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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)

CONTINUING CONNECTED TRANSACTIONS

The Board announces that on 30 July 2010, certain subsidiaries of the Company as tenants entered into the New Tenancy Agreements with the Landlords in respect of the leasing of certain residential premises and retail premises in the PRC.

As the Landlords are associates (as defined in the Listing Rules) of certain Directors and Substantial Shareholders, the Landlords are connected persons of the Company. Accordingly, the entering into of the New Tenancy Agreements constitutes continuing connected transactions for the Company under the Listing Rules.

With the entering into of the New Tenancy Agreements, the aggregate annual caps for the years ending 31 December 2010 and 2011 are revised to HK\$18,000,000 and HK\$14,000,000 respectively. The annual caps for the years ending 31 December 2012 and 2013 are HK\$3,000,000 and HK\$600,000 respectively.

Since the aggregate annual cap for each of the years ending 31 December 2010 and 2011 is more than 0.1% but less than 5% of each of the applicable percentage ratios as defined in the Listing Rules, the continuing connected transactions are exempt from independent shareholders' approval but are subject to the reporting, announcement and annual review requirements under Chapter 14A of the Listing Rules. For the years ending 31 December 2012 and 2013, the respective aggregate annual caps fall within the de minimis threshold prescribed in Rule 14A.33 of the Listing Rules, accordingly the transactions will be exempt from the reporting, announcement and independent shareholders' approval requirements under the Listing Rules.

NEW TENANCY AGREEMENTS

On 30 July 2010, the New Tenancy Agreements were entered into by nine subsidiaries of the Company. The principal terms of the New Tenancy Agreements are as follows :

- (1) Residential premises – 23 residential units of City Garden located in Huicheng District, Huizhou City, Guangdong Province, PRC (“City Garden”) served as staff quarters by tenants for a term of two years commencing on 1 August 2010 and expiring on 31 July 2012

Premises leased	Area (sq. m.)	Landlord	Tenant	Monthly rent (RMB)	Monthly management fee (RMB)	Total monthly rental and management fee (RMB)	Total annual rental and management fee (RMB)
Unit 401 of Block 3, Unit 601 of Block 4, Units 401 and 501 of Block 5, Unit 701 of Block 11, Units 404, 506 and 703 of Block 12, Units 401, 402, 405, 406, 501, 506 and 601 of Block 18, City Garden	15 units ranging from 71 sq. m. to 169 sq. m. (a total of 1,336.60 sq. m.)	Gloryear	Jeanswest Apparels (China)	29,250	2,100	31,350	376,200
Units 202 and 302 of Block 18, City Garden	2 units each of 104.5 sq. m. (a total of 209 sq. m.)	- ditto -	Jun Cheng Trading (Huizhou)	4,250	330	4,580	54,960
Units 402 and 602 of Block 4, City Garden	1 unit of 82 sq. m. and 1 unit of 172 sq. m. (a total of 254 sq. m.)	- ditto -	Da Jin Trading (Huizhou)	4,450	390	4,840	58,080
Unit 201 of Block 18, City Garden	89	- ditto -	Mo’feel Apparels (Huizhou)	2,400	140	2,540	30,480
Unit 301 of Block 4 and Unit 704 of Block 18, City Garden	1 unit of 84.5 sq. m. and 1 unit of 89 sq. m. (a total of 173.5 sq. m.)	- ditto -	GS Kenneth Fashion Design (Huizhou)	3,400	270	3,670	44,040
Unit 203 of Block 18, City Garden	104.5	- ditto -	JWW	2,250	165	2,415	28,980
Total :				46,000	3,395	49,395	592,740

(2) Retail premises – served as retail shops by tenants

Premises leased	Area (sq. m.)	Landlord	Tenant	Term	Monthly Rent (RMB)
No. 2 of Ground Floor, No. 7 Bunan Road, Residents Committee, Central Office Zone of Daliang Sub-district, Shunde District, Foshan City, Guangdong Province, PRC (“Shunde Shop”)	99.2	Yeung Cheung Yip and Yeung Hon Yip	Jeanswest Apparels (Guangdong)	2 years from 1/8/2010 to 31/7/2012	28,000
Shop Nos. 3 and 4, No. 40 Jianshe Bei Road, Xiangtan City, Hunan Province, PRC (“Xiangtan Shop”)	196.25	Yin Fu Properties	Hunan Jeanswest Apparels	3 years from 1/8/2010 to 31/7/2013	62,500
3 Shops (104, 105 and 106) on Level 1, Jin Zhong Rui Yuan Commercial Building, No. 55 Renmin Road, Xianyang City, Shaanxi Province, PRC (“Xianyang Shop”)	261 (with mezzanine floor area of approximate 240 sq.m.)	Hui Fu Properties	Shaanxi Jeanswest Apparels	2 years from 1/8/2010 to 31/7/2012	(1) From 1/8/2010 to 15/12/2010 : RMB58,334 per month; (2) From 16/12/2010 to 31/7/2012 : RMB66,667 per month

The rentals are exclusive of management fees and all other outgoings and are payable in cash on a monthly basis for the residential premises of City Garden and on a quarterly basis for the Shunde Shop, the Xiangtan Shop and the Xianyang Shop.

Management fees in respect of the residential premises of City Garden are payable in cash on a monthly basis to City Garden Property Management.

AGGREGATE ANNUAL CAP

The aggregate annual caps, as announced in the Company’s announcement dated 22 July 2009, are HK\$15,000,000 and HK\$10,000,000 for the years ending 31 December 2010 and 2011 respectively.

With the entering into of the New Tenancy Agreements, the aggregate annual caps have to be revised. Based on the assumption that no further tenancy agreements of continuing connected transaction nature to be executed by the Group, the aggregate annual cap for the years ending 31 December 2010 and 2011 are revised to HK\$18,000,000 and HK\$14,000,000 respectively. The aggregate annual cap for the years ending 31 December 2012 and 2013 are HK\$3,000,000 and HK\$600,000 respectively. The table below shows how to determine the aggregate annual caps, which the Board has taken into account of the fluctuation of Australian dollars and the potential appreciation of RMB :

Date of announcement	Premises	Term	Rental and management fee (as appropriate) per annum	Amount payable			
				Year ending 31/12/2010	Year ending 31/12/2011	Year ending 31/12/2012	Year ending 31/12/2013
Existing Tenancy Agreements							
14/7/2008	One Kowloon premises	3 years from 1/8/2008 to 31/7/2011	HK\$10,147,620	HK\$10,147,620	HK\$6,879,355	N/A	N/A
14/7/2008	Yarra Street premises	3 years from 1/8/2008 to 31/7/2011	first year of the term : A\$450,000; second year of the term : A\$463,500; third year of the term : A\$477,405	A\$469,294 (approximately HK\$3,285,058)	A\$278,487 (approximately HK\$1,949,409)	N/A	N/A
22/7/2009	Silver Fair Mansion	2 years from 1/8/2009 to 31/7/2011	HK\$282,000	HK\$282,000	HK\$164,500	N/A	N/A
22/7/2009	Sea View Villa	2 years from 1/8/2009 to 31/7/2011	HK\$420,000	HK\$420,000	HK\$245,000	N/A	N/A
22/7/2009	Lucky Court	2 years from 1/8/2009 to 31/7/2011	HK\$288,000	HK\$288,000	HK\$168,000	N/A	N/A
New Tenancy Agreements							
(1) Residential premises							
this announcement	City Garden	2 years from 1/8/2010 to 31/7/2012	RMB592,740	RMB246,975 (approximately HK\$285,520)	RMB592,740 (approximately HK\$685,249)	RMB345,765 (approximately HK\$399,728)	N/A
(2) Retail premises							
this announcement	Shunde Shop	2 years from 1/8/2010 to 31/7/2012	RMB336,000	RMB140,000 (approximately HK\$161,850)	RMB336,000 (approximately HK\$388,439)	RMB196,000 (approximately HK\$226,590)	N/A
this announcement	Xiangtan Shop	3 years from 1/8/2010 to 31/7/2013	RMB750,000	RMB312,500 (approximately HK\$361,272)	RMB750,000 (approximately HK\$867,052)	RMB750,000 (approximately HK\$867,052)	RMB437,500 (approximately HK\$505,780)
this announcement	Xianyang Shop	2 years from 1/8/2010 to 31/7/2012	From 1/8/2010 to 15/12/2010 : RMB58,334 per month; From 16/12/2010 to 31/7/2012 : RMB66,667 per month	RMB295,971 (approximately HK\$342,163)	RMB800,004 (approximately HK\$924,860)	RMB466,669 (approximately HK\$539,502)	N/A
Total amount payable				HK\$15,573,483	HK\$12,271,864	HK\$2,032,872	HK\$505,780
Aggregate annual cap				HK\$18,000,000	HK\$14,000,000	HK\$3,000,000	HK\$600,000

GENERAL

An independent professional valuer has provided the Company with the current rental opinion in respect of the residential premises and the retail premises under the New Tenancy Agreements. The management fees in respect of the City Garden and the rental in respect of the Xiangtan Shop are in line with the opinion provided by the independent valuer. The rentals in respect of the City Garden, the Shunde Shop and the Xianyang Shop represent a small discount to the market rent as valued by the independent professional valuer.

The Directors, including the independent non-executive Directors, consider that the New Tenancy Agreements have been entered into in the ordinary course of business of the Company, on normal commercial terms which are fair and reasonable, and in the interests of the shareholders of the Company as a whole. Dr. Charles Yeung, Mr. Yeung Chun Fan and Ms. Cheung Wai Yee who have a material interest in the New Tenancy Agreements, have abstained from voting on the relevant resolutions at the Directors' meeting for approving the New Tenancy Agreements.

As at 30 July 2010, Dr. Charles Yeung and Mr. Yeung Chun Fan together hold 52.31% interest in the Company.

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

REASONS FOR THE TRANSACTIONS

The rentals under the New Tenancy Agreements were negotiated and determined with reference to the open market for premises of similar size and location as well as the expected market conditions.

The entering into of the tenancy agreements in respect of the City Garden is for the benefit of the Group since all those rented units serve as staff quarters. It is considered to be convenient for members of the staff to live in a cluster of units and easier for the Group to manage the units in the same development. The entering into of the tenancy agreements in respect of the retail premises in the PRC is an arm's length transaction after considering a very limited availability of suitable shop space in the localities concerned.

LISTING RULES IMPLICATIONS

Gloryear, City Garden Property Management, Yin Fu Properties and Hui Fu Properties are companies owned by certain Directors and Substantial Shareholders. Mr. Yeung Cheung Yip and Mr. Yeung Hon Yip are sons of Mr. Yeung Chun Fan, a Director. Accordingly, these parties are associates (as defined in the Listing Rules) of those Directors and Substantial Shareholders. Therefore, the Landlords and City Garden Property Management are connected persons of the Company within the meaning of the Listing Rules. Accordingly, the entering into of the New Tenancy Agreements constitutes continuing connected transactions for the Company under Rules 14A.34 and 14A.35 of the Listing Rules. Since the aggregate annual cap for each of the years ending 31 December 2010 and 2011 is more than 0.1% but less than 5% of each of the applicable percentage ratios as defined in the Listing Rules, the continuing connected transactions are exempt from independent shareholders' approval but are subject to the reporting, announcement and annual review requirements under Chapter 14A of the Listing Rules. For the years ending 31 December 2012 and 2013, the respective aggregate annual caps fall within the de minimis threshold prescribed in Rule 14A.33 of the Listing Rules, accordingly the transactions will be exempt from the reporting, announcement and

independent shareholders' approval requirements under the Listing Rules.

DEFINITIONS

“A\$”	Australian dollars, the lawful currency of Australia
“Board”	the board of Directors
“City Garden Property Management”	惠州市城市花園物業管理有限公司 (Huizhou City Garden Property Management Company Limited*), a limited company established in the PRC which is engaged in property management and indirectly owned as to 50% by each of Dr. Charles Yeung and Mr. Yeung Chun Fan, both of whom are the Directors and Substantial Shareholders
“Company”	Glorious Sun Enterprises Limited 旭日企業有限公司, a limited liability company incorporated in Bermuda, the shares of which are listed on the main board of the Stock Exchange
“Da Jin Trading (Huizhou)”	大進貿易(惠州)有限公司 (Da Jin Trading (Huizhou) Company Limited*), a limited liability company established in the PRC and an indirect wholly-owned subsidiary of the Company
“Directors”	directors of the Company
“Existing Tenancy Agreements”	(i) the tenancy agreements entered into on 11 July 2008 in relation to the leasing of One Kowloon premises in Hong Kong and the lease entered into on 11 July 2008 in relation to the leasing of Yarra Street premises in Australia, details of which are set out in the Company's announcement dated 14 July 2008; (ii) the tenancy agreements entered into on 21 July 2009 in relation to the leasing of three residential premises in Hong Kong, namely Silver Fair Mansion, Sea View Villa and Lucky Court, details of which are set out in the Company's announcement dated 22 July 2009
“GS Kenneth Fashion Design (Huizhou)”	旭日肯尼斯服裝設計(惠州)有限公司 (GS Kenneth Fashion Design (Huizhou) Company Limited*), a limited liability company established in the PRC and an indirect 55% owned subsidiary of the Company
“Gloryear”	Gloryear Management Limited 輝年管理有限公司, a company incorporated in Hong Kong which is engaged in property investment and owned as to 50% by each of Dr. Charles Yeung and Mr. Yeung Chun Fan, both of whom are the Directors and Substantial Shareholders
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of the Hong Kong Special Administrative Region
“Hui Fu Properties”	惠州市惠富置業有限公司 (Huizhou Hui Fu Properties Company Limited*), a limited company established in the PRC which is engaged in property investment and indirectly 98% owned by Mr. Yeung Chun Fan, his spouse and his sons

“Hunan Jeanswest Apparels”	湖南真維斯服飾有限公司 (Hunan Jeanswest Apparels Company Limited*), a limited liability company established in the PRC and an indirect wholly-owned subsidiary of the Company
“JWW”	Jeanswest Wholesale Pty Ltd, a limited company incorporated in Australia and registered in Hong Kong and an indirect wholly-owned subsidiary of the Company
“Jeanswest Apparels (China)”	真維斯服飾(中國)有限公司 (Jeanswest Apparels (China) Company Limited*), a limited liability company established in the PRC and an indirect wholly-owned subsidiary of the Company
“Jeanswest Apparels (Guangdong)”	真維斯服飾(廣東)有限公司 (Jeanswest Apparels (Guangdong) Company Limited*), a limited liability company established in the PRC and an indirect wholly-owned subsidiary of the Company
“Jun Cheng Trading (Huizhou)”	俊成貿易(惠州)有限公司 (Jun Cheng Trading (Huizhou) Company Limited*), a limited liability company established in the PRC and an indirect wholly-owned subsidiary of the Company
“Landlords”	Gloryear, Mr. Yeung Cheung Yip and Mr. Yeung Hon Yip, Yin Fu Properties and Hui Fu Properties
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mo’feel Apparels (Huizhou)”	菲爾服飾(惠州)有限公司 (Mo’feel Apparels (Huizhou) Company Limited*), a limited liability company established in the PRC and an indirect wholly-owned subsidiary of the Company
“New Tenancy Agreements”	the tenancy agreements entered into on 30 July 2010 in relation to the leasing of the residential premises and the retail premises in the PRC as disclosed in this announcement
“PRC”	The People’s Republic of China
“RMB	Renminbi, the lawful currency of the PRC
“Shaanxi Jeanswest Apparels”	陝西真維斯服飾有限公司 (Shaanxi Jeanswest Apparels Company Limited*), a limited liability company established in the PRC and an indirect wholly-owned subsidiary of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“sq. m.”	square metres
“Substantial Shareholders”	substantial shareholders of the Company as defined in the Listing Rules
“Yin Fu Properties”	銀富房產(惠州)有限公司 (Yin Fu Properties (Huizhou) Company Limited*), a company established in the PRC which is engaged in property investment and indirectly wholly-owned by Mr. Yeung Chun Fan, his spouse and his sons
“%”	per cent.

* Denotes an English translation of a Chinese name and is for identification purposes only.

In this announcement, for reference only, the translation of Australian dollars into Hong Kong dollars is based on the exchange rate of A\$1=HK\$7, and the translation of Hong Kong dollars into RMB is based on the exchange rate of HK\$100=RMB86.50.

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

Hong Kong, 30 July 2010

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, BBS, MH, 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.