

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



GLORIOUS SUN ENTERPRISES LIMITED

旭日企業有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 393)

CONTINUING CONNECTED TRANSACTIONS TENANCY AGREEMENTS

The Board announces that on 20 July 2017, certain subsidiaries of the Company as tenants entered into the New Tenancy Agreements with the Landlords in respect of the leasing of certain premises in Hong Kong and PRC.

As the Landlords are associates (as defined in the Listing Rules) of certain Directors and Substantial Shareholders, the Landlords are connected persons of the Company. Accordingly, the entering into of the New Tenancy Agreements constitutes continuing connected transactions for the Company under the Listing Rules.

With the entering into of the New Tenancy Agreements, the aggregate annual caps for the years ending 31 December 2017 and 2018 are revised to HK\$25,000,000 and HK\$20,000,000 respectively. The aggregate annual cap for the year ending 31 December 2019 is HK\$9,000,000.

Since the aggregate annual cap for each of the years ending 31 December 2017, 2018 and 2019 is more than 0.1% but less than 5% of each of the applicable percentage ratios as defined in the Listing Rules, the continuing connected transactions are exempt from 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 AGREEMENTS

On 20 July 2017, certain subsidiaries of the Company as tenants entered into the New Tenancy Agreements in respect of the leasing of certain premises in Hong Kong and PRC, details of which are as follows :

(1) premises in Hong Kong

Premises leased : Portion of 37/F, portion of 38/F and portion of 41/F of One Kowloon, 1 Wang Yuen Street, Kowloon Bay, Hong Kong with a total gross floor area of 18,349 square feet ("One Kowloon Premises")

Use of premises : Office

Landlord : Rank Profit

Tenant : GSE (BVI)

Term : Three years commencing on 1 August 2017 and expiring on 31 July 2020 (with an option to renew the tenancy agreement for a further term of three years)

Rent : HK\$407,347.80 per month exclusive of rates, air-conditioning and management charges and all other outgoings

Air-conditioning and management charges : HK\$78,900.70 per month

The rentals and air-conditioning and management charges are payable in cash on a monthly basis.

(2) residential premises in Hong Kong

Each tenancy agreement in respect of the residential premises in Hong Kong below is for a term of two years commencing on 1 August 2017 and expiring on 31 July 2019.

Premises leased	Area (square feet)	Use of premises	Landlord	Tenant	Monthly rent (HK\$)	Annual rent (HK\$)
11/F and Car Port No.14, Silver Fair Mansion, 2E Shiu Fai Terrace, Mid-Levels, Hong Kong ("Silver Fair Mansion")	1,119	director's residence	GS (Yeungs)	Pacific Potential	45,000	540,000
House C6, Sea View Villa, 93 Chuk Yeung Road, Sai Kung, New Territories ("Sea View Villa")	1,847	staff quarters	GS (Yeungs)	Advancetex International	50,750	609,000

Total : 1,149,000

The rentals of Silver Fair Mansion and Sea View Villa are exclusive of rates, management charges and all other outgoings and are payable in cash on a monthly basis.

(3) premises in PRC

(a) office premises

Premises leased : Office Units Nos. 4 and 5 on Level 9, Block 5, Xinyuan Commercial Building, No. 98 Longhai Zhong Road, ErQi District, Zhengzhou, Henan Province, PRC (“Zhengzhou Office”)

Area : 429.20 square metres

Use of premises : Office

Landlord : Huizhou Hui Fu

Tenant : Henan Jeanswest

Term : Two years commencing on 1 August 2017 and expiring on 31 July 2019

Annual Rent : RMB160,000 exclusive of management charges and all other outgoings, and payable in cash on a quarterly basis

(b) retail premises

Premises leased : Levels 1 to 4 at No. 147 Zhongshannan Road and Unit Nos. 101, 201, 301 and 401 at No. 147-1 Zhongshannan Road, Yanfeng District, Hengyang, Hunan Province, PRC (“Hengyang Shop”)

Area : 1,489.72 square metres

Use of premises : Retail shop

Landlord : Huizhou Yu Xing

Tenant : Hunan Jeanswest

Term : One year four months fourteen days commencing on 1 August 2017 and expiring on 14 December 2018

Rent : (i) RMB612,097 for the period from 1 August 2017 to 14 December 2017, exclusive of management charges and all other outgoings, and payable in cash on a quarterly basis; and

(ii) RMB1,800,000 for the period from 15 December 2017 to 14 December 2018, 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 1 November 2016, are HK\$20,000,000 and HK\$10,000,000 for the years ending 31 December 2017 and 2018 respectively.

With the entering into of the New Tenancy Agreements, the aggregate annual caps have to be revised. Based on the assumption that no further tenancy agreements of continuing connected transaction nature to be executed by the Group, the aggregate annual caps for the years ending 31 December 2017 and 2018 are revised to HK\$25,000,000 and HK\$20,000,000

respectively. The aggregate annual cap for the year ending 31 December 2019 is 9,000,000. The table below shows how to determine the aggregate annual caps, which the Board has taken into account of the fluctuation of Australian dollars and RMB:

Date of announcement	Premises	Term	Rental, management fee and licence fee (as appropriate) per annum	Amount Payable		
				Year ending 31/12/2017	Year ending 31/12/2018	Year ending 31/12/2019
Existing Tenancy Agreements						
30/6/2014	One Kowloon Premises	3 years from 1/8/2014 to 31/7/2017	HK\$13,276,798 (revised to HK\$510,496 per month from 1/11/2016 to 31/7/2017)	HK\$3,573,472	not applicable	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\$408,447 (approximately HK\$2,536,456)	not applicable	not applicable
28/7/2015	Silver Fair Mansion	2 years from 1/8/2015 to 31/7/2017	HK\$516,000	HK\$301,000	not applicable	not applicable
28/7/2015	Sea View Villa	2 years from 1/8/2015 to 31/7/2017	HK\$609,000	HK\$355,250	not applicable	not applicable
28/7/2015	Zhengzhou Office	2 years from 1/8/2015 to 31/7/2017	RMB396,900	RMB231,525 (approximately HK\$269,497)	not applicable	not applicable
7/9/2015	Chengdu Shop	3 years from 30/9/2015 to 29/9/2018	RMB6,750,000	RMB6,750,000 (approximately HK\$7,857,060)	RMB5,043,750 (approximately HK\$5,870,970)	not applicable
29/7/2016	City Garden	2 years from 1/8/2016 to 31/7/2018	RMB489,480	RMB489,480 (approximately HK\$569,759)	RMB285,530 (approximately HK\$332,359)	not applicable
29/7/2016	Xiangtan Shop	2 years from 1/8/2016 to 31/7/2018	RMB560,000	RMB560,000 (approximately HK\$651,845)	RMB326,667 (approximately HK\$380,243)	not applicable
29/7/2016	Shunde Shop	2 years from 1/8/2016 to 31/7/2018	RMB333,000	RMB333,000 (approximately HK\$387,615)	RMB194,250 (approximately HK\$226,109)	not applicable
29/7/2016	Xianyang Shop	2 years from 1/8/2016 to 31/7/2018	RMB957,000	RMB957,000 (approximately HK\$1,113,956)	RMB558,250 (approximately HK\$649,808)	not applicable
29/7/2016	Huizhou Shop	2 years from 1/1/2017 to 31/12/2018	RMB1,100,000	RMB1,100,000 (approximately HK\$1,280,410)	RMB1,100,000 (approximately HK\$1,280,410)	not applicable
1/1/2017 (date of execution)	Hengyang Shop	7 months from 1/1/2017 to 31/7/2017	RMB962,500 for the whole term	RMB962,500 (approximately HK\$1,120,359)	not applicable	not applicable

Date of announcement	Premises	Term	Rental, management fee and licence fee (as appropriate) per annum	Amount Payable		
				Year ending 31/12/2017	Year ending 31/12/2018	Year ending 31/12/2019
New Tenancy Agreements						
this announcement	One Kowloon Premises	3 years from 1/8/2017 to 31/7/2020	HK\$5,834,982	HK\$2,431,243	HK\$5,834,982	HK\$5,834,982
this announcement	Silver Fair Mansion	2 years from 1/8/2017 to 31/7/2019	HK\$540,000	HK\$225,000	HK\$540,000	HK\$315,000
this announcement	Sea View Villa	2 years from 1/8/2017 to 31/7/2019	HK\$609,000	HK\$253,750	HK\$609,000	HK\$355,250
this announcement	Zhengzhou Office	2 years from 1/8/2017 to 31/7/2019	RMB160,000	RMB66,667 (approximately HK\$77,601)	RMB160,000 (approximately HK\$186,241)	RMB93,333 (approximately HK\$108,641)
this announcement	Hengyang Shop	a period from 1/8/2017 to 14/12/2018	from 1/8/2017 to 14/12/2017 : RMB612,097 for the whole term; from 15/12/2017 to 14/12/2018 : RMB1,800,000	RMB694,355 (approximately HK\$808,235)	RMB1,717,742 (approximately HK\$1,999,467)	not applicable
Total amount payable				HK\$23,812,508	HK\$17,909,589	HK\$6,613,873
Aggregate annual cap				HK\$25,000,000	HK\$20,000,000	HK\$9,000,000

GENERAL

An independent professional valuer has provided the Company with opinion on the current rentals and air-conditioning and management charges in respect of One Kowloon Premises under the New Tenancy Agreements. The air-conditioning and management charges are in line with the opinion provided by the independent professional valuer and the rentals represent a discount to the market rent as valued.

The rentals in respect of Silver Fair Mansion, Zhengzhou Office and Hengyang Shop under the New Tenancy Agreements are in line with the opinions provided by the independent professional valuer. The rental in respect of Sea View Villa represents a discount to the market rent as valued by the independent professional valuer.

The Directors, including the independent non-executive Directors, consider that the New Tenancy Agreements have been entered into in the ordinary 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. Dr. Charles Yeung, Mr. Yeung Chun Fan and Ms. Cheung Wai Yee who have a material interest in the New Tenancy Agreements, have abstained from voting on the relevant resolutions at the Board meeting for approving the New Tenancy Agreements. Ms. Yeung Yin Chi, Jennifer, a Director and a niece of Dr. Charles Yeung and Mr. Yeung Chun Fan, has also abstained from voting on the relevant resolutions at the Board meeting for approving the New Tenancy Agreements.

As at 20 July 2017, Dr. Charles Yeung and Mr. Yeung Chun Fan together hold approximately 67.92% interest in the Company.

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

REASONS FOR THE TRANSACTIONS

The rentals under the New Tenancy Agreements were negotiated and determined with reference to the open market for premises of similar size and location as well as the expected market conditions.

The Group has been renting One Kowloon Premises, Silver Fair Mansion and Sea View Villa for many years. In addition, the Group has been renting Zhengzhou Office and Hengyang Shop since 2011 and January 2017 respectively. As the relevant existing tenancy agreements will expire on 31 July 2017, the Company considers that it is commercially necessary and beneficial to renew the tenancies for the premises so that there would have no financial and operational impact generated by relocation.

LISTING RULES IMPLICATIONS

The Landlords are companies owned by certain Directors and Substantial Shareholders. Accordingly, these parties are associates (as defined in the Listing Rules) of those Directors and Substantial Shareholders. Therefore, the Landlords are connected persons of the Company within the meaning of the Listing Rules. Accordingly, the entering into of the New Tenancy Agreements constitutes continuing connected transactions for the Company under Chapter 14A of the Listing Rules. Since the aggregate annual cap for each of the years ending 31 December 2017, 2018 and 2019 is more than 0.1% but less than 5% of each of the applicable percentage ratios as defined in the Listing Rules, the continuing connected transactions are exempt from 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
“Advancetex International”	Advancetex International Trading (HK) Company Limited 大進國際貿易(香港)有限公司, a limited company incorporated in Hong Kong and an indirect wholly-owned subsidiary of the Company
“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
“Directors”	directors of the Company
“Existing Tenancy Agreements”	(i) the tenancy agreements entered into on 30 June 2014 in relation to the leasing of certain premises in Hong Kong and PRC, details of which are set out in the Company's announcement dated 30 June 2014; (ii) 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; (iii) the tenancy agreements entered into on 28 July 2015 in respect of the leasing of certain premises in Hong Kong and PRC, details of which are set out in the Company's announcement dated 28 July 2015; (iv) the tenancy agreement entered into on 7 September 2015 in respect of the leasing of Chengdu Shop, details of which are set out in the Company's announcement dated 7 September 2015; (v) the tenancy agreements entered into on 29 July 2016 in respect of the leasing of certain premises in PRC, details of which are set out in the Company's announcement dated 29 July 2016; and (vi) the tenancy agreement entered into on 1 January 2017 in respect of the leasing of Hengyang Shop

“Group”	the Company and its subsidiaries
“GS (Yeungs)”	G. S. (Yeungs) Limited, a limited company incorporated in Hong Kong which is engaged in property investment and owned as to 66.7% and 33.3% by Dr. Charles Yeung and Mr. Yeung Chun Fan respectively, both of whom are the Directors and Substantial Shareholders
“GSE (BVI)”	Glorious Sun Enterprises (BVI) Limited, a limited company incorporated in the British Virgin Islands and a wholly-owned subsidiary of the Company
“Henan Jeanswest”	河南真維斯服飾有限公司 (Henan Jeanswest Apparels Company Limited*), a limited liability company established in PRC and an indirect wholly-owned subsidiary of the Company
“HK\$”	Hong Kong dollars, the lawful currency of the Hong Kong Special Administrative Region
“Huizhou Hui Fu”	惠州市惠富置業有限公司 (Huizhou Hui Fu Properties Company Limited*), a limited company established in PRC which is engaged in property investment and indirectly 98% owned by Mr. Yeung Chun Fan, his spouse and his sons
“Huizhou Yu Xing”	惠州旭興置業有限公司 (Huizhou Yu Xing Property Company Limited*), a limited company established in PRC which is engaged in property investment and property management and indirectly 98% owned by Dr. Charles Yeung and Mr. Yeung Chun Fan
“Hunan Jeanswest”	湖南真維斯服飾有限公司 (Hunan Jeanswest Apparels Company Limited*), a limited liability company established in PRC and an indirect wholly-owned subsidiary of the Company
“Landlords”	Rank Profit, GS (Yeungs), Huizhou Hui Fu and Huizhou Yuxing
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“New Tenancy Agreements”	the tenancy agreements entered into on 20 July 2017 in relation to the leasing of certain premises in Hong Kong and PRC as disclosed in this announcement
“Pacific Potential”	Pacific Potential Trading Company Limited 力佳實業有限公司, a limited company incorporated in Hong Kong and an indirect

	wholly-owned subsidiary of the Company
“PRC”	The People’s Republic of China
“RMB”	Renminbi, the lawful currency of PRC
“Rank Profit”	Rank Profit Industries Limited 隆盈實業有限公司, a limited company incorporated in Hong Kong which is engaged in property investment and owned as to 66.7% and 33.3% by Dr. Charles Yeung and Mr. Yeung Chun Fan respectively, both of whom are the Directors and Substantial Shareholders
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Substantial Shareholders”	substantial shareholders of the Company as defined in the Listing Rules
“%”	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\$6.21, and the translation of Hong Kong dollars into RMB is based on the exchange rate of HK\$100=RMB85.91.

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

Hong Kong, 20 July 2017

As at the date of this announcement, the directors of the Company are as follows:

Executive Directors:

Dr. Charles Yeung, GBS, JP, Mr. Yeung Chun Fan, Mr. Pau Sze Kee, Jackson, Mr. Hui Chung Shing, Herman, SBS, MH, JP, Ms. Cheung Wai Yee, Mr. Chan Wing Kan, Archie and Ms. Yeung Yin Chi, Jennifer

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.