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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)

Announcement of Results For the year ended 31 December 2015

ANNUAL RESULTS

The Directors of Glorious Sun Enterprises Limited (the “Company”) are pleased to announce the consolidated results of the Company and its subsidiaries (the “Group”) for the year ended 31 December 2015 together with the comparative figures for the year ended 31 December 2014. The consolidated results of the Group for the year ended 31 December 2015 have been reviewed by the Audited Committee of the Company.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Year ended 31 December 2015

	<i>Notes</i>	2015 HK\$'000	2014 HK\$'000
REVENUE	(3)	4,337,606	5,854,683
Cost of sales		(2,498,406)	(3,384,257)
Gross profit		1,839,200	2,470,426
Other income and gains		205,762	261,270
Selling and distribution expenses		(1,320,141)	(1,765,652)
Administrative expenses		(595,436)	(754,252)
Other expenses		(72,130)	(57,719)
Finance costs	(4)	(6,912)	(14,630)
OPERATING PROFIT		50,343	139,443
Share of profits and losses of associates		6,033	7,460
PROFIT BEFORE TAX	(5)	56,376	146,903
Income tax credit /(expense)	(6)	37,359	(25,022)
PROFIT FOR THE YEAR		93,735	121,881
Attributable to:			
Ordinary equity holders of the Company		88,152	119,405
Non-controlling interests		5,583	2,476
		93,735	121,881
		<i>HK cents</i>	<i>HK cents</i>
EARNINGS PER SHARE ATTRIBUTABLE TO			
ORDINARY EQUITY HOLDERS OF THE COMPANY	(8)		
Basic and diluted			
- For profit for the year		8.51	11.30

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 December 2015

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
PROFIT FOR THE YEAR	<u>93,735</u>	<u>121,881</u>
OTHER COMPREHENSIVE INCOME		
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods:</i>		
Available-for-sale investment:		
Changes in fair value, net of tax	(2,533)	17,195
Reclassification adjustments for gain on disposal included in the consolidated statement of profit or loss	<u>(20,032)</u>	<u>(69,255)</u>
	(22,565)	(52,060)
Exchange differences on translation of foreign operations	<u>(44,046)</u>	<u>(17,040)</u>
Net other comprehensive income to be reclassified to profit or loss in subsequent periods	<u>(66,611)</u>	<u>(69,100)</u>
<i>Net other comprehensive income not to be reclassified to profit or loss in subsequent periods:</i>		
Gains on property revaluation	25,763	-
Income tax effect	<u>(6,480)</u>	<u>-</u>
Net other comprehensive income not to be reclassified to profit or loss in subsequent periods	<u>19,283</u>	<u>-</u>
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX	<u>(47,328)</u>	<u>(69,100)</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>46,407</u>	<u>52,781</u>
Attributable to:		
Ordinary equity holders of the Company	41,640	50,305
Non-controlling interests	<u>4,767</u>	<u>2,476</u>
	<u>46,407</u>	<u>52,781</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 December 2015

	<i>Notes</i>	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
NON-CURRENT ASSETS			
Property, plant and equipment		657,604	775,070
Investment properties		161,694	80,363
Prepaid land lease payments		5,307	5,683
Goodwill		34,492	39,048
Investments in associates		38,220	32,186
Held-to-maturity investments		660,482	463,948
Available-for-sale investments		12,048	41,301
Prepayments and deposits		11,894	20,744
Deferred tax assets		37,575	40,679
		<hr/>	<hr/>
Total non-current assets		1,619,316	1,499,022
CURRENT ASSETS			
Inventories		591,229	715,960
Trade and bills receivables	(9)	339,050	314,718
Prepayments, deposits and other receivables		320,880	345,690
Due from associates		55,823	75,088
Due from other related companies		1,535	1,446
Held-to-maturity investments		-	37,787
Other investment		4,819	-
Pledged deposits		30,396	833,441
Cash and cash equivalents		733,436	1,013,397
		<hr/>	<hr/>
Total current assets		2,077,168	3,337,527
CURRENT LIABILITIES			
Trade and bills payables	(10)	595,808	579,904
Other payables and accruals		611,466	803,388
Due to associates		86	16,729
Interest-bearing bank and other borrowings		222,719	1,011,620
Tax payable		140,217	232,122
		<hr/>	<hr/>
Total current liabilities		1,570,296	2,643,763
NET CURRENT ASSETS			
		<hr/> 506,872 <hr/>	<hr/> 693,764 <hr/>
TOTAL ASSETS LESS CURRENT LIABILITIES			
		<hr/> 2,126,188 <hr/>	<hr/> 2,192,786 <hr/>
NON-CURRENT LIABILITIES			
Interest-bearing bank and other borrowings		5,961	3,705
Provision		27,149	11,938
Deferred tax liabilities		43,884	31,577
		<hr/>	<hr/>
Total non-current liabilities		76,994	47,220
Net assets			
		<hr/> 2,049,194 <hr/>	<hr/> 2,145,566 <hr/>
EQUITY			
Equity attributable to ordinary equity holders of the Company			
Issued capital		102,406	104,936
Reserves		1,937,432	2,029,294
		<hr/>	<hr/>
		2,039,838	2,134,230
Non-controlling interests			
		<hr/> 9,356 <hr/>	<hr/> 11,336 <hr/>
Total equity			
		<hr/> 2,049,194 <hr/>	<hr/> 2,145,566 <hr/>

NOTES

(1) Basis of preparation

These financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”) (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“HKASs”) and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”), accounting principles generally accepted in Hong Kong and the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for investment properties, certain equity investments and other investments which have been measured at fair value. These financial statements are presented in Hong Kong dollars (“HK\$”) and all values are rounded to the nearest thousand (HK\$’000) except when otherwise indicated.

(2) Changes in accounting policies and disclosures

The Group has adopted the following revised standards for the first time for the current year’s financial statements.

Amendments to HKAS 19 <i>Annual Improvements to HKFRSs 2010-2012 Cycle</i>	<i>Defined Benefit Plans: Employee Contributions</i>
<i>Annual Improvements to HKFRSs 2011-2013 Cycle</i>	

The adoption of these revised HKFRSs has had no significant financial effect on these financial statements. Nevertheless, certain changes in disclosures have been adopted by the Group in compliance with the revised HKFRSs.

(3) Operating segment information

By business

Year ended 31 December 2015

	Retail operations <i>HK\$'000</i>	Export operations <i>HK\$'000</i>	Others <i>HK\$'000</i>	Total <i>HK\$'000</i>
Segment revenue:				
Sales to external customers	3,894,339	441,524	1,743	4,337,606
Other income and gains	53,130	16,892	22,785	92,807
Total	<u>3,947,469</u>	<u>458,416</u>	<u>24,528</u>	<u>4,430,413</u>
Segment results	<u>49,675</u>	<u>13,963</u>	<u>7,044</u>	<u>70,682</u>
Interest income				65,504
Unallocated revenue				47,451
Corporate and other unallocated expenses				(126,382)
Finance costs				(6,912)
Share of profits and losses of associates	-	6,033	-	6,033
Profit before tax				56,376
Income tax credit				37,359
Profit for the year				<u>93,735</u>

Year ended 31 December 2014

	Retail operations <i>HK\$'000</i>	Export operations <i>HK\$'000</i>	Others <i>HK\$'000</i>	Total <i>HK\$'000</i>
Segment revenue:				
Sales to external customers	5,279,723	572,821	2,139	5,854,683
Other income and gains	74,296	17,537	32,146	123,979
Total	<u>5,354,019</u>	<u>590,358</u>	<u>34,285</u>	<u>5,978,662</u>
Segment results	<u>104,821</u>	<u>15,238</u>	<u>11,543</u>	131,602
Interest income				71,250
Unallocated revenue				66,041
Corporate and other unallocated expenses				(114,820)
Finance costs				(14,630)
Share of profits and losses of associates	-	7,460	-	7,460
Profit before tax				146,903
Income tax expense				(25,022)
Profit for the year				<u>121,881</u>

(3) Operating segment information (continued)

By business (continued)

	Year ended 31 December 2015			
	Retail operations HK\$'000	Export operations HK\$'000	Others [#] HK\$'000	Total HK\$'000
Other segment information:				
Depreciation and amortisation	89,583	683	21,463	111,729
Impairment losses recognised in the consolidated statement of profit or loss	5,991	-	-	5,991
Other non-cash income, net	(17,783)	-	(100)	(17,883)
Investments in associates	(2,946)	41,166	-	38,220
Capital expenditure*	75,679	148	32,842	108,669

	Year ended 31 December 2014			
	Retail operations HK\$'000	Export operations HK\$'000	Others [#] HK\$'000	Total HK\$'000
Other segment information:				
Depreciation and amortisation	109,619	695	26,401	136,715
Impairment losses recognised in the consolidated statement of profit or loss	3,718	-	-	3,718
Impairment losses reversed in the consolidated statement of profit or loss	(6)	-	(3,958)	(3,964)
Other non-cash income, net	(68,474)	(346)	(15,777)	(84,597)
Investments in associates	(2,947)	35,133	-	32,186
Capital expenditure*	118,704	516	61,606	180,826

* Capital expenditure consists of additions of property, plant and equipment and investment properties.

[#] The "Others" in other segment information comprises others segment, corporate and unallocated revenue / expenses.

By region

	Year ended 31 December 2015						
	Mainland China HK\$'000	Hong Kong HK\$'000	Australia and New Zealand HK\$'000	United States of America HK\$'000	Canada HK\$'000	Others HK\$'000	Total HK\$'000
Revenue from external customers	2,763,296	33,868	1,100,920	341,148	44,634	53,740	4,337,606
Non-current assets**	676,810	38,639	174,141	7,727	-	-	897,317

	Year ended 31 December 2014						
	Mainland China HK\$'000	Hong Kong HK\$'000	Australia and New Zealand HK\$'000	United States of America HK\$'000	Canada HK\$'000	Others HK\$'000	Total HK\$'000
Revenue from external customers	3,923,802	32,139	1,323,483	465,648	35,706	73,905	5,854,683
Non-current assets**	702,535	34,968	188,253	6,594	-	-	932,350

** Non-current asset information excludes financial instruments and deferred tax assets.

(4) Finance costs

An analysis of finance costs is as follows:

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Interest on bank loans	4,948	14,568
Interest on other loans	1,964	58
Interest on finance leases	-	4
	<u>6,912</u>	<u>14,630</u>

(5) Profit before tax

The Group's profit before tax is arrived at after charging/(crediting):

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Cost of inventories sold	2,526,379	3,457,571
Depreciation	111,558	136,538
Amortisation of prepaid land lease payments	171	177
Loss on disposal/write-off of items of property, plant and equipment	10,334	7,616
Dividend income from an available-for-sale investment	(2,085)	(3,026)
Interest income	(65,504)	(71,250)
Gain on disposal of equity investments at fair value through profit or loss	-	(5,451)
Loss/(gain) on derecognition of a held-to-maturity investment	287	(6,357)
Gain on disposal of an available-for-sale investment	<u>(20,006)</u>	<u>(69,165)</u>

(6) Income tax

Hong Kong profits tax has been provided at the rate of 16.5% (2014: 16.5%) on the estimated assessable profits arising in Hong Kong during the year. Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the countries in which the Group operates.

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Group:		
Current – Hong Kong		
Charge for the year	14,986	14,700
Overprovision in prior years	(12,570)	(72)
Current – Elsewhere		
Charge for the year	22,297	50,603
Overprovision in prior years	(59,443)	(24,378)
Deferred	<u>(2,629)</u>	<u>(15,831)</u>
Total tax charge/(credit) for the year	<u>(37,359)</u>	<u>25,022</u>

(7) **Dividends**

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Interim – HK3.40 cents (2014: HK4.00 cents) per ordinary share	35,045	42,377
Proposed final – HK4.30 cents (2014: HK6.27 cents) per ordinary share	44,035	65,585
Adjustment on 2014 final dividend	<u>-</u>	<u>(458)</u>
	<u>79,080</u>	<u>107,504</u>

The proposed final dividends for the year ended 31 December 2015 are subject to the approval of the Company's shareholders at the forthcoming annual general meeting.

(8) **Earnings per share attributable to ordinary equity holders of the Company**

The calculation of the basic earnings per share is based on the profit for the year attributable to ordinary equity holders of the Company of HK\$88,152,000 (2014: HK\$119,405,000) and the weighted average number of ordinary shares of 1,035,494,000 (2014: 1,057,175,000) in issue during the year.

No adjustment has been made to the basic earnings per share amounts presented for the year ended 31 December 2015 and 2014 in respect of a dilution as the exercise price of the share options of the Company outstanding during the year is higher than the average market price of the Company's ordinary shares during the year and, accordingly, they have no dilutive effect on the basic earnings per share amounts presented.

The calculations of basic and diluted earnings per share are based on:

	2015 <i>HKD'000</i>	2014 <i>HKD'000</i>
Earnings		
Profit attributable to ordinary equity holders of the Company, used in the basic and diluted earnings per share calculation:	<u>88,152</u>	<u>119,405</u>
	Number of shares	
Shares	2015 <i>'000</i>	2014 <i>'000</i>
Weighted average number of ordinary shares in issue during the year used in the basic and diluted earnings per share calculation	<u>1,035,494</u>	<u>1,057,175</u>

(9) Trade and bills receivables

The trade and bills receivables include trade receivables of HK\$338,684,000 (2014: HK\$313,107,000) and bills receivable of HK\$366,000 (2014: HK\$1,611,000). An aged analysis of the trade and bills receivables as at the end of the reporting period, based on the payment due date and net of impairment, is as follows:

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Current	269,500	228,418
Less than 4 months	38,848	52,629
4 to 6 months	4,706	18,124
Over 6 months	25,996	15,547
	<u>339,050</u>	<u>314,718</u>

The credit period is generally 45 days to its trade customers.

(10) Trade and bills payables

An aged analysis of the trade and bills payables as at the end of the reporting period, based on the payment due date, is as follows:

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Less than 4 months	594,287	578,926
4 to 6 months	1,261	705
Over 6 months	260	273
	<u>595,808</u>	<u>579,904</u>

The trade payables are non-interest-bearing and are normally settled on 90-day terms.

DIVIDEND

The Directors have resolved to recommend the payment of a final dividend of HK4.30 cents (2014: HK6.27 cents) per share for the year ended 31 December 2015 at the forthcoming annual general meeting to be held on Thursday, 2 June 2016. The final dividend amounting to HK\$44,035,000, if approved by the shareholders of the Company, will be paid on Tuesday, 21 June 2016 to those shareholders whose names appear on the register of members of the Company on Friday, 10 June 2016.

REVIEW OF BUSINESSES

Retailing

In 2015, the weakening of apparel retail activities in Mainland China deepened due to the pro-longed slow-down of macro-economic development especially in the second half of the year when the stock market slumped and RMB commenced to debase against US dollar. Consequentially, consumers' desire turned puny and market sentiment deteriorated further. Sluggish market environment intensified competition amongst retailers and compounded price markdown. The Management tried to alleviate the impacts but the margin was still under pressure and thus Jeanswest in Mainland China down performed when compared with last year. Although the economies in Australia and New Zealand were still in the process of re-balancing, the overall retail market conditions were slightly better than the previous year. The Management's effort to enrich the product design and improve the product quality met with warm acceptance from patronages notwithstanding a slight upward adjustment of the selling price. As a result, Jeanswest operations in Australia and New Zealand managed to deliver a result better than last year. In spite of the tough market conditions, Jeanswest e-shops in Mainland China, Australia and New Zealand all recorded an impressive growth.

The Group's retail network has stretched out from Mainland China and Australia to New Zealand, Hong Kong, Macao, the Middle East, as well as Vietnam, Malaysia, Indonesia, Mongolia, Nepal, New Guinea, Fiji, Russia, Iran and Venezuela. There were a total of 2,249 stores at the year-end 2015 (2014: 2,631), of which 1,427 stores (2014: 1,577) were operated under franchise arrangements. For the financial year under review, the Group's aggregate sales from its retail operations amounted to HK\$3,894,339,000 (2014: HK\$5,279,723,000) representing a year-on-year decrease of 26.24%. Contribution from its retail operations to the Group's consolidated sales was 89.78%. Inventory turnover days increased from 45 days to 50 days.

1. The PRC

i. Jeanswest

The brand name of "Jeanswest" remained the Group's flagship business in Mainland China. In 2015, PRC was still in the process of re-aligning its economic activities. Deceleration of economic growth was the "new normal" situation under which retail activities were fairly slothful. Various measures implemented by the Management not only managed to stabilize the business in the first half of the year but even brought about a mild improvement in operational margin when compared with the same period in 2014. However, macro-economic conditions aggravated in the second half of the year due to the compound effects of stock market prices collapse and the tumble of RMB exchange rate against US dollar, consumers' desire further weakened leading to intensified dumping in the market as well as shrinking of our profit margin. The Group's franchising development was also adversely affected and the same store sales encountered a continuous double-digit decrease. Under such tough business environment, the Management opted to clean up inventory even at the expense of our profit margins and strived to retrench operational costs to keep in abreast with the drop in turnover. Incentive measures to assist our franchisees were persevered especially in the conversion of some directly managed stores into franchised stores. During the period, our product design embracing with more trendy elements did brighten up the brand image but had to take some time to be fully accepted by our customers. The consolidation of our network and reduction of our retail outlets together with abnormal winter climate deeply affected our sales. The underdevelopment of franchising was also one of the reasons. Therefore, Jeanswest performance in Mainland China was worse than last year.

In May 2015 the State Administration for Industry and Commerce accredited Jeanswest as one

of the well-known brands in PRC. The General Administration of Quality Supervision, Inspection and Quarantine of the People's Republic of China also granted Jeanswest the recognition as one of the 50 most valuable brands in the apparel sector.

In the year under review, turnover of PRC retails decreased by 29.36% to HK\$2,805,737,000 (2014: HK\$3,971,720,000), accounting for 64.68% of the Group's consolidated sales. As at 31 December 2015, Jeanswest operated 1,906 stores (2014: 2,284) covering over 250 cities in the PRC, among which 1,333 stores (2014: 1,492) were under franchise arrangements.

ii. Quiksilver Glorious Sun

In the year under review, the lethargic retail market sentiment in Greater China had impacts on the sales and profit of Quiksilver Glorious Sun especially in Macao. Management endeavoured to consolidate the retail network by closing down those under-performed stores and to focus on the development of wholesaling and franchising. Wholesaling in Hong Kong progressed smoothly but in Mainland China was contained by shortage of working capital among those small business firms. E-shop consecutively showed a remarkable growth. Management had entered into contracts with Hong Kong TV, Mydress and Zalora to broaden our e-commerce coverage. The initial performance of the newly introduced Yoga series and the enriched skiing line basically met with Management's expectation.

2. Australia and New Zealand

In the year under review, Australia was in the transitional stage of re-balancing its development; GDP therefore only grew around 2.5%, lower than the historical average and unemployment stood at a high level of around 6%. Business environment for apparel retailers was difficult as competition was fierce and aggressive markdown was a common phenomenon. The Management's endeavour in up-lifting the product quality and design with a moderately lifted in pricing was appreciated by our patronages. The Management also consolidated the network and refurbished most of the other stores with the latest design style to refresh the brand image. A new ERP system was implemented to integrate the accounting, sourcing and store operation systems to enhance efficiency and to save operational costs. In local dollar terms, Jeanswest in Australia and New Zealand had regained its normal growth with improvement in turnover and operational margin when compared with that in 2014.

For the year under review, turnover of HK\$1,088,602,000 (2014: HK\$1,308,003,000) was registered in Australia and New Zealand markets showing a decrease of 16.77% on year-on-year basic. As at the end of 2015, Jeanswest operated a network of 228 stores (2014: 239) in Australia and New Zealand, among which 6 (2014: 6) were under franchises arrangements.

3. Overseas Franchise Operations

Contributed from the rapid development in international franchising, the Group's Overseas Franchise Operations had a noteworthy growth in turnover in 2015. The Management also entered into agreements with our franchisees in Saudi Arabia and expected to have the first Jeanswest store open there in the first quarter of 2016. However, some of our franchise operations in South East Asia were adversely affected by the devaluation of the local currencies there.

Export

Our export operations were largely on the design, manufacture, and export for Costco's private labels. During the period, Costco shifted its focus from promoting its own lady labels to private labels in the markets and bought less from the Group. Meanwhile, Costco's orders for man labels remained.

For the year, the Group's sales from exports amounted to HK\$441,524,000 (2014: HK\$572,821,000) decreased by 22.92% from last year.

FINANCIAL POSITION

The Group's financial position remained very healthy. In the year under review, the Group was in net cash position and had entered into foreign currency forward contracts to hedge its exposure to foreign currency risks in respect of the Australian dollars.

HUMAN RESOURCES

As at 31 December 2015, the Group employed about 8,000 employees (2014: 10,000). The Group offered competitive remuneration packages to them. In addition, bonus and share options were granted based on the Group's results and individual performance from time to time.

SOCIAL RESPONSIBILITY

It is the deep conviction of the Management that in pursuing maximum returns for shareholders, the Group had to bear its social responsibilities. In addition to the strict adherence to stringent environmental protection policies and regulations, the Group also made direct contributions to the society. Every year the Group continues with the usual donations to build "Jeanswest Hope Primary Schools" and to finance the "Jeanswest University Students Sponsorship Fund" and the "Jeanswest Hope Teachers Program". In September 2015, the Group installed the Activity Based Carbon Footprint Modeling System ("ACFM System") developed by Hong Kong Clothing Industry Training Authority. ACFM System collects and analyses the Group's expenses in electricity, natural gas, gasoline, diesel, water and the likes so as to monitor the Group's direct and indirect carbon emission volume. Thereafter, an objective yardstick to measure effort in saving energy and carbon emission has been established for every departments and units to strive for and bases on that to compete with their peers. The Management also recommends this ACFM System to our contractors and invites them to join us to preserve our future in green.

PROSPECTS

2016 will be a very challenging year. The Management has reservations in the global financial development and worries about the weakening trend in last year may stretch out to 2016 or at least to the first half of the year. US recovery is expected to be steady but dollar rate is in its up-trend to curtail its dynamic and contribution to global economic growth. In Eurozone and Japan, quantitative easing measures will be persisted but those effects are diminishing. The expectation of dollar rate to move upwards will further motivate capital flowing from emerging countries to US. It may cause the weakening currencies of emerging countries to debase deeply and in the worst case may even inflame global financial crisis. In year ahead, China is still in the process of its economic reform and its development may be decelerating. China GDP in 2016 is forecasted in the markets to grow around 6.5%. Market elements are expected to become more influential to RMB and will also increase its volatility. Therefore, 2016 may be a tough year to China. The correlation of the economies between Mainland China and Hong Kong is very high. The slow-down of export and import activities in Mainland China will directly contain the performance of Hong Kong export and re-export sectors. In the last twenty months, US dollar had appreciated 25%. If US dollar continues to grow strong, it will further undermine the competitiveness of Hong Kong and jeopardize local businesses, in particular, tourism, hotels and retailing. The advent of interest rising cycle also causes the costly property market to commence its overdue correction. In other

words, Hong Kong economic drivers — property, import & export and tourism related sectors will all lose their growth momentum at the same time. 2016 will inevitably be an arduous year to Hong Kong.

Under such challenging environment, the focal point this year is on the retrenchment of operational costs through simplifying our structure and streamlining our operational procedures so as to ensure the reduction of our costs in abreast with the possible drop of our turnover. The Management will strive to renegotiate with landlords to ensure rentals of our shops will reflect the latest sluggish retail market conditions. Only those shops in locations that are vital to project Jeanswest's brand image will be opened according to schedule. Under-performed stores will be closed resolutely. Incentives to franchisees to expand their operations will be persisted especially in the aspect of converting some directly managed stores into franchisees' stores. In-depth analysis of our products will be made to assess each individual product's market performance so as to improve our product design, quality and the right proportion of its mix. The Management will also endeavour to further compress our production lead-time to enhance our competitiveness and versatility to the changes in the market.

For our export operations, the Management will focus on the expansion of our ODM businesses by developing more new products and soliciting more new customers.

Barring unforeseen circumstances, the Management is confident that the Group will continue to bring reasonable returns to its shareholders in 2016.

ANNUAL GENERAL MEETING

The annual general meeting of the Company for the year 2016 will be held on Thursday, 2 June 2016. For details of the annual general meeting, please refer to the notice of annual general meeting of the Company which is expected to be published on the websites of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") (www.hkexnews.hk) and the Company (www.glorisun.com) on or around Friday, 22 April 2016.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Tuesday, 31 May 2016 to Thursday, 2 June 2016, both days inclusive, during which period no transfers of shares shall be effected. In order to qualify for the entitlement to attend and vote at the forthcoming annual general meeting, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration no later than 4:30 p.m. on Monday, 30 May 2016.

The register of members of the Company will also be closed from Wednesday, 8 June 2016 to Friday, 10 June 2016, both days inclusive, during which period no transfers of shares shall be effected. In order to qualify for the proposed final dividend, all transfer documents accompanied by the relevant share certificates must be lodged with Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration no later than 4:30 p.m. on Tuesday, 7 June 2016.

CORPORATE GOVERNANCE

The Company has complied with the code provisions set out in the Corporate Governance Code (the “CG Code”) in Appendix 14 of the Rules Governing the Listing of Securities on the Stock Exchange throughout the year ended 31 December 2015, save and except for the deviation from code provision A.6.7 of the CG Code.

Under code provision A.6.7 of the CG Code, independent non-executive directors and other non-executive directors should attend general meetings and develop a balanced understanding of the views of the shareholders. Due to other pre-arranged commitments, Dr. Chung Shui Ming, Timpson, GBS, JP, an independent non-executive Director, was not present at the Company’s annual general meeting for the year 2015 and the Special General Meeting, both held on 2 June 2015.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY’S LISTED SECURITIES

During the year, the Company repurchased a total of 23,436,000 shares of the Company on the Stock Exchange. All the repurchased shares were subsequently cancelled by the Company. Details of those transactions are as follows:

Month of repurchase	Number of shares repurchased	Price per share		Aggregate price <i>HK\$’000</i>
		Highest <i>HK\$</i>	Lowest <i>HK\$</i>	
January 2015	652,000	1.68	1.62	1,095
February 2015	834,000	1.67	1.65	1,390
March 2015	4,330,000	1.61	1.57	6,936
April 2015	2,962,000	1.68	1.59	4,846
June 2015	2,872,000	1.68	1.60	4,797
July 2015	5,106,000	1.63	1.47	7,975
August 2015	222,000	1.37	1.35	316
September 2015	1,100,000	1.37	1.28	1,476
October 2015	2,236,000	1.35	1.25	2,901
November 2015	3,122,000	1.39	1.32	4,196
	<u>23,436,000</u>			<u>35,928</u>

The repurchase of the Company’s shares during the year was effected by the Directors, pursuant to the mandate from shareholders received at the last annual general meeting of the Company, with a view to benefiting shareholders as a whole by enhancing the net asset value per share and earnings per share of the Company.

Except as disclosed above, neither the Company, nor any of its subsidiaries purchased, sold or redeemed any of the Company’s listed securities during the year.

APPRECIATION

The Board of Directors of the Company would like to take this opportunity to express its sincere appreciation to the shareholders for their support, and to the Management and staff for their dedicated efforts.

By Order of the Board
Dr. Charles Yeung, SBS, JP
Chairman

Hong Kong, 24 March 2016

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. 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.