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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 2013, certain subsidiaries of the Company as tenants entered into the New Tenancy Agreements with the Landlords in respect of the leasing of certain premises in Hong Kong and 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 2013 and 2014 are revised to HK\$23,000,000 and HK\$15,000,000 respectively. The aggregate annual cap for the year ending 31 December 2015 is HK\$1,000,000.

Since the aggregate annual cap for each of the years ending 31 December 2013 and 2014 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 year ending 31 December 2015, the aggregate annual cap falls 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 2013, certain subsidiaries of the Company as tenants entered into the New Tenancy Agreements in respect of the leasing of certain premises in Hong Kong and in the PRC, details of which are as follows :

(1) residential premises in Hong Kong

Each tenancy agreement in respect of the residential premises in Hong Kong below is for a term of two years commencing on 1 August 2013 and expiring on 31 July 2015.

Premises leased	Area (square feet)	Use of premises	Landlord	Tenant	Monthly rent (HK\$)	Annual rent (HK\$)
11/F and Car Port No.14, Silver Fair Mansion, 2E Shiu Fai Terrace, Mid-Levels, Hong Kong ("Silver Fair Mansion")	1,119	director's residence	GS (Yeungs)	Pacific Potential	40,000	480,000
House C6, Sea View Villa, 93 Chuk Yeung Road, Sai Kung, New Territories ("Sea View Villa")	1,847	staff quarters	GS (Yeungs)	Advancetex International	58,000	609,000

Total : 1,089,000

(2) premises in the PRC

Premises leased	Area (square metres)	Use of premises	Landlord	Tenant	Term	Annual rent (RMB)
Shop Nos. 3 and 4, No. 40 Jianshe Bei Road, Xiangtan City, Hunan Province, PRC ("Xiangtan Shop")	196.25	retail shop	Yin Fu	Hunan Jeanswest	1 year from 1/8/2013 to 31/7/2014	750,000
Shops on levels 1 and 2, Hailide International Commercial Building, No. 131 Changjiang Street, Huanggu District, Shenyang, Liaoning Province, PRC ("Shenyang Shop")	808.67	retail shop	Shenyang Hui Fu	Liaoning Jeanswest	1 year from 1/8/2013 to 31/7/2014	900,000
Office Unit Nos. 1, 2, 3, 4 and 5 on Level 9, Block 5, Xinyuan Commercial Building, No. 98 Longhai Zhong Road, ErQi District, Zhengzhou, Henan Province, PRC ("Zhengzhou Office")	922.39	office	Huizhou Hui Fu	Henan Jeanswest	2 years from 1/8/2013 to 31/7/2015	396,900

Total : 2,046,900

The rentals of the two residential premises in Hong Kong are exclusive of rates, management charges and all other outgoings and are payable in cash on a monthly basis. The rentals of the three premises in the PRC are exclusive of management charges and all other outgoings and are payable in cash on a quarterly basis.

AGGREGATE ANNUAL CAP

The aggregate annual caps, as announced in the Company's announcement dated 15 June 2012, are HK\$22,000,000 and HK\$12,000,000 for the years ending 31 December 2013 and 2014 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 2013 and 2014 are revised to HK\$23,000,000 and HK\$15,000,000 respectively. The aggregate annual cap for the year ending 31 December 2015 is HK\$1,000,000. 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 31/12/2013	Year ending 31/12/2014	Year ending 31/12/2015
Existing Tenancy Agreements						
30/7/2010	Xiangtan Shop	3 years from 1/8/2010 to 31/7/2013	RMB750,000	RMB437,500 (approximately HK\$556,970)	not applicable	not applicable
1/4/2011	One Kowloon premises	3 years from 1/8/2011 to 31/7/2014	HK\$11,221,805	HK\$11,221,805	HK\$7,039,340	not applicable
1/4/2011	Zhengzhou Office	2 years and 4 months from 1/4/2011 to 31/7/2013	RMB360,000 (with an option to increase the rental by 10% on 1 April 2012)	RMB231,000 (approximately HK\$294,080)	not applicable	not applicable
1/4/2011	Shenyang Shop	2 years and 4 months from 1/4/2011 to 31/7/2013	RMB1,200,000 (with an option to increase the rental by 10% on 1 April 2012)	RMB770,000 (approximately HK\$980,267)	not applicable	not applicable
20/7/2011	Silver Fair Mansion	2 years from 1/8/2011 to 31/7/2013	HK\$360,000	HK\$210,000	not applicable	not applicable
20/7/2011	Sea View Villa	2 years from 1/8/2011 to 31/7/2013	HK\$552,000	HK\$322,000	not applicable	not applicable
20/7/2011	Lucky Court	2 years from 1/8/2011 to 31/7/2013	HK\$348,000	HK\$203,000	not applicable	not applicable

Date of announcement	Premises	Term	Rental and management fee (as appropriate) per annum	Amount payable		
				Year ending 31/12/2013	Year ending 31/12/2014	Year ending 31/12/2015
15/6/2012	City Garden	2 years from 1/8/2012 to 31/7/2014	RMB744,060	RMB744,060 (approximately HK\$947,244)	RMB434,035 (approximately HK\$552,559)	not applicable
15/6/2012	Shunde Shop	2 years from 1/8/2012 to 31/7/2014	RMB370,000	RMB370,000 (approximately HK\$471,038)	RMB215,833 (approximately HK\$274,771)	not applicable
15/6/2012	Xianyang Shop	2 years from 1/8/2012 to 31/7/2014	RMB870,000	RMB870,000 (approximately HK\$1,107,575)	RMB507,500 (approximately HK\$646,085)	not applicable
15/6/2012	Yarra Street Premises	3 years from 1/8/2011 to 31/7/2014	From 1/8/2011 to 14/6/2012 : A\$492,000 per annum; from 15/6/2012 to 31/7/2012 : A\$507,390 per annum; from 1/8/2012 to 14/6/2013 : A\$522,150 per annum; from 15/6/2013 to 31/7/2013 : A\$522,611.70 per annum; from 1/8/2013 to 14/6/2014 : A\$537,814.50 per annum; from 15/6/2014 to 31/7/2014 : A\$538,290.05 per annum	A\$528,776 (approximately HK\$3,828,338)	A\$312,436 (approximately HK\$2,262,037)	not applicable
New Tenancy Agreements						
this announcement	Silver Fair Mansion	2 years from 1/8/2013 to 31/7/2015	HK\$480,000	HK\$200,000	HK\$480,000	HK\$280,000
this announcement	Sea View Villa	2 years from 1/8/2013 to 31/7/2015	HK\$609,000	HK\$290,000	HK\$609,000	HK\$319,000
this announcement	Xiangtan Shop	1 year from 1/8/2013 to 31/7/2014	RMB750,000	RMB312,500 (approximately HK\$397,836)	RMB437,500 (approximately HK\$556,970)	not applicable
this announcement	Shenyang Shop	1 year from 1/8/2013 to 31/7/2014	RMB900,000	RMB375,000 (approximately HK\$477,403)	RMB525,000 (approximately HK\$668,364)	not applicable
this announcement	Zhengzhou Office	2 years from 1/8/2013 to 31/7/2015	RMB396,900	RMB165,375 (approximately HK\$210,535)	RMB396,900 (approximately HK\$505,283)	RMB231,525 (approximately HK\$294,749)
Total amount payable				HK\$21,718,091	HK\$13,594,409	HK\$893,749
Aggregate annual cap				HK\$23,000,000	HK\$15,000,000	HK\$1,000,000

GENERAL

An independent professional valuer has provided the Company with opinion on the current rentals in respect of the residential premises in Hong Kong and the premises in the PRC under the New Tenancy Agreements. The rentals in respect of the two residential premises in Hong Kong, the Xiangtan Shop and the Shenyang Shop are in line with the opinions provided by the independent professional valuer. The rentals in respect of the Zhengzhou Office 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 2013, Dr. Charles Yeung and Mr. Yeung Chun Fan together hold approximately 55.5% 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 Group has been renting the abovementioned two residential premises in Hong Kong for many years. In addition, the Group has been renting the Xiangtan Shop since 2010 and the Shenyang Shop and Zhengzhou Office since 2011. As the relevant existing tenancy agreements will expire on 31 July 2013, the Company considers that it is commercially necessary and beneficial to renew the tenancies for the premises so that there would have no financial and operational impact generated by relocation.

LISTING RULES IMPLICATIONS

Since the Landlords are companies owned by certain Directors and Substantial Shareholders, the Landlords are associates (as defined in the Listing Rules) of those Directors and Substantial Shareholders. Therefore, the Landlords 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 2013 and 2014 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 year ending 31 December 2015, the aggregate annual cap falls 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
“Advancetex International”	Advancetex International Trading (HK) Company Limited 大進國際貿易(香港)有限公司, a company incorporated in Hong Kong and an indirect wholly-owned subsidiary of the Company
“Board”	the board of Directors
“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
“Directors”	directors of the Company
“Existing Tenancy Agreements”	(i) the tenancy agreement entered into on 30 July 2010 in relation to the leasing of Xiangtan Shop, details of which are set out in the Company’s announcement dated 30 July 2010; (ii) the tenancy agreements entered into on 1 April 2011 in relation to the leasing of One Kowloon premises in Hong Kong and certain premises in the PRC, details of which are set out in the Company’s announcement dated 1 April 2011; (iii) the tenancy agreements entered into on 20 July 2011 in relation to the leasing of three residential premises in Hong Kong and the lease entered into on 20 July 2011 in relation to the leasing of Yarra Street Premises in Australia, details of which are set out in the Company’s announcement dated 20 July 2011; (iv) the tenancy agreements entered into on 15 June 2012 in relation to the leasing of residential premises and retail premises in the PRC; and the variation of lease entered into on 15 June 2012 in relation to the office premises in Australia, details of which are set out in the Company’s announcement dated 15 June 2012
“Group”	the Company and its subsidiaries
“GS (Yeungs)”	G. S. (Yeungs) Limited, a company incorporated in Hong Kong which is engaged in property investment 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
“HK\$”	Hong Kong dollars, the lawful currency of the Hong Kong Special Administrative Region
“Henan Jeanswest”	河南真維斯服飾有限公司 (Henan Jeanswest Apparels Company Limited*), a limited liability company established in the PRC and an indirect wholly-owned subsidiary of the Company
“Huizhou Hui Fu”	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”	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

“Landlords”	GS (Yeungs), Huizhou Hui Fu, Shenyang Hui Fu and Yin Fu
“Liaoning Jeanswest”	遼寧真維斯服飾有限公司 (Liaoning Jeanswest Apparels Company Limited*), a limited liability company established in the PRC and an indirect wholly-owned subsidiary of the Company
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“New Tenancy Agreements”	the tenancy agreements entered into on 30 July 2013 in relation to the leasing of residential premises in Hong Kong and premises in the PRC as disclosed in this announcement
“Pacific Potential”	Pacific Potential Trading Company Limited 力佳實業有限公司, a company incorporated in Hong Kong and an indirect wholly-owned subsidiary of the Company
“PRC”	The People’s Republic of China
“RMB	Renminbi, the lawful currency of the PRC
“Shenyang Hui Fu”	瀋陽市惠富房產有限公司 (Shenyang 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
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Substantial Shareholders”	substantial shareholders of the Company as defined in the Listing Rules
“Yin Fu”	銀富房產(惠州)有限公司 (Yin Fu Properties (Huizhou) Company Limited*), a limited 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\$7.24, and the translation of Hong Kong dollars into RMB is based on the exchange rate of HK\$100=RMB78.55.

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

Hong Kong, 30 July 2013

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