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**If you have sold** all your shares in Glorious Sun Enterprises Limited, you should at once hand this document, together with the accompanying proxy form, to the purchaser or to the bank, stockbroker or other agent through whom the sale was effected for transmission to the purchaser.

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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)

*Executive Directors:*

Dr. Charles Yeung, GBS, JP (*Chairman*)  
Yeung Chun Fan, BBS (*Vice-chairman*)  
Hui Chung Shing, Herman, GBS, MH, JP  
Ms. Cheung Wai Yee  
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  
Choi Tak Shing, Stanley, JP

*Registered Office:*

Clarendon House  
2 Church Street  
Hamilton HM11  
Bermuda

*Principal Place of Business:*

38/F., One Kowloon  
1 Wang Yuen Street  
Kowloon Bay  
Hong Kong

19 April 2024

*To the shareholders of Glorious Sun Enterprises Limited*

Dear Sir or Madam,

**EXPLANATORY STATEMENT IN RELATION TO  
THE REPURCHASE MANDATE (AS HEREINAFTER DEFINED)  
AND  
PROPOSED AMENDMENTS TO EXISTING BYE-LAWS OF THE COMPANY**

This is an explanatory statement given to all the shareholders of Glorious Sun Enterprises Limited (the “Shareholders”) (the “Company”) relating to an ordinary resolution to approve the general mandate to repurchase the Company’s securities (the “Repurchase Mandate”) and a

special resolution to approve the proposed amendments to the Company's bye-laws (the "Bye-laws") to be proposed at the annual general meeting of the Company to be held on Friday, 24 May 2024.

**(A) REPURCHASE MANDATE**

**(i) Share Capital**

As at 10 April 2024, being the latest practicable date (the "Latest Practicable Date") prior to the printing of this document, the number of issued shares of the Company was 1,516,808,000 shares of HK\$0.10 each, all of which are fully paid (the "Shares").

Subject to the passing of the ordinary resolution approving the Repurchase Mandate and on the basis that no further Shares are issued or repurchased prior to the annual general meeting, the Company would be allowed under the Repurchase Mandate to repurchase a maximum of 151,680,800 Shares during the course of the period prior to the next annual general meeting.

**(ii) Reasons for Repurchases**

The Directors believe that it is in the best interests of the Company and its shareholders to seek a general authority from shareholders to enable the Directors to repurchase Shares on the market. Repurchases of Shares will only be made when the Directors believe that such a repurchase will benefit the Company and its shareholders as a whole. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the value of the net assets and/or earnings and/or dividend per Share.

**(iii) Funding of Repurchases**

Repurchases must be funded out of funds which are legally available for the purpose in accordance with the Company's constitutive documents and Bermuda law, being capital paid up on the purchased Shares or out of the funds of the Company otherwise available for dividend or distribution or out of the proceeds of a fresh issue of shares made for the purpose. Any premium payable on a purchase of the Shares to be purchased must be provided for out of funds of the Company otherwise available for dividend or distribution or out of the Company's share premium account. It is envisaged that the funds required for any repurchase would be derived from such sources.

The Directors do not propose to exercise the Repurchase Mandate to such an extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or the gearing levels which in the opinion of the Directors are from time to time appropriate for the Company. No material adverse impact on the working capital requirements or gearing levels of the Company (as compared with the position disclosed in the audited financial statements for the year ended 31 December 2023 contained in the Company's 2023 annual report) is anticipated in the event that the Repurchase Mandate is exercised in full.

**(iv) Share Prices**

During each of the twelve months preceding the Latest Practicable Date and the period from 1 April 2024 to the Latest Practicable Date, the highest and lowest prices at which the Shares were traded on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) were as follows:

	Shares	
	Highest HK\$	Lowest HK\$
<b>2023</b>		
April	0.78	0.71
May	0.75	0.70
June	0.77	0.69
July	0.85	0.75
August	0.84	0.79
September	0.84	0.80
October	0.85	0.81
November	0.85	0.81
December	0.83	0.80
<b>2024</b>		
January	0.86	0.80
February	0.85	0.81
March	0.85	0.80
1 April to the Latest Practicable Date	0.85	0.83

**(v) Repurchases of Shares**

The Company has repurchased a total of 3,420,000 Shares on the Stock Exchange during the six months preceding the Latest Practicable Date. Details of the repurchases are disclosed as follows:

Date of Repurchase	Number of Shares Repurchased	Repurchase Price Per Share	
		Highest HK\$	Lowest HK\$
10 October 2023	100,000	0.83	0.83
11 October 2023	116,000	0.84	0.83
12 October 2023	80,000	0.84	0.84
13 October 2023	332,000	0.83	0.82
16 October 2023	28,000	0.83	0.83
17 October 2023	28,000	0.83	0.83
18 October 2023	24,000	0.83	0.83
19 October 2023	28,000	0.83	0.83
20 October 2023	32,000	0.83	0.83

<b>Date of Repurchase</b>	<b>Number of Shares Repurchased</b>	<b>Repurchase Price Per Share</b>	
		<b>Highest HK\$</b>	<b>Lowest HK\$</b>
24 October 2023	40,000	0.83	0.83
25 October 2023	100,000	0.83	0.82
26 October 2023	48,000	0.83	0.83
27 October 2023	32,000	0.83	0.83
30 October 2023	36,000	0.83	0.83
31 October 2023	28,000	0.82	0.82
1 November 2023	20,000	0.84	0.84
2 November 2023	28,000	0.84	0.83
3 November 2023	16,000	0.84	0.84
6 November 2023	28,000	0.84	0.84
7 November 2023	32,000	0.84	0.84
8 November 2023	20,000	0.84	0.84
13 November 2023	28,000	0.84	0.84
14 November 2023	32,000	0.85	0.84
16 November 2023	40,000	0.84	0.84
20 November 2023	20,000	0.84	0.84
21 November 2023	40,000	0.83	0.83
22 November 2023	20,000	0.83	0.83
23 November 2023	28,000	0.84	0.84
24 November 2023	36,000	0.84	0.84
27 November 2023	20,000	0.84	0.84
28 November 2023	24,000	0.84	0.84
29 November 2023	20,000	0.84	0.83
30 November 2023	28,000	0.83	0.83
1 December 2023	24,000	0.83	0.83
4 December 2023	64,000	0.83	0.82
5 December 2023	76,000	0.82	0.82
6 December 2023	20,000	0.83	0.83
7 December 2023	48,000	0.83	0.83
8 December 2023	48,000	0.83	0.83
11 December 2023	20,000	0.83	0.83
12 December 2023	40,000	0.83	0.83
13 December 2023	60,000	0.82	0.82
14 December 2023	24,000	0.83	0.83
15 December 2023	20,000	0.83	0.83
18 December 2023	24,000	0.83	0.83
19 December 2023	28,000	0.83	0.83
20 December 2023	20,000	0.83	0.83
21 December 2023	20,000	0.83	0.83
22 December 2023	20,000	0.83	0.83
27 December 2023	20,000	0.83	0.83

Date of Repurchase	Number of Shares Repurchased	Repurchase Price Per Share	
		Highest HK\$	Lowest HK\$
28 December 2023	24,000	0.83	0.83
2 January 2024	148,000	0.82	0.82
3 January 2024	24,000	0.83	0.83
4 January 2024	20,000	0.83	0.83
5 January 2024	28,000	0.83	0.83
8 January 2024	20,000	0.82	0.82
9 January 2024	24,000	0.83	0.83
10 January 2024	28,000	0.83	0.83
11 January 2024	20,000	0.83	0.83
12 January 2024	24,000	0.83	0.83
15 January 2024	28,000	0.83	0.83
16 January 2024	72,000	0.82	0.82
17 January 2024	20,000	0.82	0.82
18 January 2024	28,000	0.82	0.82
19 January 2024	28,000	0.83	0.83
22 January 2024	72,000	0.82	0.82
23 January 2024	20,000	0.82	0.82
25 January 2024	72,000	0.84	0.83
26 January 2024	28,000	0.84	0.84
29 January 2024	24,000	0.84	0.84
30 January 2024	52,000	0.83	0.83
31 January 2024	28,000	0.83	0.83
1 February 2024	32,000	0.83	0.83
2 February 2024	24,000	0.84	0.84
28 March 2024	28,000	0.84	0.84
2 April 2024	20,000	0.84	0.84
3 April 2024	28,000	0.84	0.84
5 April 2024	80,000	0.84	0.84
8 April 2024	88,000	0.84	0.84
9 April 2024	100,000	0.84	0.84
10 April 2024	80,000	0.84	0.84

**(vi) General**

None of the Directors or, to the best of their knowledge having made all reasonable enquires, their close associates, have any present intention to sell any Shares to the Company under the Repurchase Mandate if it is approved by the Shareholders.

The Directors will exercise the power of the Company to make repurchases pursuant to the Repurchase Mandate in accordance with the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”), the memorandum of association and bye-laws of the Company and the laws of Bermuda.

If as a result of a repurchase of Shares a shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purposes of the Codes on Takeovers and Mergers and Share Buy-backs (the "Takeover Code"). As a result, a shareholder or a group of shareholders acting in concert depending on the level of increase of shareholders' interest, could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rules 26 and 32 of the Takeover Code. The Directors are not aware of any shareholder or a group of shareholders acting in concert, who may become obliged to make a mandatory offer in accordance with Rules 26 and 32 of the Takeover Code as a result of the Directors exercising the power to repurchase Shares pursuant to the Repurchase Mandate.

As at the Latest Practicable Date, Dr. Charles Yeung and Mr. Yeung Chun Fan, both are the Directors, together with parties acting in concert with them were beneficially interested in 1,115,224,499 Shares representing 73.52 per cent. of the issued shares of the Company. On the basis that no further Shares are to be issued, a full exercise of the Repurchase Mandate by the Directors would result in Dr. Charles Yeung and Mr. Yeung Chun Fan together with parties acting in concert with them in aggregate holding approximately 81.69 per cent. of the issued shares of the Company. Accordingly, the Directors are not aware of any consequences which would arise under the Takeover Code as a consequence of any repurchases made pursuant to the Repurchase Mandate. So far as the Directors are aware, the Company does not have any present intention to repurchase Shares pursuant to the Repurchase Mandate to such an extent that the Company is not able to maintain the minimum public float for the Shares.

No core connected persons (as defined in the Listing Rules) of the Company have notified the Company that they have a present intention to sell Shares to the Company, or have undertaken not to do so, in the event that the Company is authorised to make repurchases of Shares.

The Company confirms that neither this explanatory statement nor the Repurchase Mandate has any unusual features.

## **(B) PROPOSED AMENDMENTS TO EXISTING BYE-LAWS OF THE COMPANY**

The Directors propose to amend the existing Bye-laws to, among other things, (i) update and bring the existing Bye-laws in line with the latest regulatory requirements relating to the expanded paperless listing regime and the electronic dissemination of corporate communications by listed issuers and the relevant amendments made to the Listing Rules which took effect from 31 December 2023; and (ii) better align the amendments of the existing Bye-laws for housekeeping purposes with the provisions of the Listing Rules and the applicable laws of Bermuda. Save for the Proposed Amendments, the remaining contents of the existing Bye-laws will remain unchanged.

Details of the proposed amendments to the existing Bye-Laws are set out below.

### **(i) The following new paragraph be inserted at end in bye-law 1 of the Bye-Laws:**

"To the extent any provision in these Bye-laws contradicts or is inconsistent with any provision of Part II or Part III of the Electronic Transactions Act 1999 (as amended from time to time) ("ETA") or Section 2AA of the Companies Act, the provisions in these Bye-laws shall prevail; they shall be deemed as an agreement between the Company and the members to vary the provisions of the ETA and/or to override the requirement of Section 2AA of the Companies Act, as applicable."

**(ii) Bye-law 177 be deleted in its entirety and be replaced with the following:**

- “177. (A) Any notice or document (including any “corporate communication” and “actionable corporate communication” within the meaning ascribed thereto under the rules of the Designated Stock Exchange), whether or not, to be given or issued under these Bye-laws from the Company shall be in writing or by cable, telex or facsimile transmission message or other form of electronic transmission or electronic communication and, subject to compliance with the rules of the Designated Stock Exchange, any such notice and document may be given or issued by the following means:
- (i) by serving it personally on the relevant persons;
  - (ii) by sending it through the post in a prepaid envelope addressed to such member at his registered address as appearing in the register or at any other address supplied by him to the Company for the purpose;
  - (iii) by delivering or leaving it at such address as aforesaid;
  - (iv) by placing an advertisement in appropriate newspapers or other publication and where applicable, in accordance with the requirements of the Designated Stock Exchange;
  - (v) by sending or transmitting it as an electronic communication to the relevant person at such electronic address as he may provide under Bye-law 177(C) without the need for any additional consent or notification;
  - (vi) by publishing it on the Company’s website or the website of the Designated Stock Exchange without the need for any additional consent or notification;
  - (vii) by sending or otherwise making it available to such person through such other means, whether electronically or otherwise, to the extent permitted by and in accordance with the Statutes and other applicable laws, rules and regulations.
- (B) In the case of joint holders of a share all notices shall be given to that one of the joint holders whose name stands first in the register and notice so given shall be deemed a sufficient service on or delivery to all the joint holders.
- (C) Every member or a person who is entitled to receive notice from the Company under the provisions of the Statutes or these Bye-laws may register with the Company an electronic address to which notices can be served upon him.
- (D) Subject to any applicable laws, rules and regulations and the terms of these Bye-laws, any notice, document or publication, including but not limited to the documents referred to in Bye-laws 173 and 177 may be given in the English language only or in both the English language and the Chinese language or, with the consent of or election by any member, in the Chinese language only to such member.”

**(iii) Bye-law 179 be deleted in its entirety and be replaced with the following:**

“179. Any notice or other document:

- (A) if served or delivered by post, shall where appropriate be sent by airmail and shall be deemed to have been served or delivered on the day following that on which the envelope containing the same, properly prepaid and addressed, is put into the post; in proving such service or delivery it shall be sufficient to prove that the envelope or wrapper containing the notice or document was properly addressed and put into the post and a certificate in writing signed by the Secretary or other officer of the Company or other person appointed by the Board that the envelope or wrapper containing the notice or other document was so addressed and put into the post shall be conclusive evidence thereof;
- (B) if sent by electronic communication, shall be deemed to be given on the day on which it is transmitted from the server of the Company or its agent. A notice, document or publication placed on either the Company’s website or the website of the Designated Stock Exchange is deemed given or served by the Company on the day it first so appears on the relevant website, unless the rules of the Designated Stock Exchange specify a different date. In such cases, the deemed date of service shall be as provided or required by the rules of the Designated Stock Exchange;
- (C) if served or delivered in any other manner contemplated by these Bye-laws, shall be deemed to have been served or delivered at the time of personal service or delivery or, as the case may be, at the time of the relevant despatch, transmission or publication; and in proving such service or delivery a certificate in writing signed by the Secretary or other officer of the Company or other person appointed by the Board as to the fact and time of such service, delivery, despatch, transmission or publication shall be conclusive evidence thereof; and
- (D) if published as an advertisement in a newspaper or other publication permitted under these Bye-laws, shall be deemed to have been served on the day on which the advertisement first so appears.”

**(C) RECOMMENDATION**

The Directors consider that the approval of the Repurchase Mandate and the proposed amendments to the existing Bye-laws are in the best interests of the Company and the Shareholders. Accordingly, the Directors recommend that the Shareholders should vote in favour of the ordinary resolution relating to the Repurchase Mandate and the special resolution relating to the proposed amendments to the existing Bye-laws to be proposed at the annual general meeting of the Company.

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