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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)

### **DISCLOSEABLE AND CONNECTED TRANSACTION IN RELATION TO DISPOSAL OF INTEREST IN I.T LIMITED**

#### **The Sale and Purchase Agreement**

The Board announces that on 28 May 2014, the Vendor (a wholly-owned subsidiary of the Company) and the Purchasers entered into the Sale and Purchase Agreement, pursuant to which the Vendor agreed to sell and the Purchasers agreed to purchase the Sale Shares for a consideration of HK\$47,063,000. The Sale Shares represent approximately 1.55% of the issued share capital of I.T. Based on the issued share capital of I.T as at the date of this announcement, the Group's shareholding in I.T will be reduced from approximately 4.01% to 2.46% as a result of the Disposal.

#### **Listing Rules implications**

##### Discloseable transaction

As the highest applicable percentage ratio (as defined in the Listing Rules) in respect of the Disposal (when aggregated with the Previous Disposal) exceeds 5% but is less than 25%, the Disposal constitutes a discloseable transaction subject to the reporting and announcement requirements but exempt from the shareholders' approval requirement under Chapter 14 of the Listing Rules.

##### Connected transaction

Both of the Purchasers are directors and substantial shareholders of the Company and hence connected persons of the Company. The Disposal therefore constitutes a connected transaction on the part of the Company under Chapter 14A of the Listing Rules.

As the terms of the Disposal are on normal commercial terms and the highest applicable percentage ratio (as defined in the Listing Rules) in respect of the Disposal (when aggregated with the Previous Disposal) exceeds 0.1% but is less than 5%, the Disposal is subject to the reporting and announcement requirements but exempt from the independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

## **THE SALE AND PURCHASE AGREEMENT**

### Date

28 May 2014

### Parties

- (1) Vendor : Glorious Sun Trading (HK) Limited, a wholly-owned subsidiary of the Company
- (2) Purchasers : Mr. Yeung Chun Kam and Mr. Yeung Chun Fan, both are directors and substantial shareholders of the Company

### Subject of the Disposal

The Sale Shares, being 19,000,000 shares in I.T, represent approximately 1.55% of the issued share capital of I.T as at the date of this announcement.

### Consideration

The consideration for the Disposal in the amount of HK\$47,063,000 shall be payable by the Purchasers to the Vendor upon Completion.

The consideration for the Disposal was arrived at after arm's length negotiation between the Vendor and the Purchasers on normal commercial terms, taking into account the average of the closing price of the shares in I.T over the last three consecutive trading days up to 27 May 2014. When dividing the consideration for the Disposal by such number of the Sale Shares, this would result in the parties having agreed a price of HK\$2.477 per share in I.T and this represents a premium of approximately 2.36% to the closing price of the shares in I.T on the trading day prior to the Sale and Purchase Agreement (i.e. 27 May 2014).

### Completion

Completion shall take place on or before 6 June 2014, the date on which the obligations of each party shall be satisfied pursuant to the Sale and Purchase Agreement.

Based on the issued share capital of I.T as at the date of this announcement, the Group's shareholding in I.T will be reduced from approximately 4.01% to 2.46% immediately after the Completion.

## **INFORMATION ON THE GROUP**

The principal activity of the Company is investment holding. The Company's subsidiaries are engaged in the retailing, export and production of casual wear.

## **INFORMATION ON I.T GROUP**

I.T Group is principally engaged in retailing and trading of fashion wears and accessories.

The following is a summary of the audited consolidated financial information of I.T Group for the two financial years immediately preceding the date of the Disposal:

	<b>For the year ended 28 February 2013</b>	<b>For the year ended 28 February 2014</b>
	<i>HK\$'000</i>	<i>HK\$'000</i>
Profit before taxation	447,716	345,330
Profit for the year	385,031	280,032

As at 28 February 2014, the audited consolidated net assets value of I.T Group was approximately HK\$2,796,317,000.

### **FINANCIAL IMPACT ON THE COMPANY**

It is expected that the Group will record a gain on the Disposal in the amount of approximately HK\$37,800,000, which is calculated based on (i) the consideration for the Disposal; (ii) the carrying value of the Sale Shares of approximately HK\$9,215,000; and (iii) the estimated transaction costs in relation to the Disposal.

The net proceeds after the transaction costs from the Disposal will be used by the Group as its working capital.

### **REASONS FOR AND BENEFITS OF THE DISPOSAL**

Due to the recent increase in the share price of I.T, the Board decided to dispose of part of the Company's equity interest in I.T so as to realize profit from its investment in I.T.

Save for those Directors who were absent as mentioned below, the Board (including the independent non-executive Directors) considers that the terms of the Sale and Purchase Agreement are fair and reasonable and in the interests of the Company and its shareholders as a whole.

Mr. Yeung Chun Kam and Mr. Yeung Chun Fan, being the Purchasers, abstained from attending the Board meeting for considering and approving the Disposal. As good corporate governance measure, Mr. Yeung Chun Ho (a brother of the Purchasers) and Ms. Cheung Wai Yee (the spouse of Mr. Yeung Chun Fan) also abstained from attending the Board meeting in view of their relationships with the Purchasers, although Messrs. Yeung and Cheung do not have material interest in the Disposal. Dr. Chung Shui Ming, Timpson and Mr. Wong Man Kong, Peter were absent from the Board meeting due to their other commitments outside Hong Kong.

Apart from the Purchasers, none of the other Directors has a material interest in the Disposal.

## LISTING RULES IMPLICATIONS

### Discloseable transaction

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### Connected transaction

Both of the Purchasers are directors and substantial shareholders of the Company and hence connected persons of the Company. The Disposal therefore constitutes a connected transaction on the part of the Company under Chapter 14A of the Listing Rules.

As the terms of the Disposal are on normal commercial terms and the highest applicable percentage ratio (as defined in the Listing Rules) in respect of the Disposal (when aggregated with the Previous Disposal) exceeds 0.1% but is less than 5%, the Disposal is subject to the reporting and announcement requirements but exempt from the independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

## DEFINITIONS

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

“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 (stock code: 393)
“Completion”	completion of the Disposal
“connected person(s)”/ “subsidiary(ies)” / “substantial shareholder(s)”	each has the meaning ascribed to it under the Listing Rules
“Directors”	directors of the Company
“Disposal”	the disposal of the Sale Shares by the Company as contemplated under the Sale and Purchase Agreement
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong

“I.T”	I.T Limited, a limited liability company incorporated in Bermuda, the shares of which are listed on the main board of the Stock Exchange (stock code: 999)
“I.T Group”	I.T and its subsidiaries
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Previous Disposal”	the disposal of 19,570,000 ordinary shares of I.T by the Vendor to the Purchasers, details of which are set out in the announcement of the Company dated 5 September 2013
“PRC”	the People’s Republic of China
“Purchasers”	the purchasers of the Sale Shares, being Mr. Yeung Chun Kam and Mr. Yeung Chun Fan
“Sale and Purchase Agreement”	the sale and purchase agreement dated 28 May 2014 entered into between the Vendor and the Purchasers in relation to the sale and purchase of the Sale Shares
“Sale Shares”	the 19,000,000 ordinary shares of HK\$0.10 each in the capital of I.T, representing approximately 1.55% of the issued share capital of I.T as at the date of this announcement
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Vendor”	Glorious Sun Trading (HK) Limited (旭日貿易(香港)有限公司), a limited liability company incorporated in Hong Kong and a wholly-owned subsidiary of the Company
“%”	per cent.

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

Hong Kong, 28 May 2014

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.