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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)*

**PROPOSED RIGHTS ISSUE ON THE BASIS OF  
ONE RIGHTS SHARE FOR EVERY TWO EXISTING SHARES HELD  
ON THE RECORD DATE  
AND  
CLOSURE OF REGISTER OF MEMBERS**

**Underwriter of the Rights Issue**

**Glorious Sun Holdings (BVI) Limited**

**Financial Adviser**

**Centurion Corporate Finance Limited**

### **PROPOSED RIGHTS ISSUE**

The Company proposes to raise not less than approximately HK\$460.8 million before expenses by way of a rights issue on the basis of one Rights Share for every two Existing Shares held by each Qualifying Shareholder on the Record Date at the Subscription Price of HK\$0.90 per Rights Share (subject to the exercise of any Share Options prior to the Latest Exercise Time).

Not less than 512,028,000 nil-paid Rights Shares are proposed to be provisionally allotted, representing approximately 50.00% of the Company's existing issued share capital and approximately 33.33% of the Company's enlarged issued share capital as enlarged by the issue of the Rights Shares.

Pursuant to the Underwriting Agreement dated 29 March 2016, the Underwriter has conditionally agreed to fully underwrite all the Rights Shares on the terms and conditions set out in the Underwriting Agreement, other than the Rights Shares agreed to be taken up by it pursuant to the Irrevocable Undertaking.

As at the date of this announcement, the Underwriter is interested in 414,842,000 Shares, representing approximately 40.51% of the issued share capital of the Company. Pursuant to the Irrevocable Undertaking, the Underwriter has, among other things, irrevocably undertaken to the Company that it will take up an aggregate of 207,421,000 Rights Shares, representing its full entitlement to the new Shares under the Rights Issue, and not deliver any EAFs.

## **TRADING ARRANGEMENTS**

The last day of dealings in the Shares on a cum-rights basis is expected to be on Thursday, 7 April 2016. The Shares are expected to be dealt in on an ex-rights basis from Friday, 8 April 2016.

To qualify for the Rights Issue, a Shareholder must be registered as a member of the Company as at the Record Date (currently Thursday, 14 April 2016) and be a Qualifying Shareholder. The register of members of the Company will be closed from Tuesday, 12 April 2016 to Thursday, 14 April 2016 (both dates inclusive) during which period no transfer of Shares will be registered. In order to be registered as a member of the Company as at the Record Date, all transfer documents of the Shares must be lodged (together with the relevant Share certificates) with Computershare Hong Kong Investor Services Limited by 4:30 p.m. (Hong Kong time) on Monday, 11 April 2016. For further details, please refer to the section headed "Expected Timetable" in this announcement.

## **GENERAL**

As the proposed Rights Issue will not increase the issued share capital or the market capitalisation of the Company by more than 50.00%, the Rights Issue is not subject to the approval of the Shareholders in a general meeting under the Listing Rules. The Prospectus Documents setting out details of the Rights Issue will be despatched to the Shareholders as soon as practicable.

The Underwriter is a company wholly-owned by Dr. Charles Yeung, SBS, JP and Mr. Yeung Chun Fan. Under the Listing Rules, the Underwriter is an associate of Dr. Charles Yeung, SBS, JP and therefore also of Mr. Yeung Chun Fan. Dr. Charles Yeung, SBS, JP and Mr. Yeung Chun Fan are Directors and substantial shareholders of the Company. They and the Underwriter are therefore connected persons of the Company under the Listing Rules and the contemplated underwriting of the Rights Issue is a connected transaction.

Pursuant to Rules 14A.92(1) and 14A.92(2)(b) of the Listing Rules, the Underwriter in its capacity as an underwriter of the Rights Issue will subscribe for Rights Shares not taken up by Qualifying Shareholders and in its capacity as a Shareholder will take up its full entitlements to Rights Shares and will not deliver any EAFs. Further, the Company has made arrangements for Qualifying Shareholders to apply for Rights Shares in excess of their entitlements under the Rights Issue in accordance with Rule 7.21 of the Listing Rules. The highest applicable percentage ratio for the Underwriter's commission payable by the Company is less than 0.1%. Thus, the Rights Issue, the underwriting and the Underwriter's taking up of its entitlements is exempt from the reporting, announcement and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

#### **WARNING OF THE RISKS OF DEALINGS IN SHARES AND THE NIL PAID RIGHTS SHARES**

**It should be noted that the Rights Issue is conditional upon several conditions, details of which are set out in the section headed "Underwriting – Conditions of the Rights Issue" in the full text of this announcement. The obligation of the Underwriter to underwrite the relevant Rights Shares is conditional on (i) the satisfaction (or waiver) of, among other things, the conditions referred to in the section headed "Underwriting – Conditions of the Rights Issue" in this announcement, and (ii) the Underwriting Agreement not being terminated by the Underwriter in accordance with its terms. If the conditions are not fulfilled (or waived) or the Underwriting Agreement is terminated pursuant to its terms, the Rights Issue will not proceed.**

**Any Shareholder or other person dealing in Shares up to the date on which all the conditions to which the Rights Issue is subject are fulfilled (and the date on which the Underwriter's right of termination of the Underwriting Agreement ceases) and any person dealing in the nil-paid Rights Shares during the period from Tuesday, 19 April 2016 to Wednesday, 4 May 2016 (both dates inclusive) will bear the risk that the Rights Issue may not become unconditional or may not proceed. If in any doubt, Shareholders and potential investors are recommended to consult their professional advisers. Shareholders and potential investors should exercise caution in dealing in the securities of the Company.**

## **PROPOSED RIGHTS ISSUE**

The Company proposes to raise equity capital by way of the Rights Issue on the principal terms set out below.

### **Issue Statistics**

Basis of the Rights Issue	: one Rights Share for every two Existing Shares
Number of Shares in issue as at the date of this announcement	: 1,024,056,000 Shares
Number of outstanding Share Options	: The Company has 43,270,000 outstanding Share Options as at the date of this announcement, of which 4,000,000 Share Options are exercisable on or before the Record Date.  Other than the Share Options, the Company has no outstanding options, warrants or other securities convertible into or giving rights to subscribe for Shares as at the date of this announcement.
	Assuming no further grant of Share Options by the Company and full exercise of the Share Options exercisable on or before the Latest Exercise Time, a total of 4,000,000 new Shares would fall to be allotted and issued, which would result in the allotment and issue of 2,000,000 additional Rights Shares.
Minimum number of Rights Shares	: 512,028,000 Rights Shares (assuming no Shares are allotted and issued or repurchased on or before the Record Date)
Maximum number of Rights Shares	: 514,028,000 Rights Shares (assuming new Shares are allotted and issued on or before the Record Date pursuant to the full exercise of all the Share Options exercisable on or before the Record Date, but otherwise no Shares are allotted and issued or repurchased on or before the Record Date)
Subscription price	: HK\$0.90 per Rights Share

Minimum enlarged issued share capital of the Company upon completion of the Rights Issue	: 1,536,084,000 Shares (based on the number of Shares in issue as at the date of this announcement and assuming no Shares (other than the Rights Shares) are allotted and issued or repurchased on or before the completion of the Rights Issue)
Maximum enlarged issued share capital of the Company upon completion of the Rights Issue	: 1,542,084,000 (based on the number of Shares in issue as at the date of this announcement and assuming new Shares are allotted and issued on or before the Record Date pursuant to the full exercise of all the Share Options exercisable on or before the Record Date, but otherwise no Shares (other than the Rights Shares) are allotted and issued or repurchased on or before the completion of the Rights Issue)

The minimum number of 512,028,000 nil-paid Rights Shares proposed to be provisionally allotted pursuant to the terms of the Rights Issue represent approximately 50.00% of the Company's issued share capital as at the date of this announcement and approximately 33.33% of the issued share capital of the Company as enlarged by the allotment and issue of the Rights Shares, assuming no Shares (other than the Rights Shares) are allotted and issued or repurchased on or before the completion of the Rights Issue.

As the proposed Rights Issue will not increase the issued share capital or the market capitalisation of the Company by more than 50.00%, the Rights Issue is not subject to the approval of the Shareholders in a general meeting under the Listing Rules.

### **Qualifying Shareholders**

The Company expects to send the Prospectus Documents to the Qualifying Shareholders on or before Friday, 15 April 2016. To the extent reasonably practicable, the Company will send copies of the Prospectus to the Non-Qualifying Shareholders (if any) and, if required by the terms of the Share Option Scheme, to the holders of the Share Options for their information only, but will not send any PAL or EAF to them.

The Rights Issue is only available to the Qualifying Shareholders. To qualify for the Rights Issue, a Shareholder or an investor must: (i) be registered as a member of the Company on the Record Date; and (ii) not be a Non-Qualifying Shareholder.

The last day for dealing in the Shares on a cum-rights basis is Thursday, 7 April 2016. The Shares will be dealt with on an ex-rights basis from Friday, 8 April 2016.

In order to be registered as a member of the Company on the Record Date so as to qualify for the Rights Issue, any transfers of Shares (together with the relevant share certificate(s)) 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, 11 April 2016.

Holders of the Share Options who wish to participate in the Rights Issue should exercise the Share Options in accordance with the terms thereof on or prior to the Latest Exercise Time.

The latest time for acceptance is expected to be 4:00 p.m. on the Acceptance Date.

Qualifying Shareholders who take up their pro rata entitlement in full will not suffer any dilution to their interests in the Company (except in relation to any dilution resulting from the taking up by third parties of any Rights Shares arising from the aggregation of fractional entitlements). If a Qualifying Shareholder does not take up any of his/her/its entitlement in full under the Rights Issue, his/her/its proportionate shareholding in the Company will be diluted.

### **Closure of Register of Members**

For the purpose of determining entitlements to the Rights Issue, the register of members of the Company will be closed from Tuesday, 12 April 2016 to Thursday, 14 April 2016, both dates inclusive. No transfer of Shares will be registered during this period.

### **Non-qualifying Shareholders**

As at the date of this announcement, there were no Overseas Shareholders. Therefore, the Prospectus Documents are not intended to be registered or filed under the applicable securities legislation or equivalent legislation of any jurisdictions other than Hong Kong.

However, if there are as at the Record Date Overseas Shareholders, the Company will make enquiries regarding the feasibility of extending the Rights Issue to the Overseas Shareholders, bearing in mind Rule 13.36(2)(a) of the Listing Rules, and will only exclude from the Rights Issue the Overseas Shareholders whom the Directors, after making enquiries, consider necessary or expedient to exclude on account of either the legal restrictions under the laws of the relevant jurisdictions or any requirements of the relevant regulatory bodies or stock exchanges in such jurisdictions. The basis of exclusion of the Non-Qualifying Shareholders from the Rights Issue, if any, will be disclosed in the Prospectus.

The Company will not offer Rights Shares to Non-Qualifying Shareholders, if any, and will make no provisional allotment of Rights Shares to them. The Company will, subject to the advice of the Company's legal advisers in the relevant jurisdiction(s) where the Non-Qualifying Shareholders are located and to the extent reasonably practicable, send copies of the Prospectus to the Non-Qualifying Shareholders for their information only, but the Company will not send any PAL and EAF to them.

Arrangements will be made for any Rights Shares which would otherwise have been provisionally allotted to the Non-Qualifying Shareholders (had they been Qualifying Shareholders) to be sold in the market in their nil-paid form as soon as practicable after dealings in the nil-paid Rights Shares commence and in any event before dealings in the nil-paid Rights Shares end, if a premium in excess of all expenses of sale can be obtained. The aggregate net proceeds of such sale will be distributed by the Company to the Non-Qualifying Shareholders (pro-rata to their respective shareholdings on the Record Date) in Hong Kong dollars, provided that if any of such Non-Qualifying Shareholders would be entitled to a sum not exceeding HK\$100, such sum will be retained by the Company for its own benefit. Any unsold nil-paid Rights Shares to which such Non-Qualifying Shareholders would otherwise have been entitled will be made available for excess application by the Qualifying Shareholders under the EAFs.

Overseas Shareholders and beneficial owners of the Shares who are residing outside Hong Kong should note that they may or may not be entitled to the Rights Issue subject to the results of the enquiries made by the Board pursuant to Rule 13.36(2)(a) of the Listing Rules. The Company reserves the right to treat as invalid any acceptance of or applications for Rights Shares where it believes that such acceptance or application would violate the applicable securities or other laws or regulations of any territory or jurisdiction. Accordingly, Overseas Shareholders and beneficial owners of the Shares who are residing outside Hong Kong should exercise caution when dealing in the Shares.

### **Subscription Price**

The subscription price for the Rights Shares is HK\$0.90 per Rights Share, payable in full upon acceptance of the relevant provisional allotment of Rights Shares or, where applicable, upon application for excess Rights Shares under the Rights Issue or when a transferee of nil-paid Rights Shares applies for Rights Shares.

The Subscription Price represents:

- (a) a discount of approximately 11.76% to the Last Closing Price;
- (b) a discount of approximately 8.16% to the theoretical ex-rights price of HK\$0.98 per Share, which is calculated on the basis of the Last Closing Price;

- (c) a discount of approximately 12.28% to the average of the closing prices per Share for the five trading days ending on the Last Trading Day of approximately HK\$1.026; and
- (d) a discount of approximately 12.11% to the average of the closing prices per Share for the ten trading days ending on the Last Trading Day of approximately HK\$1.024.

The Subscription Price was arrived at with reference to the market environment and prevailing Share price. After taking into consideration the reasons for the Rights Issue as stated in the section headed “Reasons for the Rights Issue and Use of Proceeds” below, the Directors consider the terms of the Rights Issue, including the Subscription Price (and the discounts to the relative values as indicated above) and in the context of the Company’s long-term business strategy, to be fair and reasonable and in the interests of the Company and the Shareholders as a whole.

### **Basis of Provisional Allotment**

The basis of the provisional allotment shall be one Rights Share for every two Existing Shares. Application for all or any part of a Qualifying Shareholder’s provisional allotment should be made by completing the PAL and lodging the same with a remittance for the Rights Shares being applied for with the Company’s share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, on or before 4:00 p.m. on the Acceptance Date. No odd lot matching services will be provided.

### **Fractional Entitlements to the Rights Shares**

The Company will not provisionally allot and issue and will not accept application for any fraction of the Rights Shares and the entitlements of the Qualifying Shareholders will be rounded down to the nearest whole number. All fractions of Rights Shares will be aggregated (rounded down to the nearest whole number). All nil-paid Rights Shares arising from such aggregation will be made available for excess application by the Qualifying Shareholders under the EAFs.

### **Share Certificates and Refund Cheques for the Rights Issue**

Subject to the fulfillment of the conditions of the Rights Issue, share certificates for all fully-paid Rights Shares are expected to be posted on Tuesday, 17 May 2016 to those who have accepted and (where applicable) applied for, and paid for, the Rights Shares by ordinary post at their own risk. Refund cheques in respect of wholly or partially unsuccessful applications for excess Rights Shares (if any) are expected to be posted on Tuesday, 17 May 2016 by ordinary post to the applicants at their own risk.

## **Status of the Rights Shares**

The Rights Shares, when allotted, issued and fully paid, will rank pari passu in all respects with the Shares then in issue such that holders of fully-paid Rights Shares will be entitled to receive all future dividends and distributions the record dates of which are on or after the date of allotment and issue of the fully-paid Rights Shares.

## **Application for Excess Rights Shares**

Qualifying Shareholders may apply, by way of excess application, for Rights Shares representing:

- (a) unsold entitlements of the Non-Qualifying Shareholders (if any);
- (b) entitlements provisionally allotted but not validly accepted by the Qualifying Shareholders or otherwise subscribed for by renouncees or transferees of nil-paid Rights Shares; and
- (c) aggregate fractional entitlements of nil-paid Rights Shares.

Applications for excess Rights Shares should be made only by completing an EAF and lodging the same with a separate remittance for the excess Rights Shares being applied for. If a Qualifying Shareholder wishes to apply for any Rights Shares in addition to his/her/its provisional allotment, he/she/it must complete and sign an EAF and lodge it, together with a separate remittance for the amount payable on application in respect of the excess Rights Shares applied for, 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 by a time which is currently expected to be 4:00 p.m. on Monday, 9 May 2016, or such later time and/or date as may be agreed between the Company and the Underwriter.

The Board will allocate the excess Rights Shares at its discretion on a fair and equitable basis in proportion to the number of excess Rights Shares being applied for under each application. However, no preference will be given to topping-up odd lots to whole board lots. Shareholders who have been offered odd lots of the Rights Shares should note that there is no guarantee that such odd lots of the Rights Shares will be topped up to create whole board lots pursuant to applications for excess Rights Shares. Any Rights Shares not applied for by the Qualifying Shareholders will be taken up by the Underwriter.

Investors with their Shares held by a nominee company (or which are deposited in CCASS) should note that the Board will regard the nominee company (including HKSCC Nominees Limited) as a single Shareholder according to the register of members of the Company. Accordingly, the Shareholders should note that the aforesaid arrangement in relation to the allocation of the excess Rights Shares will not be extended to beneficial owners individually. Investors with their Shares held by a

nominee company (or which are deposited in CCASS) are advised to consider whether they would like to arrange for the registration of the relevant Shares in their own names as the beneficial owner(s) on or prior to the Record Date.

Investors whose Shares are held by their nominee(s) (or which are deposited in CCASS) and who would like to have their names registered on the register of members of the Company on the Record Date, must lodge all necessary documents with the Company's share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, for completion of the relevant registration by 4:30 p.m. on Monday, 11 April 2016.

### **Application for Listing**

The Company will apply to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Rights Shares in both nil-paid and fully-paid forms. The nil-paid Rights Shares shall have the board lot size as the existing board lot size of the Shares, namely, 2,000 in one board lot. Dealings in the Rights Shares in their nil-paid and fully-paid forms will be subject to the payment of stamp duty and any other applicable fees and charges in Hong Kong.

### **Rights Shares will be Eligible for Admission into CCASS**

Subject to the granting of the listing of, and permission to deal in, the Rights Shares in both their nil-paid and fully-paid forms on the Stock Exchange as well as compliance with the stock admission requirements of Hong Kong Securities Clearing Company Limited ("HKSCC"), the Rights Shares in both their nil-paid and fully-paid forms will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the respective commencement dates of dealings in the Rights Shares in both their nil-paid and fully-paid forms on the Stock Exchange or such other dates as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second settlement day after the date of the transaction. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time. Shareholders should seek advice from their stockbrokers or other professional advisers for details of those settlement arrangements and how such arrangements will affect their rights and interests.

### **IRREVOCABLE UNDERTAKING**

As at the date of this announcement, the Underwriter, is interested in 414,842,000 Shares, representing approximately 40.51% of the issued share capital of the Company. Pursuant to the Irrevocable Undertaking, the Underwriter has, among other things, irrevocably undertaken to the Company that it will take up an aggregate of 207,421,000 Rights Shares, representing its full entitlement to the new Shares under the Rights Issue, and not deliver any EAFs.

Other than the Underwriter, the Company has not received any undertakings from any other Shareholders to subscribe for all or any of the Rights Shares to be provisionally allotted to them.

## **UNDERWRITING**

### **The Underwriting Agreement**

Date : 29 March 2016

Parties : The Company and the Underwriter

It is not in the ordinary course of business of the Underwriter to underwrite shares.

Number of underwritten Rights Shares : Not more than 306,607,000 and not less than 304,607,000 Rights Shares, with the actual number being equal to (A) the aggregate number of Rights Shares determined on the Record Date (which will depend on the aggregate number of additional Shares issued and allotted to holders of Share Options (if any) on or before the Latest Exercise Time) (B) less the aggregate number of Rights Shares undertaken to be taken up by it pursuant to the Irrevocable Undertaking (being 207,421,000 Rights Shares), and assuming no other Shares are otherwise allotted and issued or repurchased before the Record Date

Underwriter's commission : HK\$100,000

The Board considers the terms of the Underwriting Agreement, including the commission payable by the Company, while not in the Group's ordinary and usual course of business, are on normal commercial terms (or better to the Company), fair and reasonable and in the interests of the Company and the Shareholders as a whole.

The Underwriter is a company wholly-owned by Dr. Charles Yeung, SBS, JP and Mr. Yeung Chun Fan. Under the Listing Rules, the Underwriter is an associate of Dr. Charles Yeung, SBS, JP and Mr. Yeung Chun Fan. Dr. Charles Yeung, SBS, JP and Mr. Yeung Chun Fan are Directors and substantial shareholders of the Company. They and the Underwriter are therefore connected persons of the Company under the Listing Rules and the contemplated underwriting of the Rights Issue is a connected transaction.

Pursuant to Rules 14A.92(1) and 14A.92(2)(b) of the Listing Rules, the Underwriter in its capacity as an underwriter of the Rights Issue will subscribe for Rights Shares not taken up by Qualifying Shareholders and in its capacity as a Shareholder will be taking up its full entitlements to the new Shares under the Rights Issue and will not deliver any EAFs. Further, the Company has made arrangements for Qualifying Shareholders to apply for Rights Shares in excess of their entitlements under the Rights Issue in accordance with Rule 7.21 of the Listing Rules. The highest applicable percentage ratio for the Underwriter's commission payable by the Company is less than 0.1%. Thus, the Rights Issue, the underwriting and the Underwriter's taking up of its entitlements are exempt from the reporting, announcement and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

### **Conditions of the Rights Issue**

The Rights Issue is conditional, among other things, upon fulfillment (or waiver, if permitted by the terms of the Underwriting Agreement) of the following conditions:

- (a) the issue by (1) the Stock Exchange of a certificate of authorisation of registration in respect of, and (2) the registration of one duly signed copy (by every Director or his/her agent authorised in writing) of, each of the Prospectus Documents (and all other documents required by Section 342C of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32 of the Laws of Hong Kong) to be attached thereto) by the Registrar of Companies in Hong Kong on or about to the Prospectus Posting Date;
- (b) the Underwriter receiving:
  - i. a certified copy of the resolution(s) of the Board approving and authorising the issue of this announcement and the execution of the Underwriting Agreement not later than the business day following the execution of the Underwriting Agreement; and
  - ii. all relevant documents to be provided by the Company by the times specified in the Underwriting Agreement on or before the day on which the Prospectus Documents are filed with the Registrar of Companies in Hong Kong;
- (c) the posting on the Prospectus Posting Date of the Prospectus Documents to Qualifying Shareholders; and
- (d) the Listing Committee of the Stock Exchange granting or agreeing to grant, in writing, listing of and permission to deal in the Rights Shares in nil-paid and fully-paid forms (subject only to allotment and despatch of the appropriate documents of title) at or prior to the first trading day of the Rights Shares in nil-paid form and such grant or agreement to grant not being withdrawn or revoked prior to the Settlement Date.

The Company shall use its reasonable endeavours to procure the fulfilment of the conditions set above by or at the time and/or date specified (or if no time or date is specified, the Latest Time for Termination), or such later time(s) as the Company and the Underwriter may agree in writing, provided such date is not later than 30 days after the Prospectus Posting Date.

If any of the conditions set out above have not been fulfilled, or waived (with respect to condition (b), generally or any part thereof) by the Underwriter, in all respects by or at the time and/or date specified therefore (or if no time or date is specified, the Latest Time for Termination) the obligations of the Underwriter and (save as hereinafter referred to) the Company under the Underwriting Agreement shall terminate and cease and no party shall have any claim against any other party in respect of any matter or thing arising out of or in connection with the Underwriting Agreement save in respect of any antecedent breach of any obligation under it.

### **Termination of the Underwriting Agreement**

If any time prior to the Latest Time for Termination:

- (a) there comes to the notice of the Underwriter or it shall have reasonable cause to believe that any of the undertakings or other obligations expressed to be assumed by or imposed on the Company under the Underwriting Agreement have not been complied with in any material respect;
- (b) there comes to the notice of the Underwriter or it shall have reasonable cause to believe that (i) any of the representations or warranties given by the Company under the Underwriting Agreement was or is untrue, incorrect, incomplete or misleading in any material respect, or (ii) any event has occurred or matter has arisen, which, if it had occurred or arisen before the date of the Underwriting Agreement or before the dates or before any time on which the representations and warranties are deemed to be given under the Underwriting Agreement would render any of those representations warranties untrue, incorrect, incomplete or misleading in any material respect;
- (c) (i) the Prospectus Documents, when published, would contain information which would be untrue, inaccurate, incomplete or misleading in any material respect, (ii) matters have arisen or been discovered which would, if the Prospectus Documents were to be issued at the time, render any information contained therein to be untrue, inaccurate, incomplete or misleading in any material respect, (iii) matters have arisen or been discovered which would, if the Prospectus Documents were to be issued at the time, constitute a material omission therefrom, or (iv) there is any adverse change in the business or in the financial or trading position or prospects of the Group which in the reasonable opinion of the Underwriter is material in the context of the issue of the Rights Shares;

- (d) there develops, occurs, exists or comes into effect any events, including:
- i. the introduction of any new law or regulation or any change in existing laws or regulations (or any change in the judicial interpretation thereof) whether in Hong Kong or Bermuda;
  - ii. any adverse change or deterioration (whether or not permanent) in local, national or international economic, financial, political or military conditions or any event beyond the control of the Company;
  - iii. any adverse change or deterioration (whether or not permanent) in local, national or international securities market conditions;
  - iv. without prejudice to sub-paragraphs (ii) and (iii) above, the imposition of any moratorium, suspension or material restriction on trading in securities generally on the Stock Exchange due to exceptional financial or political circumstances or otherwise;
  - v. any suspension in the trading of Shares on the Stock Exchange for a continuous period of ten (10) business days (other than any suspension for the purpose of obtaining clearance from the Stock Exchange for the publication of this announcement or any other announcements relating to the Rights Issue),

and in the reasonable opinion of the Underwriter (aa) the success of the Rights Issue or the business or financial condition or prospects of the Group would be materially and adversely affected; or (bb) which makes it inadvisable or inexpedient to proceed with the Rights Issue; or (cc) which would have the effect of making any part of the Underwriting Agreement (including underwriting) incapable of performance in accordance with its terms,

then in any such case the Underwriter may by notice in writing to the Company terminate the Underwriting Agreement.

**Upon termination of the Underwriting Agreement, the obligations of the Underwriter and the Company under the Underwriting Agreement shall terminate and cease and no party shall have any claim against any other party in respect of any matter or thing arising out of or in connection with the Underwriting Agreement save in respect of any antecedent breach of any obligation under it.**

## **WARNING OF THE RISKS OF DEALING IN SHARES AND THE NIL PAID RIGHTS SHARES**

The Rights Issue is conditional upon, details of which are set out in the section headed “Underwriting – Conditions of the Rights Issue” in the full text of this announcement. The obligation of the Underwriter to underwrite the relevant Rights Shares is conditional on (i) the satisfaction (or waiver) of, among other things, the conditions referred to in the section headed “Underwriting – Conditions of the Rights Issue” in this announcement, and (ii) the Underwriting Agreement not being terminated by the Underwriter in accordance with its terms. If the conditions are not fulfilled (or waived) or the Underwriting Agreement is terminated pursuant to its terms, the Rights Issue will not proceed.

The last day of dealings in the Shares on a cum-rights basis is expected to be on Thursday, 7 April 2016. The Shares are expected to be dealt in on an ex-rights basis from Friday, 8 April 2016. If the conditions of the Rights Issue are not fulfilled (or waived), the Underwriting Agreement will terminate and the Rights Issue will not proceed. If the Underwriting Agreement is terminated by the Underwriter, the Rights Issue also will not proceed.

Any Shareholder or other person dealing in Shares up to the date on which all the conditions to which the Rights Issue is subject are fulfilled (and the date on which the Underwriter’s right of termination of the Underwriting Agreement ceases) and any person dealing in the nil-paid Rights Shares during the period from Tuesday, 19 April 2016 to Wednesday, 4 May 2016 (both dates inclusive) will bear the risk that the Rights Issue may not become unconditional or may not proceed. If in any doubt, Shareholders and potential investors are recommended to consult their professional advisers. Shareholders and potential investors should exercise caution in dealing in the securities of the Company.

## **EXPECTED TIMETABLE**

*2016*

Last day of dealings in Shares on a cum-rights basis ..... Thursday, 7 April

Latest Exercise Time ..... 4:30 p.m. Thursday, 7 April

First day of dealings in Shares on an ex-rights basis ..... Friday, 8 April

Latest time for lodging transfers of Shares in order to qualify for the Rights Issue ..... 4:30 p.m. Monday, 11 April

Register of members closes (both dates inclusive) ..... Tuesday, 12 April to Thursday, 14 April

Record Date ..... Thursday, 14 April

Prospectus Documents expected to be dispatched on ..... Friday, 15 April

Register of members re-opens ..... Friday, 15 April

First day of dealings in nil-paid rights ..... Tuesday, 19 April

Latest time for splitting of nil-paid rights ..... 4:30 p.m. Thursday, 28 April

Last day of dealings in nil-paid rights ..... Wednesday, 4 May

Latest time for acceptance of and payment for  
Rights Shares and application and payment  
for excess Rights Shares ..... 4:00 p.m. Monday, 9 May

Latest time for termination of the  
Underwriting Agreement ..... 4:00 p.m. Wednesday, 11 May

Publication of the announcement of results of  
acceptance and excess application of Rights Issue ..... Monday, 16 May

Refund cheques in respect of unsuccessful or  
partially successful application for excess  
Rights Shares expected to be dispatched on or before ..... Tuesday, 17 May

Certificates for Rights Shares expected to be  
dispatched on or before ..... Tuesday, 17 May

Expected commencement of dealings in Rights Shares ..... Wednesday, 18 May

*Note:* All dates and times referred to in this announcement are Hong Kong dates and times. Dates or deadlines specified in this announcement for events in the timetable for (or otherwise in relation to) the Rights Issue are indicative only and may be extended or varied by agreement between the Company and the Underwriter. Further announcement will be made in the event that there is any change to the expected timetable for the Rights Issue.

## SHAREHOLDING IN THE COMPANY

To the best knowledge, belief and information of the Directors, the below table sets out the shareholding in the Company (1) as at the date of this announcement and (2) immediately after the completion of the Rights Issue (assuming all exercisable Share Options are exercised before the Latest Exercise Time, but that there is no other issue of new Shares on or before the Record Date):

Shareholders	Immediately after completion of the Rights Issue					
	Existing shareholding as at the date of this announcement		Assuming all Rights Shares will be taken up by Qualifying Shareholders		Assuming no Rights Shares will be taken up by Qualifying Shareholders, other than the Underwriter	
	Shares	Approximately	Shares	Approximately	Shares	Approximately
Underwriter (Note 1)	414,842,000	40.51%	622,263,000	40.35%	928,870,000 (Note 6)	60.23%
Advancetex Holdings (BVI) Limited (Note 2)	138,540,000	13.53%	207,810,000	13.48%	138,540,000	8.98%
G. S. Strategic Investment Limited (Note 3)	2,700,000	0.26%	4,050,000	0.26%	2,700,000	0.18%
Shares held solely by Mr. Yeung Chun Fan	1,000,000	0.10%	1,500,000	0.10%	1,000,000	0.06%
Shares jointly held by Dr. Charles Yeung, SBS, JP and Mr. Yeung Chun Fan (Note 4)	31,000,000	3.03%	46,500,000	3.02%	31,000,000	2.01%
Ms. Cheung Wai Yee (Note 5)	6,730,000	0.66%	10,095,000	0.65%	6,730,000	0.44%
Mr. Yeung Chun Fan's sons	96,000,000	9.37%	144,000,000	9.34%	96,000,000	6.23%
<b>Subtotal</b>	<b>690,812,000</b>	<b>67.46%</b>	<b>1,036,218,000</b>	<b>67.20%</b>	<b>1,204,840,000</b>	<b>78.13%</b>
<b>Other Directors:</b>						
Mr. Pau Sze Kee, Jackson	9,370,000	0.92%	14,055,000	0.91%	9,370,000	0.61%
Mr. Hui Chung Shing, Herman, SBS, MH, JP	6,250,000	0.61%	9,375,000	0.61%	6,250,000	0.41%
Mr. Lau Hon Chuen, Ambrose, GBS, JP	956,000	0.09%	1,434,000	0.09%	956,000	0.06%
Dr. Chung Shui Ming, Timpson, GBS, JP	408,000	0.04%	612,000	0.04%	408,000	0.03%
<b>Subtotal</b>	<b>16,984,000</b>	<b>1.66%</b>	<b>25,476,000</b>	<b>1.65%</b>	<b>16,984,000</b>	<b>1.10%</b>
Public Shareholders	316,260,000	30.88%	474,390,000	30.76%	316,260,000	20.51%
Holders of Share Options (Note 7)	-	-	6,000,000	0.39%	4,000,000	0.26%
<b>Subtotal</b>	<b>316,260,000</b>	<b>30.88%</b>	<b>480,390,000</b>	<b>31.15%</b>	<b>320,260,000</b>	<b>20.77%</b>
<b>Total</b>	<b>1,024,056,000</b>	<b>100.00%</b>	<b>1,542,084,000</b>	<b>100.00%</b>	<b>1,542,084,000</b>	<b>100.00%</b>

*Notes:*

*Note 1:* The entire issued voting share capital of the Underwriter is held as to 51.93% by Dr. Charles Yeung, SBS, JP and as to 48.07% by Mr. Yeung Chun Fan. Mr. Yeung Chun Fan is a brother of Dr. Charles Yeung, SBS, JP.

*Note 2:* The entire issued voting share capital of Advancetex Holdings (BVI) Limited is held as to 51.93% by Dr. Charles Yeung, SBS, JP and as to 48.07% by Mr. Yeung Chun Fan.

*Note 3:* The entire issued voting share capital of G. S. Strategic Investment Limited is held as to 50.00% by each of Dr. Charles Yeung, SBS, JP and Mr. Yeung Chun Fan.

*Note 4:* These shares are held by Dr. Charles Yeung, SBS, JP and Mr. Yeung Chun Fan jointly.

*Note 5:* Ms. Cheung Wai Yee is the spouse of Mr. Yeung Chun Fan.

*Note 6:* Assuming the Underwriter is required to underwrite the maximum Rights Shares, being 306,607,000.

*Note 7:* Assuming all 4,000,000 exercisable Share Options are exercised on or before the Latest Exercise Time. None of the holders of the Share Options are a director, chief executive or substantial shareholder of the Company, or an associate (as defined in the Listing Rules) of any of them.

The above scenarios are for illustrative purpose only. If the Underwriter is required to take up in full the Rights Shares it is underwriting upon completion of the Rights Issue, there may not be sufficient public float for the Shares as required by Rule 8.08 of the Listing Rules.

If there are less than 25% of the Shares in public hands following completion of the Rights Issue, the Company and the Underwriter will take appropriate steps to ensure that a sufficient public float exists for the Shares as soon as practicable after completion of the Rights Issue and in any event within such period of time as the Stock Exchange may agree. Such steps may include the Underwriter placing down its shareholding in the Company to independent third parties.

## **REASONS FOR THE RIGHTS ISSUE AND USE OF PROCEEDS**

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

The Directors believe that it is in the interests of the Company and the Shareholders as a whole to raise long-term equity funding via the proposed Rights Issue to strengthen the Company's financial position and increase its general working capital for its future business development. **However, those Qualifying Shareholders who do not take up the Rights Shares to which they are entitled and the Non-Qualifying Shareholder(s) should note that their shareholdings in the Company will be diluted.**

The Rights Issue will better enhance the Company's ability to fund and develop the Group's business. On this basis, the Directors consider that it is in the interests of the Company and the Shareholders as a whole to raise capital through the Rights Issue.

The estimated net proceeds of the Rights Issue will not be less than approximately HK\$458.8 million, with approximately 50% of it (being approximately HK\$230.0 million) intended to be used for repayment of bank loans and the balance of approximately HK\$228.8 million to be used for general working capital (and future investment opportunities, if suitable opportunities arise). The net subscription price per Rights Share is expected to be approximately HK\$0.896.

The estimated expenses of the Rights Issue (including professional fees and other related expenses) amount to approximately HK\$2.0 million and will be borne by the Company.

### **Possible Adjustments to the Share Options**

If the Rights Issue becomes unconditional, the exercise prices of, and/or the number or nominal amount of Shares subject to the outstanding Share Options may be adjusted in accordance with the terms and conditions of the Share Option Scheme. The Company will consult with its auditor on the appropriate adjustment(s) and the date they are expected to take effect (if any) and make further announcements in due course.

### **PREVIOUS FUND RAISING EXERCISE OF THE COMPANY**

The Company has not undertaken any equity fund raising exercise in the past 12 months ending on the date of this announcement.

### **DEFINITIONS**

Unless the context otherwise requires, the following expressions have the following meanings in this announcement:

“Acceptance Date”	the last business day on which payment for and acceptance of the Rights Shares can be made under the Rights Issue, which shall be Monday, 9 May 2016 (or such later date as may be agreed in writing between the Company and the Underwriter);
“Board”	The board of Directors;
“business day”	a day (other than a Saturday or Sunday) on which commercial banks in Hong Kong are generally open for business;
“CCASS”	the Central Clearing and Settlement System established and operated by Hong Kong Securities Clearing Company Limited;

“Company”	Glorious Sun Enterprises Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the main board of the Stock Exchange;
“connected person”	has the meaning ascribed to it under the Listing Rules;
“controlling shareholder”	has the meaning ascribed to it under the Listing Rules;
“Director(s)”	the director(s) of the Company;
“EAF(s)”	the excess application form(s) for additional Rights Shares proposed to be issued to the Qualifying Shareholders;
“Existing Shares”	the Shares which are in issue on the Record Date;
“Group”	the Company and its subsidiaries;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Irrevocable Undertaking”	the irrevocable undertaking under the Underwriting Agreement given by the Underwriter in favour of the Company to take up 207,421,000 Rights Shares;
“Last Closing Price”	the closing price of HK\$1.020 per Share as quoted on the Stock Exchange on the Last Trading Day;
“Latest Exercise Time”	4:30 p.m. on Thursday, 7 April 2016, being the latest time for holders of Share Options to exercise their Share Options in order for them to qualify for the Rights Issue;
“Last Trading Day”	Thursday, 24 March 2016, being the last trading day of the Shares on the Stock Exchange immediately preceding the release of this announcement;
“Latest Time for Termination”	4:00 p.m. on Wednesday, 11 May 2016;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;

“Non-Qualifying Shareholder(s)”	those Overseas Shareholder(s) in respect of whom the Directors, based on legal opinions obtained by the Company, consider it necessary or expedient not to offer Rights Shares on account either of the legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place;
“Overseas Shareholder(s)”	Shareholder(s) whose name(s) appear(s) on the register of members of the Company at the close of business on the Record Date and whose registered address(es) as shown on such register is/are outside Hong Kong;
“PAL(s)”	the renounceable provisional allotment letter(s) representing the Rights Shares proposed to be issued to the Qualifying Shareholders under the Rights Issue;
“PRC”	the People’s Republic of China, which for the purpose of this announcement excludes Hong Kong, Macau and Taiwan;
“Prospectus”	the prospectus relating to the issue of the Rights Shares to be despatched on the Prospectus Posting Date to the Qualifying Shareholders and, for information only, to the Non-Qualifying Shareholders, under the Rights Issue;
“Prospectus Documents”	the Prospectus, PAL and EAF;
“Prospectus Posting Date”	the business day on which the Prospectus Documents will be despatched to Shareholders, which is now expected to be Friday, 15 April 2016 (or such other date to be agreed in writing between the Company and the Underwriter);
“Qualifying Shareholder(s)”	Shareholder(s), other than the Non-Qualifying Shareholders, whose name(s) appear(s) on the register of members of the Company at the close of business on the Record Date;
“Record Date”	the record date by reference to which entitlements to the Rights Issue will be determined, which is now expected to be Thursday, 14 April 2016 (or such other date to be agreed in writing between the Company and the Underwriter);

“Rights Issue”	the issue by way of rights of one Rights Share for every two Existing Shares at the Subscription Price, payable in full on acceptance;
“Rights Share(s)”	not more than 514,028,000 and not less than 512,028,000 Shares, being the new Share(s) to be allotted and issued by way of rights to the Qualifying Shareholders under the Rights Issue, the exact number of which shall be determined on the Record Date, having an aggregate nominal value of not more than HK\$51,402,800 and not less than HK\$51,202,800;
“Settlement Date”	11 May 2016;
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company;
“Shareholder(s)”	holder(s) of Share(s);
“Share Option(s)”	the share option(s) granted by the Company pursuant to the Share Option Scheme;
“Share Option Scheme”	the share option scheme of the Company adopted on 1 September 2005 and terminated on 2 June 2015;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Subscription Price”	HK\$0.90 per Rights Share;
“subsidiary(ies)”	has the meaning ascribed to it under the Listing Rules;
“Underwriter”	Glorious Sun Holdings (BVI) Limited, a company incorporated under the laws of the British Virgin Islands and wholly-owned by Dr. Charles Yeung, SBS, JP and Mr. Yeung Chun Fan;
“Underwriting Agreement”	the Underwriting Agreement dated 29 March 2016 entered into between the Company and the Underwriter in relation to the underwriting and certain other arrangements in respect of the Rights Issue; and
“%”	per cent.

- \* *The number of Rights Shares attributable to a particular Shareholder set out in this announcement is for illustration purpose only and the actual number may change due to the fact that the Shares may be held by different nominees and as a result of rounding resulting from fractional entitlements.*

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

Hong Kong, 29 March 2016

As at the date of this announcement, the Directors 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.