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GLORIOUS SUN ENTERPRISES LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 393)

CONTINUING CONNECTED TRANSACTIONS

References are made to the Company's announcements dated 29 July 2005 and 7 August 2007 in respect of the Old Australian Tenancy Agreement and the Hong Kong Tenancy Agreements respectively, of which the entering into constituted continuing connected transactions for the Company.

Terms under the Old Australian Tenancy Agreement will expire on 31 July 2008. The Directors announce that, for the purpose of renewing tenancy in respect of the Yarra Street Premises, a wholly-owned subsidiary of the Company has entered into the New Australian Lease with Harbour Guide.

Term under the tenancy agreement in respect of the Glorious Sun Group Premises which was announced by the Company on 7 August 2007, will expire on 31 July 2008. The Directors announce that, for the purpose of relocating the head office in Hong Kong, a wholly-owned subsidiary of the Company has entered into the One Kowloon Tenancy Agreement with Rank Profit.

The New Australian Lease and the One Kowloon Tenancy Agreement have been entered into in the ordinary course of business of the Company, on normal commercial terms, are fair and reasonable, and in the interests of the shareholders as a whole.

Harbour Guide and Rank Profit are companies owned by certain Directors and Substantial Shareholders, therefore Harbour Guide and Rank Profit are connected persons of the Company. Accordingly, the entering into the New Australian Lease and the One Kowloon Tenancy Agreement constitute continuing connected transactions for the Company under Rules 14A.34 and 14A.35 of the Listing Rules.

The aggregate annual caps for the years ending 31 December 2008 and 2009 are revised to HK\$10,500,000 and HK\$15,000,000 respectively. The aggregate annual cap for the years ending 31 December 2010 and 2011 are HK\$14,000,000 and HK\$9,000,000 respectively. Since the aggregate annual cap for each of the years ending 31 December 2008, 2009, 2010 and 2011 represents less than 2.5% of each of the applicable percentage ratios as defined in the Listing Rules and is more than HK\$1,000,000, the continuing connected transactions are subject to the reporting, announcement and annual review requirements under Chapter 14A of the Listing Rules and do not require independent shareholders' approval.

References are made to the Company's announcements dated 29 July 2005 and 7 August 2007 in respect of the Old Australian Tenancy Agreement and the Hong Kong Tenancy Agreements respectively, of which the entering into constituted continuing connected transactions for the Company.

1. New Australian Lease

Terms under the Old Australian Tenancy Agreement will expire on 31 July 2008. The Directors announce that, for the purpose of renewing tenancy in respect of the Yarra Street Premises, a wholly-owned subsidiary of the Company has entered into the New Australian Lease with Harbour Guide, the principal terms of which are set out below :

Agreement date	: 11 July 2008
Office Premises leased	: Part Ground Floor and all of First Floor, 14 – 16 Yarra Street, South Yarra, Victoria, Australia with a total gross floor area of 1,830 square metres together with 31 carparks
Landlord	: Harbour Guide
Tenant	: Jeanswest Corporation
Term	: Three years commencing on 1 August 2008 and expiring on 31 July 2011
Rent	: 1 August 2008 to 31 July 2009 : A\$450,000 (approximately HK\$3,420,000) 1 August 2009 to 31 July 2010 : A\$463,500 (approximately HK\$3,522,600) 1 August 2010 to 31 July 2011 : A\$477,405 (approximately HK\$3,628,278) exclusive of rates, taxes, charges for services and all other outgoings

Under the Old Australian Tenancy Agreement, a total gross floor area of 1,750 square metres together with 30 carparks are rented at an annual rental of A\$381,924 (approximately HK\$2,902,622) for the period from 1 August 2007 to 31 July 2008. In view of the rental market of office buildings in Victoria, Australia have been increasing and an additional of 80 square metres of office area and one additional carpark are rented under the New Australian Lease, there is an increase in the annual rental under the New Australian Lease when compared with the Old Australian Tenancy Agreement.

2. One Kowloon Tenancy Agreement

Term under the tenancy agreement in respect of the Glorious Sun Group Premises which was announced by the Company on 7 August 2007, will expire on 31 July 2008. The Directors announce that, for the purpose of relocating the head office in Hong Kong, a wholly-owned subsidiary of the Company has entered into the One Kowloon Tenancy Agreement with Rank Profit, the principal terms of which are set out below :

Agreement date	: 11 July 2008
Office Premises leased	: Portion of 37/F, portion of 38/F and portion of 41/F of One Kowloon, No. 1 Wang Yuen Street, Kowloon Bay, Hong Kong with a total gross floor area of 45,710 square feet

Landlord	: Rank Profit
Tenant	: GSE (BVI)
Term	: Three years commencing on 1 August 2008 and expiring on 31 July 2011 (with an option to renew the tenancy agreement for a further three years)
Rent	: HK\$822,780 per month exclusive of rates, management charges and all other outgoings
Air-conditioning and management charges	: HK\$159,985 per month

PAYMENT TERM

The rentals under the New Australian Lease and the One Kowloon Tenancy Agreement are payable in cash on a monthly basis.

ANNUAL CAP

The annual caps, as announced in the Company's announcement dated 7 August 2007, are HK\$9,200,000, HK\$5,675,000 and less than HK\$1,000,000 for the years ended/ending 31 December 2007, 2008 and 2009 respectively.

With the signing of the New Australian Lease and the One Kowloon Tenancy Agreement, the aggregate annual caps have to be revised. The table below shows how to determine the aggregate annual caps for the years ending 31 December 2008, 2009, 2010 and 2011 :

Date of announcement	Description of premises	Term	Rental and management fee (as appropriate) per annum	Amount Payable			
				Year ending 31/12/2008	Year ending 31/12/2009	Year ending 31/12/2010	Year ending 31/12/2011
Old Australian Tenancy Agreement							
29/7/2005	1/F 14-16 Yarra Street, Victoria, Australia	3 years from 1/8/2005 to 31/7/2008	Third year of the term : A\$381,924 (approximately HK\$2,902,622)	A\$222,789 (approximately HK\$1,693,196)	N/A	N/A	N/A
Hong Kong Tenancy Agreements							
7/8/2007	Glorious Sun Group Building Premises	1 year from 1/8/2007 to 31/7/2008	HK\$4,056,811	HK\$2,366,473	N/A	N/A	N/A
7/8/2007	2/F Houtex Industrial Building, Kwun Tong, Kowloon	2 years from 1/8/2007 to 31/7/2009	HK\$387,072	HK\$387,072	HK\$225,792	N/A	N/A

7/8/2007	11/F & Car Port No. 14, Silver Fair Mansion, 2E Shiu Fai Terrace, Hong Kong	2 years from 1/8/2007 to 31/7/2009	HK\$294,000	HK\$294,000	HK\$171,500	N/A	N/A
7/8/2007	House C6, Sea View Villa, Sai Kung, New Territories	2 years from 1/8/2007 to 31/7/2009	HK\$456,000	HK\$456,000	HK\$266,000	N/A	N/A
7/8/2007	Flat C, 6/F & Car Park No. 22, Lucky Court, Kowloon	2 years from 1/8/2007 to 31/7/2009	HK\$312,000	HK\$312,000	HK\$182,000	N/A	N/A

New Australian Lease

This announcement	Yarra Street Premises	3 years from 1/8/2008 to 31/7/2011	First year of the term : A\$450,000 (approximately HK\$3,420,000); second year of the term : A\$463,500 (approximately HK\$3,522,600); third year of the term : A\$477,405 (approximately HK\$3,628,278)	A\$187,500 (approximately HK\$1,425,000)	A\$455,625 (approximately HK\$3,462,750)	A\$469,294 (approximately HK\$3,566,634)	A\$278,487 (approximately HK\$2,116,501)
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One Kowloon Tenancy Agreement

This announcement	One Kowloon Premises	3 years from 1/8/2008 to 31/7/2011	HK\$10,147,620	HK\$3,268,265	HK\$10,147,620	HK\$10,147,620	HK\$6,879,355
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Total amount payable				HK\$10,202,007	HK\$14,455,662	HK\$13,714,254	HK\$8,995,856
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Aggregate annual cap				HK\$10,500,000	HK\$15,000,000	HK\$14,000,000	HK\$9,000,000
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Given the aggregate consideration under the Hong Kong Tenancy Agreements, the Old Australian Tenancy Agreement, the New Australian Lease and the One Kowloon Tenancy Agreement for the year ending 31 December 2008 is expected not to exceed HK\$10,500,000, the aggregate annual cap is revised to HK\$10,500,000.

Based on the assumption that no further tenancy agreement of connected transaction nature to be executed in 2009, 2010 and 2011, the aggregate annual cap for the year ending 31 December 2009 is revised to HK\$15,000,000. The aggregate annual cap for the years ending 31 December 2010 and 2011 are HK\$14,000,000 and HK\$9,000,000 respectively.

GENERAL

The independent professional valuer in Australia has provided the Company with the current rental opinion in respect of the Yarra Street Premises, and the independent professional valuer in Hong Kong has provided the Company with the current rental opinion in respect of the One Kowloon Premises. The rentals under the New Australian Lease are in line with the opinion provided by the independent professional valuer in Australia whereas the rental under the One Kowloon Tenancy Agreement represents a small discount to the market unit rent as valued by the independent professional valuer in Hong Kong.

The New Australian Lease and the One Kowloon Tenancy Agreement were entered into in the ordinary course of business of the Group. The terms of the New Australian Lease and the One Kowloon Tenancy Agreement were negotiated on normal commercial terms with reference to prevailing market conditions and leases of similar properties in nearby areas. The Directors, including the independent non-executive Directors, consider that the New Australian Lease and the One Kowloon Tenancy Agreement have been entered into in the ordinary course of business of the Company, on normal commercial terms, are fair and reasonable, and in the interests of the shareholders of the Company as a whole. Dr. Charles Yeung and Mr. Yeung Chun Fan have abstained from voting on the relevant resolutions at the Directors' meeting for approving the New Australian Lease and the One Kowloon Tenancy Agreement, whereas Ms. Cheung Wai Yee did not attend the Directors' meeting and therefore she did not vote on the relevant resolutions in respect of New Australian Lease and the One Kowloon Tenancy Agreement.

As at 14 July 2008, Mr. Charles Yeung and Mr. Yeung Chun Fan together hold 50.74% interest in the Company.

REASONS FOR THE TRANSACTIONS

The Group is principally engaged in the retailing, export and production of casual wear.

The Group has been renting the Yarra Street Premises for years and the Old Australian Tenancy Agreement will expire on 31 July 2008. Accordingly, the Company considers it to be commercially necessary and beneficial to renew the tenancy for the premises so that there would have no financial and operational impact generated by relocation.

Term under the tenancy agreement in respect of the Glorious Sun Group Premises which was announced by the Company on 7 August 2007, will expire on 31 July 2008. The landlord has confirmed that there will be no renewal of tenancy upon the expiry of the existing term. The Company, after comparing proposals on various lease terms of office buildings in Kwun Tong and nearby districts, considers that the terms offered by the landlord of One Kowloon Premises were most reasonable and the entering into the One Kowloon Tenancy Agreement is beneficial to the Group.

LISTING RULES IMPLICATIONS

Since Harbour Guide and Rank Profit are companies owned by certain Directors and Substantial Shareholders, Harbour Guide and Rank Profit are associates (as defined in the Listing Rules) of those Directors and Substantial Shareholders. Therefore, Harbour Guide and Rank Profit are connected persons of the Company within the meaning of the Listing Rules. Accordingly, the New Australian Lease and the One Kowloon Tenancy Agreement together constitute continuing connected transactions for the Company under Rules 14A.34 and 14A.35 of the Listing Rules. The aggregate annual caps for the years ending 31 December 2008, 2009, 2010 and 2011 are HK\$10,500,000, HK\$15,000,000, HK\$14,000,000 and HK\$9,000,000 respectively. Since the aggregate annual cap for each of the years ending 31 December 2008, 2009, 2010 and 2011 represents less than 2.5% of each of the applicable percentage ratios as defined in the Listing Rules and is more than HK\$1,000,000, the continuing connected transactions are subject to the reporting, announcement and annual review requirements under Chapter 14A of the Listing Rules and do not require independent shareholders' approval.

DEFINITIONS

“Company”	Glorious Sun Enterprises Limited
“Directors”	directors of the Company
“Group”	the Company and its subsidiaries or, where the context so requires, any of them
“GSE (BVI)”	Glorious Sun Enterprises (BVI) Limited, a company incorporated in the British Virgin Islands and a wholly-owned subsidiary of the Company
“Glorious Sun Group Building Premises”	1/F, 4/F, 5/F, 9/F, and portions on G/F, 2/F, 3/F, 7/F and 8/F of Glorious Sun Group Building, 97 How Ming Street, Kwun Tong, Kowloon, Hong Kong
“Hong Kong Tenancy Agreements”	the five tenancy agreements entered into on 31 July 2007 in respect of five properties in Hong Kong, details of which are set out in the Company's announcement dated 7 August 2007
“Harbour Guide”	Harbour Guide Limited 港朋有限公司, a company incorporated in Hong Kong which is engaged in property holding and owned as to 66.7% and 33.3% by Mr. Yeung Chun Fan and Ms. Cheung Wai Yee respectively, both of whom are the Directors
“Jeanswest Corporation”	Jeanswest Corporation Pty Ltd, a company incorporated in Australia and a wholly-owned subsidiary of the Company
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“New Australian Lease”	the lease executed on 11 July 2008 in relation to the leasing of the Yarra Street Premises
“Old Australian Tenancy Agreement”	the tenancy agreement entered into on 29 July 2005 in respect of the 1st Floor, 14 – 16 Yarra Street, South Yarra, Victoria, Australia, details of which are set out in the Company's announcement dated 29 July 2005

“One Kowloon Tenancy Agreement”	the tenancy agreement executed on 11 July 2008 in relation to the leasing of the One Kowloon Premises
“One Kowloon Premises”	Portion of 37/F, portion of 38/F and portion of 41/F of One Kowloon, No. 1 Wang Yuen Street, Kowloon Bay, Hong Kong
“Rank Profit”	Rank Profit Industries Limited 隆盈實業有限公司, a company incorporated in Hong Kong which is engaged in property holding and owned as to 66.7% and 33.3% by Dr. Charles Yeung and Mr. Yeung Chun Fan respectively, both of whom are the Directors and Substantial Shareholders
“Substantial Shareholders”	substantial shareholders of the Company as defined in the Listing Rules
“Yarra Street Premises”	Part Ground Floor and all of First Floor, 14 – 16 Yarra Street, South Yarra, Victoria, Australia
“A\$”	Australian dollars, the lawful currency of Australia
“HK\$”	Hong Kong dollars, the lawful currency of the Hong Kong Special Administrative Region

In this announcement, for reference only and unless specified, the translation of Australian dollars into Hong Kong dollars is based on the exchange rate of A\$1=HK\$7.6.

By Order of the Board
Hui Chung Shing, Herman, JP
Director

Hong Kong, 14 July 2008

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

Executive Directors:

Dr. Charles Yeung, SBS, JP, Mr. Yeung Chun Fan, Mr. Yeung Chun Ho, Mr. Pau Sze Kee, Jackson, Mr. Hui Chung Shing, Herman, JP, Ms. Cheung Wai Yee and Mr. Chan Wing Kan, Archie.

Independent Non-Executive Directors:

Mr. Wong Man Kong, Peter, BBS, JP, Mr. Lau Hon Chuen, Ambrose, GBS, JP and Mr. Chung Shui Ming, Timpson, GBS, JP

Non-Executive Director:

Dr. Lam Lee G.