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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 TRANSACTION

The Board announces that on 7 September 2015, Sichuan Jeanswest, an indirect wholly-owned subsidiary of the Company, as tenant entered into the New Tenancy Agreement with the Landlords in respect of the leasing of retail premises in the PRC.

As the Landlords are connected persons of the Company, the entering into of the New Tenancy Agreement constitutes a continuing connected transaction for the Company under the Listing Rules.

With the entering into of the New Tenancy Agreement, the aggregate annual caps for the years ending 31 December 2015, 2016 and 2017 are revised to HK\$29,000,000, HK\$33,000,000 and HK\$21,000,000 respectively. The aggregate annual cap for the year ending 31 December 2018 is HK\$7,000,000.

Since the aggregate annual cap for each of the years ending 31 December 2015, 2016, 2017 and 2018 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 under the New Tenancy Agreement and the Existing Tenancy Agreements are exempt from the circular and independent shareholders' approval requirements but are subject to the reporting, announcement and annual review requirements under Chapter 14A of the Listing Rules.

NEW TENANCY AGREEMENT

On 7 September 2015, Sichuan Jeanswest, an indirect wholly-owned subsidiary of the Company, as tenant entered into the New Tenancy Agreement in respect of the leasing of retail premises in the PRC, details of which are as follows :

Agreement date	: 7 September 2015
Premises leased	: A shop unit on Levels 1 and 2, Block 1, No. 6 Chunxi Road, Jinjiang District, Chengdu, Sichuan Province, PRC (the “Chengdu Shop”)
Area	: 417.44 square metres
Use of premises	: Apparel retail store
Landlords	: Yeung Cheung Yip and Yeung Hon Yip
Tenant	: Sichuan Jeanswest
Term	: Three years commencing on 30 September 2015 and expiring on 29 September 2018 (with an option to renew the tenancy for a further term of three years)
Annual rent	: RMB6,750,000 exclusive of management charges and all other outgoings; and payable in cash on a quarterly basis

AGGREGATE ANNUAL CAP

The aggregate annual caps, as announced in the Company’s announcement dated 28 July 2015, are HK\$27,000,000, HK\$25,000,000 and HK\$12,000,000 for the years ending 31 December 2015, 2016 and 2017 respectively.

With the entering into of the New Tenancy Agreement, 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 caps for the years ending 31 December 2015, 2016 and 2017 are revised to HK\$29,000,000, HK\$33,000,000 and HK\$21,000,000 respectively. The aggregate annual cap for the year ending 31 December 2018 is HK\$7,000,000. The table below shows how to determine the aggregate annual caps, which the Board has taken into account of the fluctuation of A\$ and RMB :

Date of announcement	Premises	Term	Rental, management fee and licence fee (as appropriate) per annum	Amount payable			
				Year ending 31/12/2015	Year ending 31/12/2016	Year ending 31/12/2017	Year ending 31/12/2018
Existing Tenancy Agreements							
30/7/2013	Silver Fair Mansion	2 years from 1/8/2013 to 31/7/2015	HK\$480,000	HK\$280,000	not applicable	not applicable	not applicable
30/7/2013	Sea View Villa	2 years from 1/8/2013 to 31/7/2015	HK\$609,000	HK\$319,000	not applicable	not applicable	not applicable
30/7/2013	Zhengzhou Office	2 years from 1/8/2013 to 31/7/2015	RMB396,900	RMB231,525 (approximately HK\$279,249)	not applicable	not applicable	not applicable

Date of announcement	Premises	Term	Rental, management fee and licence fee (as appropriate) per annum	Amount payable			
				Year ending 31/12/2015	Year ending 31/12/2016	Year ending 31/12/2017	Year ending 31/12/2018
31/12/2013 (date of execution)	Huizhou Shop	3 years from 1/1/2014 to 31/12/2016	RMB1,100,000	RMB1,100,000 (approximately HK\$1,326,740)	RMB1,100,000 (approximately HK\$1,326,740)	not applicable	not applicable
30/6/2014	One Kowloon Premises	3 years from 1/8/2014 to 31/7/2017	HK\$13,276,798	HK\$13,276,798	HK\$13,276,798	HK\$7,744,799	not applicable
30/6/2014	Yarra Street Premises	3 years from 1/8/2014 to 31/7/2017	from 1/8/2014 to 31/7/2015 : A\$660,000 per annum; from 1/8/2015 to 31/7/2016 : A\$679,800 per annum; from 1/8/2016 to 31/7/2017 : A\$700,194 per annum	A\$668,250 (approximately HK\$3,621,915)	A\$688,298 (approximately HK\$3,730,572)	A\$408,447 (approximately HK\$2,213,780)	not applicable
30/6/2014	City Garden	2 years from 1/8/2014 to 31/7/2016	RMB771,300	RMB771,300 (approximately HK\$930,286)	RMB449,925 (approximately HK\$542,667)	not applicable	not applicable
30/6/2014	Xiangtan Shop	2 years from 1/8/2014 to 31/7/2016	RMB750,000	RMB750,000 (approximately HK\$904,595)	RMB437,500 (approximately HK\$527,681)	not applicable	not applicable
30/6/2014	Shenyang Shop	2 years from 1/8/2014 to 31/7/2016	RMB600,000	RMB600,000 (approximately HK\$723,676)	RMB350,000 (approximately HK\$422,144)	not applicable	not applicable
30/6/2014	Shunde Shop	2 years from 1/8/2014 to 31/7/2016	RMB370,000	RMB370,000 (approximately HK\$446,267)	RMB215,833 (approximately HK\$260,322)	not applicable	not applicable
30/6/2014	Xianyang Shop	2 years from 1/8/2014 to 31/7/2016	RMB957,000	RMB957,000 (approximately HK\$1,154,264)	RMB558,250 (approximately HK\$673,320)	not applicable	not applicable
28/7/2015	Silver Fair Mansion	2 years from 1/8/2015 to 31/7/2017	HK\$516,000	HK\$215,000	HK\$516,000	HK\$301,000	not applicable
28/7/2015	Sea View Villa	2 years from 1/8/2015 to 31/7/2017	HK\$609,000	HK\$253,750	HK\$609,000	HK\$355,250	not applicable
28/7/2015	Zhengzhou Office	2 years from 1/8/2015 to 31/7/2017	RMB396,900	RMB165,375 (approximately HK\$199,463)	RMB396,900 (approximately HK\$478,712)	RMB231,525 (approximately HK\$279,249)	not applicable
New Tenancy Agreement							
this announcement	Chengdu Shop	3 years from 30/9/2015 to 29/9/2018	RMB6,750,000	RMB1,706,250 (approximately HK\$2,057,954)	RMB6,750,000 (approximately HK\$8,141,358)	RMB6,750,000 (approximately HK\$8,141,358)	RMB5,043,750 (approximately HK\$6,083,404)
Total amount payable				HK\$25,988,957	HK\$30,505,314	HK\$19,035,436	HK\$6,083,404
Aggregate annual cap				HK\$29,000,000	HK\$33,000,000	HK\$21,000,000	HK\$7,000,000

GENERAL

An independent professional valuer has provided the Company with opinion on the current rental in respect of the Chengdu Shop under the New Tenancy Agreement. The rental in respect of the Chengdu Shop is in line with the opinion provided by the independent professional valuer.

The Directors, including the independent non-executive Directors, consider that the New Tenancy Agreement has been entered into in the ordinary and usual course of business of the Group, on normal commercial terms which are fair and reasonable, and in the interests of the Company and its shareholders as a whole. The Landlords are sons of Mr. Yeung Chun Fan (Director and Substantial Shareholder) and Ms. Cheung Wai Yee (Director) and therefore are associates of Mr. Yeung Chun Fan and Ms. Cheung Wai Yee. The Landlords are also nephews of Dr. Charles Yeung (Director and Substantial Shareholder) and Mr. Yeung Chun Ho (Director) and therefore are deemed connected persons of the Company in respect of the New Tenancy Agreement pursuant to Rule 14A.21 of the Listing Rules. At the Board meeting for considering and approving the New Tenancy Agreement, Mr. Yeung Chun Fan and Ms. Cheung Wai Yee abstained from voting on the relevant resolutions as they were considered to have material interest in the New Tenancy Agreement by virtue of their relationships with the Landlords. Dr. Charles Yeung also abstained from voting on the relevant resolutions in view of his relationship with the Landlords. Mr. Yeung Chun Ho was absent from the Board meeting.

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

REASONS FOR THE TRANSACTION

The rental under the New Tenancy Agreement was 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 New Tenancy Agreement is an arm's length transaction after considering a very limited availability of suitable shop space in the locality concerned.

LISTING RULES IMPLICATIONS

The Landlords are connected persons of the Company by virtue of their relationships with certain Directors and Substantial Shareholders, and therefore, the entering into of the New Tenancy Agreement constitutes a continuing connected transaction for the Company under Chapter 14A of the Listing Rules. Since the aggregate annual cap for each of the years ending 31 December 2015, 2016, 2017 and 2018 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 under the New Tenancy Agreement and the Existing Tenancy Agreements are exempt from the circular and independent shareholders' approval requirements but are subject to the reporting, announcement and annual review requirements under Chapter 14A of the Listing Rules.

DEFINITIONS

“A\$”	Australian dollars, the lawful currency of Australia
“associate(s)”	has the meaning set out in the Listing Rules
“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
“connected person(s)”	has the meaning set out in the Listing Rules
“Directors”	directors of the Company
“Existing Tenancy Agreements”	(i) the tenancy agreements entered into on 30 July 2013 in respect of the leasing of certain residential premises in Hong Kong and premises in the PRC, details of which are set out in the Company’s announcement dated 30 July 2013; (ii) the tenancy agreement entered into on 31 December 2013 between the Yeung’s Family as landlord and Jeanswest Apparels (Guangdong) as tenant in respect of the leasing of the retail premises located in Huizhou, Guangdong Province, PRC as a retail shop (“Huizhou Shop”); (iii) the tenancy agreements entered into on 30 June 2014 in relation to the leasing of certain premises in Hong Kong and the PRC, details of which are set out in the Company’s announcement dated 30 June 2014; (iv) the lease and the car park licence both entered into on 30 June 2014 in respect of the leasing of premises and car parking spaces in Australia, details of which are set out in the Company’s announcement dated 30 June 2014; and (v) the tenancy agreements entered into on 28 July 2015 in respect of the leasing of certain premises in Hong Kong and the PRC, details of which are set out in the Company’s announcement dated 28 July 2015
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of the Hong Kong Special Administrative Region
“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
“Landlords”	Mr. Yeung Cheung Yip and Mr. Yeung Hon Yip, both of whom are (i) sons of Mr. Yeung Chun Fan (Director and Substantial Shareholder) and Ms. Cheung Wai Yee (Director); and (ii) nephews of Dr. Charles Yeung (Director and Substantial Shareholder) and Mr. Yeung Chun Ho (Director)
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“New Tenancy Agreement”	the tenancy agreement entered into on 7 September 2015 in relation to the leasing of the Chengdu Shop as disclosed in this announcement
“PRC”	The People’s Republic of China
“RMB”	Renminbi, the lawful currency of the PRC
“Sichuan Jeanswest”	四川真維斯服飾有限公司 (Sichuan 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

“Substantial Shareholders”	substantial shareholders of the Company as defined in the Listing Rules
“Yeung’s Family”	a family in which Dr. Charles Yeung and Mr. Yeung Chun Fan (both the Directors and Substantial Shareholders) and Mr. Yeung Chun Ho (the Director) are members
“%”	per cent.

** Denotes an English translation of a Chinese name and is for identification purpose 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\$5.42, and the translation of Hong Kong dollars into RMB is based on the exchange rate of HK\$100=RMB82.91.

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

Hong Kong, 7 September 2015

As at the date of this announcement, the Directors 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, SBS, 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.