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GLORIOUS SUN ENTERPRISES LIMITED

旭日企業有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 393)

DISCLOSEABLE TRANSACTION

DISPOSAL OF 6.40% SENIOR PERPETUAL CAPITAL SECURITIES CALLABLE 2022 OF SHUI ON DEVELOPMENT (HOLDING) LIMITED GUARANTEED BY SHUI ON LAND LIMITED

DISPOSAL OF SECURITIES

The Board is pleased to announce that on 7 January 2020, GSE (BVI), a wholly-owned subsidiary of the Company, disposed of the Securities with a total principal amount of US\$10,000,000 (equivalent to approximately HK\$78,000,000) in the secondary market for a total consideration of approximately US\$9,980,000 (equivalent to approximately HK\$77,844,000) (excluding transaction costs).

LISTING RULES IMPLICATION

As the Disposal and the Previous Disposal were conducted within a 12-month period prior to and inclusive of the date of the Disposal and the Securities are issued by the same Issuer, the Disposal and Previous Disposal were aggregated pursuant to Rule 14.22 of the Listing Rules.

As one or more of the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the Disposal in aggregate with the Previous Disposal is more than 5% but less than 25%, the Disposal and the Previous Disposal, in aggregate, constitute a discloseable transaction for the Company under Chapter 14 of the Listing Rules and is therefore subject to the reporting and announcement requirements under the Listing Rules.

On 7 January 2020, GSE (BVI), a wholly-owned subsidiary of the Company, disposed of the Securities with a total principal amount of US\$10,000,000 (equivalent to approximately HK\$78,000,000) in the secondary market for a total consideration of approximately US\$9,980,000 (equivalent to approximately HK\$77,844,000) (excluding transaction costs).

SECURITIES DISPOSAL

Date of the Disposal:	7 January 2020
Seller:	GSE (BVI), a company incorporated in the British Virgin Islands with limited liability and a wholly-owned subsidiary of the Company
Issuer:	Shui On Development (Holding) Limited, a company incorporated in the Cayman Islands with limited liability and is a wholly-owned subsidiary of Shui On Land Limited, which in turn, the shares of which are listed on the Main Board of the Stock Exchange (stock code: 272) and is principally engaged in property businesses. To the best knowledge, information and belief of the Directors having made all reasonable enquiries, Shui On Development (Holding) Limited is a third party independent of the Company and its connected persons
Issue date:	20 June 2017
Principal amount sold:	US\$10,000,000 (equivalent to approximately HK\$78,000,000)
Consideration:	US\$9,980,000 (equivalent to approximately HK\$77,844,000) (excluding transaction costs), the whole sum of which is settled by cash on 7 January 2020
Redemption date:	The Securities are perpetual securities and have no fixed redemption date
Distribution rate:	<p>The distribution rate applicable to the Securities, payable semi-annually, is: (i) 6.40% per annum until 20 June 2022, and (ii) in respect of each five calendar year period after 20 June 2022, the relevant treasury rate (as defined in the terms and conditions of the Securities) plus the initial spread of 4.627% and a step-up margin of 3%.</p> <p>The interest income of the Group attributable to the subject Securities underlying the Disposal for the financial year ended 31 December 2017, 2018 and 2019 amounted to approximately US\$330,000, US\$640,000 and US\$640,000 (unaudited), respectively (equivalent to approximately HK\$2,574,000, HK\$4,992,000 and HK\$4,992,000, respectively).</p>

INFORMATION OF THE COUNTERPARTY

As the Disposal was made on the market through broker, the identity of the purchaser was unknown to the Company. To the best knowledge, information and belief of the Directors having made all reasonable enquiries, no connected person of the Company has acquired the Securities disposed of by GSE (BVI).

BASIS OF DETERMINATION OF THE CONSIDERATION

The Securities were disposed of at the prevailing market price. On this basis, the Directors consider the consideration to be fair and reasonable.

REASONS FOR AND BENEFITS OF THE DISPOSAL

The Group is principally engaged in (a) the retailing and export of casual wear apparel; (b) financial investments; and (c) interior decoration and renovation. GSE (BVI) is a wholly-owned subsidiary of the Company and is an investment holding company holding the Securities.

Given that the Group is in the course of re-positioning and re-allocating the investments in its investment portfolio, the Disposal allows the Group to strengthen its cash position and thus would be able to apply such proceeds for its other potential investment activities that could yield a higher return. Notwithstanding that the consideration of the Disposal represents a 0.20% discount of the principal amount of the Securities, taking into account (i) the prevailing market conditions; and (ii) the Disposal was conducted through open market, the Directors consider that the Disposal is on normal commercial terms and is fair and reasonable and in the interest of the Company and Shareholders as a whole.

PREVIOUS DISPOSAL

On 3 January 2020, the Company has through GSE (BVI) made disposal of the Securities in the secondary market (the “**Previous Disposal**”) with a principal amount of US\$10,000,000 (equivalent to HK\$78,000,000) excluding the Disposal. The Previous Disposal was conducted within a 12-month period prior to and inclusive of the date of the Disposal on 7 January 2020. The Previous Disposal constituted a discloseable transaction of the Company pursuant to Chapter 14 of the Listing Rules at the relevant time and relevant announcement of the Company was made on 3 January 2020.

FINANCIAL EFFECT OF THE DISPOSAL

It is expected that the Group will record a loss of approximately US\$18,000 (equivalent to approximately HK\$140,000) to be recognised in other comprehensive income as a result of the Disposal, subject to auditors’ review. The loss represents the difference between the net proceeds from the Disposal and the fair value of the Securities as at 31 December 2019.

USE OF PROCEEDS

It is expected that the net proceeds from the Disposal (i.e. proceeds from the Disposal and deducting therefrom transaction costs) which is about US\$9,970,000 (equivalent to approximately HK\$77,766,000) will be used for other potential investment activities of the Group in the future.

LISTING RULES IMPLICATION

As the Disposal and the Previous Disposal were conducted within a 12-month period prior to and inclusive of the date of the Disposal and the Securities are issued by the same Issuer, the Disposal and Previous Disposal were aggregated pursuant to Rule 14.22 of the Listing Rules.

As one or more of the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the Disposal in aggregate with the Previous Disposal is more than 5% but less than 25%, the Disposal and the Previous Disposal, in aggregate, constitute a discloseable transaction for the Company under Chapter 14 of the Listing Rules and is therefore subject to the reporting and announcement requirements under the Listing Rules.

DEFINITIONS

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

“Board”	the board of Directors
“Company”	Glorious Sun Enterprises Limited 旭日企業有限公司, a company incorporated in Bermuda with limited liability, the shares of which are listed on the Main Board of the Stock Exchange
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Directors”	the directors of the Company
“Disposal”	the disposal of the Securities with a total principal amount of US\$10,000,000 (equivalent to approximately HK\$78,000,000) by GSE (BVI) in the secondary market for a total consideration of approximately US\$9,980,000 (equivalent to approximately HK\$77,844,000) (excluding transaction costs)
“Group”	the Company and its subsidiaries
“GSE (BVI)”	Glorious Sun Enterprises (BVI) Limited, a company incorporated in the British Virgin Islands with limited liability and a wholly-owned subsidiary of the Company

“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Issuer”	Shui On Development (Holding) Limited, a company incorporated in the Cayman Islands with limited liability and is a wholly-owned subsidiary of Shui On Land Limited, which in turn, the shares of which are listed on the Main Board of the Stock Exchange (stock code: 272)
“Listing Rules”	the rules governing the listing of securities on the Stock Exchange
“Securities”	the senior perpetual capital securities issued by Shui On Development (Holding) Limited
“Shareholder(s)”	shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“US\$”	United States dollars, the lawful currency of the United States of America
“%”	per cent.

For illustration purposes, amounts in US\$ in this announcement have been translated into HK\$ at the rate of US\$1 = HK\$7.8.

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

Hong Kong, 7 January 2020

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, Dr. Chan Chung Bun, Bunny, GBS, JP and Mr. Ng Wing Ka, Jimmy, BBS, JP