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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)

**CONNECTED TRANSACTION
IN RELATION TO DISPOSAL OF INTEREST IN
I.T LIMITED**

The Board announces that on 5th September 2013, the Vendor (a wholly-owned subsidiary of the Company) and the Purchasers entered into the Sale and Purchase Agreement, pursuant to which the Vendor agreed to sell and the Purchasers agreed to purchase the Sale Shares for a consideration of HK\$42,329,910. The Sale Shares represent approximately 1.59% of the issued share capital of I.T. Based on the issued share capital of I.T as at the date of this announcement, the Group's shareholding in I.T will be reduced from approximately 5.60% to 4.01% as a result of the Disposal.

Both of the Purchasers are directors and substantial shareholders of the Company and hence connected persons of the Company. The Disposal constitutes a connected transaction on the part of the Company under Chapter 14A of the Listing Rules.

As the terms of the Disposal are on normal commercial terms and the applicable percentage ratios (as defined in the Listing Rules) in respect of the Disposal exceed 0.1% but are less than 5%, the Disposal is subject to the reporting and announcement requirements but exempt from the independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

THE SALE AND PURCHASE AGREEMENT

Date

5th September 2013

Parties

(1) Vendor : Glorious Sun Trading (HK) Limited, a wholly-owned subsidiary of the Company

- (2) Purchasers : Mr. Yeung Chun Kam and Mr. Yeung Chun Fan, both are directors and substantial shareholders of the Company

Subject of the Disposal

The Sale Shares, being 19,570,000 shares in I.T, represent approximately 1.59% of the issued share capital of I.T as at the date of this announcement.

Consideration

The consideration for the Disposal in the amount of HK\$42,329,910 shall be payable by the Purchasers to the Vendor upon Completion.

The consideration for the Disposal was arrived at after arm's length negotiation between the Vendor and the Purchasers on normal commercial terms, taking into account the average of the closing price of the shares in I.T over the last three consecutive trading days up to 4th September 2013. When dividing the consideration for the Disposal by such number of the Sale Shares, this would result in the parties having agreed a price of HK\$2.163 per share in I.T and this represents a premium of approximately 0.60% to the closing price of the shares in I.T on the trading day prior to the Sale and Purchase Agreement (i.e. 4th September 2013).

Completion

Completion shall take place on or before 13th September 2013, the date on which the obligations of each party shall be satisfied pursuant to the Sale and Purchase Agreement.

Based on the issued share capital of I.T as at the date of this announcement, the Group's shareholding in I.T will be reduced from approximately 5.60% to 4.01% immediately after the Completion.

INFORMATION ON THE GROUP

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

INFORMATION ON I.T GROUP

I.T Group is principally engaged in retailing and trading of fashion wears and accessories.

The following is a summary of the audited consolidated financial information of I.T Group for the two financial years immediately preceding the date of the Disposal:

	For the year ended 29 February 2012	For the year ended 28 February 2013
	HK\$'000	HK\$'000
Profit before taxation	573,782	447,716
Profit for the year	473,130	385,031

As at 28 February 2013, the audited consolidated net assets value of I.T Group was approximately HK\$2,553,371,000.

FINANCIAL IMPACT ON THE COMPANY

It is expected that the Group will record a gain on the Disposal in the amount of approximately HK\$32,756,000, which is calculated based on (i) the consideration for the Disposal; (ii) the carrying value of the Sale Shares of approximately HK\$9,491,000; and (iii) the estimated transaction costs in relation to the Disposal.

The net proceeds after the transaction costs from the Disposal will be used by the Group as its working capital.

REASONS FOR AND BENEFITS OF THE DISPOSAL

The Board was of the view that the recent share price of I.T grossly underperformed the market. The Board expects that the trend will continue at least in the short run and therefore has decided to dispose of part of the Company's equity interest in I.T so as to realize profit from its investment in I.T.

Save for those Directors who abstained from voting or were absent as mentioned below, the Board (including the independent non-executive Directors) considers that the terms of the Sale and Purchase Agreement are fair and reasonable and in the interests of the Company and its shareholders as a whole.

Mr. Yeung Chun Kam and Mr. Yeung Chun Fan, being the Purchasers, abstained from attending the Board meeting for considering and approving the Disposal. As good corporate governance measure, Mr. Yeung Chun Ho (a brother of the Purchasers) and Ms. Cheung Wai Yee (the spouse of Mr. Yeung Chun Fan) abstained from voting on the Board resolutions for approving the Disposal in view of their relationships with the Purchasers, although Messrs Yeung and Cheung do not have material interest in the Disposal. Dr. Chung Shui Ming, Timpson was absent from the Board meeting due to his other commitments outside Hong Kong.

Apart from the Purchasers, none of the other Directors has a material interest in the Disposal.

LISTING RULES IMPLICATIONS

Both of the Purchasers are directors and substantial shareholders of the Company and hence connected persons of the Company. The Disposal constitutes a connected transaction on the part of the Company under Chapter 14A of the Listing Rules.

As the terms of the Disposal are on normal commercial terms and the applicable percentage ratios (as defined in the Listing Rules) in respect of the Disposal exceed 0.1% but are less than 5%, the Disposal is subject to the reporting and announcement requirements but exempt from the independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

DEFINITIONS

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

“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 (stock code: 393)
“Completion”	completion of the Disposal
“connected person(s)”/ “subsidiary(ies)” / “substantial shareholder(s)”	Each has the meaning ascribed to it under the Listing Rules
“Directors”	directors of the Company
“Disposal”	the disposal of the Sale Shares by the Company as contemplated under the Sale and Purchase Agreement
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“I.T”	I.T Limited, a limited liability company incorporated in Bermuda, the shares of which are listed on the main board of the Stock Exchange (stock code: 999)
“I.T Group”	I.T and its subsidiaries

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Purchasers”	the purchasers of the Sale Shares, being Mr. Yeung Chun Kam and Mr. Yeung Chun Fan
“PRC”	the People’s Republic of China
“Sale and Purchase Agreement”	the sale and purchase agreement dated 5th September 2013 entered into between the Vendor and the Purchasers in relation to the sale and purchase of the Sale Shares
“Sale Shares”	the 19,570,000 ordinary shares of HK\$0.10 each in the capital of I.T, representing approximately 1.59% of the issued share capital of I.T as at the date of this announcement
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Vendor”	Glorious Sun Trading (HK) Limited (旭日貿易(香港)有限公司), a limited liability company incorporated in Hong Kong and a wholly-owned subsidiary of the Company
“%”	per cent.

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

Hong Kong, 5th September 2013

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

Executive Directors:

Dr. Charles Yeung, SBS, JP, Mr. Yeung Chun Fan, Mr. Yeung Chun Ho, Mr. Pau Sze Kee, Jackson, Mr. Hui Chung Shing, Herman, BBS, 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.