

*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)

### **MAJOR TRANSACTION**

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

##### **THIRD DISPOSAL OF SECURITIES**

The Board is pleased to announce that on 8 January 2020, GSE (BVI), a wholly-owned subsidiary of the Company, and its nominee (an indirect wholly-owned subsidiary of the Company) disposed of the Securities with a total principal amount of US\$37,600,000 (equivalent to approximately HK\$293,280,000) in the secondary market for a total consideration of approximately US\$37,535,900 (equivalent to approximately HK\$292,780,000) (excluding transaction costs).

##### **LISTING RULES IMPLICATION**

As the Disposals were conducted within a 12-month period from the first disposal of the Securities on 3 January 2020 and the Securities are issued by the same Issuer, the Disposals 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 Disposals is more than 25% but less than 75%, the Disposals, in aggregate, constitute a major transaction for the Company under Chapter 14 of the Listing Rules and is therefore subject to the reporting, announcement, circular and Shareholders' approval requirements under the Listing Rules.

Given that none of the Shareholders has a material interest in the Disposals, none of them would be required to abstain from voting if a general meeting of the Company were to be convened to approve the Disposals. Pursuant to Rule 14.44 of the Listing Rules, on 8 January 2020, the Company has obtained a written approval from the Closely Allied Group who together holds 1,043,358,499 Shares (representing approximately 68.28% of the issued share capital of the

Company as at the date of this announcement), to approve the Disposals. Therefore, no general meeting of the Company will be convened to approve the Disposals.

### **DESPATCH OF CIRCULAR**

A circular containing, among other things, details of the Disposals as required under the Listing Rules is expected to be despatched to the Shareholders on or before 31 January 2020.

On 8 January 2020, GSE (BVI), a wholly-owned subsidiary of the Company, and its nominee (an indirect wholly-owned subsidiary of the Company) disposed of the Securities with a total principal amount of US\$37,600,000 (equivalent to approximately HK\$293,280,000) in the secondary market for a total consideration of approximately US\$37,535,900 (equivalent to approximately HK\$292,780,000) (excluding transaction costs).

### **THIRD DISPOSAL OF SECURITIES**

Date of the Third Disposal: 8 January 2020

Sellers: GSE (BVI), a company incorporated in the British Virgin Islands with limited liability and a wholly-owned subsidiary of the Company, and its nominee (an indirect 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\$37,600,000 (equivalent to approximately HK\$293,280,000)

Consideration: US\$37,535,900 (equivalent to approximately HK\$292,780,000) (excluding transaction costs), the whole sum of which is settled by cash on 8 January 2020

Redemption date: The Securities are perpetual securities and have no fixed redemption date

Distribution rate: 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%.

The interest income of the Group attributable to the subject Securities underlying the Third Disposal for the financial year ended 31 December 2017, 2018 and 2019 amounted to approximately US\$1,242,000, US\$2,406,000 and US\$2,406,000 (unaudited), respectively (equivalent to approximately HK\$9,688,000, HK\$18,767,000 and HK\$18,767,000, respectively).

## **INFORMATION OF THE COUNTERPARTY**

As the Third Disposal was made on the market through brokers, the identity of the purchaser(s) 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) and its nominee.

## **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 THIRD 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 Third 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 Third Disposal represents the discount of range from 0.10% to 0.20% of the principal amount of the Securities, taking into account (i) the prevailing market conditions and (ii) the Third Disposal was conducted through open market, the Directors consider that the Third Disposal is on normal commercial terms and is fair and reasonable and in the interest of the Company and Shareholders as a whole.

## **PREVIOUS DISPOSALS**

On 3 January 2020 and 7 January 2020, the Company has through GSE (BVI) made disposals of the Securities in the secondary market (the “**Previous Disposals**”) with a principal amount of US\$10,000,000 (equivalent to HK\$78,000,000) and US\$10,000,000 (equivalent to HK\$78,000,000), respectively, excluding the Third Disposal. The Previous Disposals were conducted within 12-month period prior to and inclusive of the date of the Third Disposal on 8 January 2020. The Previous Disposals constituted discloseable transactions of the Company pursuant to Chapter 14 of the Listing Rules at the relevant time and relevant announcements of the Company were made on 3 January 2020 and 7 January 2020.

## **FINANCIAL EFFECT OF THE THIRD DISPOSAL**

It is expected that the Group will record a loss of approximately US\$24,000 (equivalent to approximately HK\$187,000) to be recognised in other comprehensive income as a result of the Third Disposal, subject to auditors’ review. The loss represents the difference between the net proceeds from the Third 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 Third Disposal (i.e. proceeds from the Third Disposal and deducting therefrom transaction costs) which is about US\$37,531,000 (equivalent to approximately HK\$292,742,000) will be used for other potential investment activities of the Group in the future.

## **LISTING RULES IMPLICATION**

As the Disposals were conducted within a 12-month period from the first disposal of the Securities on 3 January 2020 and the Securities are issued by the same Issuer, the Disposals 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 Disposals is more than 25% but less than 75%, the Disposals, in aggregate, constitute a major transaction for the Company under Chapter 14 of the Listing Rules and is therefore subject to the reporting, announcement, circular and Shareholders’ approval requirements under the Listing Rules.

Given that none of the Shareholders has a material interest in the Disposals, none of them would be required to abstain from voting if a general meeting of the Company were to be convened to approve the Disposals. Pursuant to Rule 14.44 of the Listing Rules, on 8 January 2020, the Company has obtained a written approval from the Closely Allied Group who together holds 1,043,358,499 Shares (representing approximately 68.28% of the issued share capital of the Company as at the date of this announcement), to approve the Disposals. Therefore, no general meeting of the Company will be convened to approve the Disposals. The Closely Allied Group comprises the following Shareholders:

<b>Name of the Shareholders</b>	<b>Number of Shares held</b>	<b>Percentage of shareholding (approximately)</b>
Glorious Sun Holdings (BVI) Limited <i>(Note 1)</i>	622,263,000	40.72%
Advancetex Holdings (BVI) Limited <i>(Note 1)</i>	207,810,000	13.60%
Dr. Charles Yeung and Mr. Yeung Chun Fan <i>(Notes 2 and 3)</i>	138,285,499	9.05%
Mr. Yeung Chun Fan	75,000,000	4.91%
<b>Total</b>	<b>1,043,358,499</b>	<b>68.28%</b>

*Notes:*

1. The entire issued voting share capital of each of these companies was held as to 51.934% by Dr. Charles Yeung and as to 48.066% by Mr. Yeung Chun Fan.
2. These Shares were held by Dr. Charles Yeung and Mr. Yeung Chun Fan jointly.
3. Dr. Charles Yeung is the elder brother of Mr. Yeung Chun Fan.

## **DESPATCH OF CIRCULAR**

A circular containing, among other things, details of the Disposals as required under the Listing Rules is expected to be despatched to the Shareholders on or before 31 January 2020.

## **DEFINITIONS**

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

“Board”	the board of Directors
“Closely Allied Group”	a closely allied group of the Shareholders comprising Dr. Charles Yeung, Mr. Yeung Chun Fan, Glorious Sun Holdings (BVI) Limited and Advancetex Holdings (BVI) Limited who together held 1,043,358,499 Shares (representing approximately 68.28% of the issued share capital of the Company) as at the date of this announcement
“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
“Disposals”	the Third Disposal and the Previous Disposals
“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
“Third Disposal”	the disposal of the Securities with a total principal amount of US\$37,600,000 (equivalent to approximately HK\$293,280,000) by GSE (BVI) and its nominee in the secondary market for a total consideration of approximately US\$37,535,900 (equivalent to approximately HK\$292,780,000) (excluding transaction costs)
“US\$”	United States dollars, the lawful currency of the United States of America

“0%” 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, 8 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