBC Shares through a series of transactions for a total consideration (excluding stamp duty and related expenses) of HK\$405,331,800 within the 12-month period immediately preceding and up to the date of this announcement
“Previous SGM”	the special general meeting of the Company held on 21 February 2024 at which the Original Acquisition Mandates were approved
“Revised Acquisition Mandates”	collectively, the Revised CCB Acquisition Mandate and the Revised ICBC Acquisition Mandate
“Revised CCB Acquisition Mandate”	the specific mandate proposed by the Board in order to seek Shareholders’ approval at the SGM to authorise the Board to conduct the Further CCB Acquisitions during the Mandate Period
“Revised ICBC Acquisition Mandate”	the specific mandate proposed by the Board in order to seek Shareholders’ approval at the SGM to authorise the Board to conduct the Further ICBC Acquisitions during the Mandate Period
“RMB”	Renminbi, the lawful currency of the PRC
“SGM”	the special general meeting of the Company to approve, among other things, the Revised Acquisition Mandates and the Further Acquisitions
“Shareholders”	the shareholders of the Company
“Shares”	ordinary shares in the capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“subsidiaries” has the meaning ascribed to it under the Listing Rules

“%” per cent.

By order of the Board
Glorious Sun Enterprises Limited
Hui Chung Shing, Herman, GBS, MH, JP
Director

Hong Kong, 11 April 2024

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

Executive Directors:

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

Independent Non-executive Directors:

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