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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 6.875% SENIOR NOTES DUE 2021 OF SHUI ON DEVELOPMENT (HOLDING) LIMITED GUARANTEED BY SHUI ON LAND LIMITED

DISPOSAL OF NOTES

The Board is pleased to announce that on 24 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 Notes with a total principal amount of RMB60,000,000 (equivalent to approximately HK\$66,667,000) in the secondary market for a total consideration of approximately RMB61,365,000 (equivalent to approximately HK\$68,183,000).

LISTING RULES IMPLICATION

As the Disposal was conducted within a 12-month period from the Previous Disposal and the subject of such disposals is also the Notes, the Disposal and the 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.

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DISPOSAL OF NOTES

Date of the Disposal:	24 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:	26 February 2018 (New York City time)
Principal amount sold:	RMB60,000,000 (equivalent to approximately HK\$66,667,000)
Consideration:	RMB61,365,000 (equivalent to approximately HK\$68,183,000), the whole sum of which is settled by cash on 24 January 2020
Maturity date:	2 March 2021 (unless earlier redeemed pursuant to the terms of the Notes)
Interest:	<p>The Notes bear interest at a rate of 6.875% per annum, payable semi-annually in arrears on 2 March and 2 September of each year, commenced on 2 September 2018.</p> <p>The interest income of the Group attributable to the subject Notes underlying the Disposal for the financial year ended 31 December 2017, 2018 and 2019 amounted to approximately nil, RMB3,314,000 and RMB3,991,000 (unaudited), respectively (equivalent to approximately nil, HK\$3,682,000 and HK\$4,434,000, respectively).</p>

PREVIOUS DISPOSAL OF NOTES

On 23 January 2020, the Company has through GSE (BVI) and its nominee made disposal of the Notes in the secondary market (the “**Previous Disposal**”) with a total principal amount of RMB50,000,000 (equivalent to HK\$55,556,000) for a total consideration of approximately RMB51,165,000 (equivalent to approximately HK\$56,850,000). The Previous Disposal was conducted within 12-month period prior to and inclusive of the date of the Disposal on 24 January 2020. The Previous Disposal did not constitute a discloseable transaction of the Company pursuant to Chapter 14 of the Listing Rules at the relevant time.

The interest income of the Group attributable to the subject Notes underlying the Previous Disposal for the financial year ended 31 December 2017, 2018 and 2019 amounted to approximately nil, RMB2,762,000 and RMB3,326,000 (unaudited), respectively (equivalent to approximately nil, HK\$3,069,000 and HK\$3,696,000, respectively).

INFORMATION OF THE COUNTERPARTY

As the Disposal and the Previous Disposal were 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 Notes disposed of by GSE (BVI) and its nominee.

BASIS OF DETERMINATION OF THE CONSIDERATION

The Notes 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 AND THE PREVIOUS 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) and its nominee are wholly-owned subsidiaries of the Company and are investment holding companies holding the Notes.

Given that the Group is in the course of re-positioning and re-allocating the investments in its investment portfolio, the Disposal and the Previous Disposal allow 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. Taking into consideration (i) the Notes were disposed of at a premium of range from 2.1% to 2.4% of the principal amount of the Notes, (ii) the prevailing market conditions and (iii) the Disposal and the Previous Disposal were conducted through open market, the Directors consider that the Disposal and the Previous Disposal are on normal commercial terms and are fair and reasonable and in the interest of the Company and Shareholders as a whole.

FINANCIAL EFFECT OF THE DISPOSAL AND THE PREVIOUS DISPOSAL

It is expected that the Group will record a gain of approximately RMB2,259,000 (equivalent to approximately HK\$2,510,000) to be recognised in statement of profit or loss as a result of the Disposal and the Previous Disposal, subject to auditors' review. The gain represents the difference between the net proceeds from the Disposal and the Previous Disposal and the net carrying amounts of the Notes on the date(s) of disposal.

USE OF PROCEEDS

It is expected that the net proceeds from the Disposal and the Previous Disposal which is about RMB112,530,000 (equivalent to approximately HK\$125,033,000) will be used for other potential investment activities of the Group in the future.

LISTING RULES IMPLICATION

As the Disposal was conducted within a 12-month period from the Previous Disposal and the subject of such disposals is also the Notes, the Disposal and the 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 Notes with a total principal amount of RMB60,000,000 (equivalent to approximately HK\$66,667,000) in the secondary market for a total consideration of approximately RMB61,365,000 (equivalent to approximately HK\$68,183,000)

“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
“Notes”	the 6.875% senior notes due 2021 issued by Shui On Development (Holding) Limited
“RMB”	Renminbi, the lawful currency of the People’s Republic of China
“Shareholder(s)”	shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent.

For illustration purposes, amounts in RMB in this announcement have been translated into HK\$ at the rate of RMB90 = HK\$100.

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

Hong Kong, 24 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