

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

The Board announces that on 29 July 2016, 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 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 cap for the year ending 31 December 2016 remains as HK\$33,000,000. The aggregate annual caps for the years ending 31 December 2017 and 2018 are revised to HK\$25,000,000 and HK\$10,000,000 respectively.

Since the aggregate annual cap for each of the years ending 31 December 2016, 2017 and 2018 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 under the New Tenancy Agreements and the Existing Tenancy Agreements 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 29 July 2016, certain subsidiaries of the Company as tenants entered into the New Tenancy Agreements in respect of the leasing of certain premises in PRC, details of which are as follows :

- (1) Residential premises – 19 residential units of City Garden located in Huicheng District, Huizhou City, Guangdong Province, PRC (“City Garden”) served as staff quarters by tenants for a term of two years commencing on 1 August 2016 and expiring on 31 July 2018

Premises leased	Area	Landlord	Tenant	Monthly rent (RMB)	Monthly management fee (RMB)	Total monthly rental and management fee (RMB)	Total annual rental and management fee (RMB)
Units 401 and 501 of Block 5, Units 404, 502, 506, 602 and 704 of Block 12, Unit 306, 406, 501, 506, 601 and 702 of Block 18, Unit 505 of Block 19 and Unit 504 of Block 22, City Garden	15 units ranging from 70.74 sq. m. to 101.73 sq. m. (a total of 1,224.04 sq. m.)	Gloryear	Jeanswest Apparels (China)	29,550	1,955	31,505	378,060
Units 202, 405 and 503 of Block 18, City Garden	3 units ranging from 70.74 sq. m. to 101.73 sq.m. (a total of 274.2 sq. m.)	- ditto -	Jun Cheng Trading (Huizhou)	7,100	445	7,545	90,540
Unit 704 of Block 18, City Garden	86.49 sq. m.	- ditto -	GS Kenneth Fashion Design (Huizhou)	1,600	140	1,740	20,880

Total : 38,250 2,540 40,790 489,480

(2) Retail premises

(a) served as retail shops by tenants for a term of two years commencing on 1 August 2016 and expiring on 31 July 2018

Premises leased	Area (sq. m.)	Landlord	Tenant	Annual rent (RMB)
Shop Nos. 3 and 4, Level 1, No. 40 Jianshe Bei Road, Xiangtan City, Hunan Province, PRC ("Xiangtan Shop")	196.25	Yin Fu	Hunan Jeanswest	560,000
No. 2 of Ground Floor, No. 7 Bunan Road, Residents Committee, Central Office Zone of Daliang Jiedao Banshichu, Shunde District, Foshan City, Guangdong Province, PRC ("Shunde Shop")	99.18	Yeung Cheung Yip and Yeung Hon Yip	Jeanswest Apparels (Guangdong)	333,000
Shop No. 1 - 9 on Level 1, Jin Zhong Rui Yuan Commercial Building, No. 55 Renmin Road, Xianyang City, Shaanxi Province, PRC ("Xianyang Shop")	296.05	Huizhou Hui Fu	Shaanxi Jeanswest	957,000

Total : 1,850,000

- (b) served as a retail shop by tenant for a term of two years commencing on 1 January 2017 and expiring on 31 December 2018

Premises leased	Area (sq. m.)	Landlord	Tenant	Annual rent (RMB)
No. 3, Zhongshan West Road, Huizhou City, Guangdong Province, PRC (“Huizhou Shop”)	901.21	Yeung’s Family	Jeanswest Apparels (Guangdong)	1,100,000

Total : 1,100,000

The rentals are exclusive of management fees and other outgoings and are payable in cash on a monthly basis for the residential premises of City Garden and on a quarterly basis for the Xiangtan Shop, the Shunde Shop and the Xianyang Shop and in full payment for the entire term in advance for the Huizhou Shop.

Management fees in respect of the residential premises of City Garden are payable in cash on a monthly basis to City Garden Property Management.

AGGREGATE ANNUAL CAP

The aggregate annual caps, as announced in the Company’s announcement dated 7 September 2015, are HK\$33,000,000, HK\$21,000,000 and HK\$7,000,000 for the years ending 31 December, 2016, 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 cap for the year ending 31 December 2016 remains as HK\$33,000,000. The aggregate annual caps for the years ending 31 December 2017 and 2018 are revised to HK\$25,000,000 and HK\$10,000,000 respectively. 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 31/12/2016	Year ending 31/12/2017	Year ending 31/12/2018
Existing Tenancy Agreement						
31/12/2013 (date of execution)	Huizhou Shop	3 years from 1/1/2014 to 31/12/2016	RMB1,100,000	RMB1,100,000 (approximately HK\$1,294,727)	not applicable	not applicable
30/6/2014	One Kowloon Premises	3 years from 1/8/2014 to 31/7/2017	HK\$13,276,798	HK\$13,276,798	HK\$7,744,799	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\$688,298 (approximately HK\$4,054,072)	A\$408,447 (approximately HK\$2,405,750)	not applicable

Date of announcement	Premises	Term	Rental, management fee and licence fee (as appropriate) per annum	Amount Payable		
				Year ending 31/12/2016	Year ending 31/12/2017	Year ending 31/12/2018
Existing Tenancy Agreement						
30/6/2014	City Garden	2 years from 1/8/2014 to 31/7/2016	RMB771,300	RMB449,925 (approximately HK\$529,573)	not applicable	not applicable
30/6/2014	Xiangtan Shop	2 years from 1/8/2014 to 31/7/2016	RMB750,000	RMB437,500 (approximately HK\$514,948)	not applicable	not applicable
30/6/2014	Shenyang Shop	2 years from 1/8/2014 to 31/7/2016	RMB600,000	RMB350,000 (approximately HK\$411,959)	not applicable	not applicable
30/6/2014	Shunde Shop	2 years from 1/8/2014 to 31/7/2016	RMB370,000	RMB215,833 (approximately HK\$254,041)	not applicable	not applicable
30/6/2014	Xianyang Shop	2 years from 1/8/2014 to 31/7/2016	RMB957,000	RMB558,250 (approximately HK\$657,074)	not applicable	not applicable
28/7/2015	Silver Fair Mansion	2 years from 1/8/2015 to 31/7/2017	HK\$516,000	HK\$516,000	HK\$301,000	not applicable
28/7/2015	Sea View Villa	2 years from 1/8/2015 to 31/7/2017	HK\$609,000	HK\$609,000	HK\$355,250	not applicable
28/7/2015	Zhengzhou Office	2 years from 1/8/2015 to 31/7/2017	RMB396,900	RMB396,900 (approximately HK\$467,161)	RMB231,525 (approximately HK\$272,511)	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\$7,944,915)	RMB6,750,000 (approximately HK\$7,944,915)	RMB5,043,750 (approximately HK\$5,936,617)
New Tenancy Agreement						
this announcement	City Garden	2 years from 1/8/2016 to 31/7/2018	RMB489,480	RMB203,950 (approximately HK\$240,054)	RMB489,480 (approximately HK\$576,130)	RMB285,530 (approximately HK\$336,076)
this announcement	Xiangtan Shop	2 years from 1/8/2016 to 31/7/2018	RMB560,000	RMB233,333 (approximately HK\$274,639)	RMB560,000 (approximately HK\$659,134)	RMB326,667 (approximately HK\$384,495)
this announcement	Shunde Shop	2 years from 1/8/2016 to 31/7/2018	RMB333,000	RMB138,750 (approximately HK\$163,312)	RMB333,000 (approximately HK\$391,949)	RMB194,250 (approximately HK\$228,637)
this announcement	Xianyang Shop	2 years from 1/8/2016 to 31/7/2018	RMB957,000	RMB398,750 (approximately HK\$469,339)	RMB957,000 (approximately HK\$1,126,412)	RMB558,250 (approximately HK\$657,074)
this announcement	Huizhou Shop	2 years from 1/1/2017 to 31/12/2018	RMB1,100,000	not applicable	RMB1,100,000 (approximately HK\$1,294,727)	RMB1,100,000 (approximately HK\$1,294,727)
Total amount payable				HK\$31,677,612	HK\$23,072,577	HK\$8,837,626
Aggregate annual cap				HK\$33,000,000	HK\$25,000,000	HK\$10,000,000

GENERAL

An independent professional valuer has provided the Company with opinion on the current rentals and management fees in respect of City Garden and the current rentals in respect of retail premises under the New Tenancy Agreements. The management fees and the rentals in respect of City Garden and the rentals in respect of the retail premises are in line with the opinion provided 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 Directors' meeting for approving the New Tenancy Agreements.

As at 29 July 2016, Dr. Charles Yeung and Mr. Yeung Chun Fan together hold approximately 63.12% interest in the Company.

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

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 the Xiangtan Shop, the Shunde Shop and the Xiangyang Shop since 2010 and the Huizhou shop since 2014. As the existing tenancy agreements in respect of the Xiangtan Shop, the Shunde Shop and Xiangyang Shop will expire on 31 July 2016, and the existing tenancy agreement in respect of the Huizhou Shop will expire on 31 December 2016, 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.

The Group has been renting City Garden for staff quarters since 2010 and the existing tenancy agreements for residential units will expire on 31 July 2016. In order to cater for the demand of staff quarters, the Company considers it necessary to rent residential units in the same area. Accordingly, the entering into of the tenancy agreements in respect of the City Garden is for the benefit of the Group since it is considered to be convenient for members of the staff to live in a cluster of units and easier for the Group to manage the units in the same development.

LISTING RULES IMPLICATIONS

The Landlords (except Mr. Yeung Cheung Yip and Mr. Yeung Hon Yip) and City Garden Property Management are companies owned by certain Directors and Substantial Shareholders. Mr. Yeung Cheung Yip and Mr. Yeung Hon Yip are sons of Mr. Yeung Chun Fan (Director and Substantial Shareholder) and Ms. Cheung Wai Yee (Director). Accordingly, these parties are associates (as defined in the Listing Rules) of those Directors and Substantial Shareholders. Therefore, the Landlords and City Garden Property Management 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 2016, 2017 and 2018 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 under the New Tenancy Agreements and the Existing Tenancy Agreements 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
“associate(s)”	has the meaning set out in the Listing Rules
“Board”	the board of Directors
“City Garden Property Management”	惠州市城市花園物業管理有限公司 (Huizhou City Garden Property Management Company Limited*), a limited company established in PRC which is engaged in property management and indirectly owned as to 50% by each of Dr. Charles Yeung and Mr. Yeung Chun Fan, both of whom are the Directors and Substantial Shareholders
“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 agreement entered into on 31 December 2013 between the Yeung's Family as landlord and Jeanswest Apparels (Guangdong) as tenant in respect of the leasing of the retail premises located in Huizhou, Guangdong Province, PRC as a retail shop (“Huizhou Shop”); (ii) 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; (iii) 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; (iv) 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; and (v) the tenancy agreement entered into on 7 September 2015 in respect of the leasing of the Chengdu Shop, details of which are set out in the Company's announcement dated 7 September 2015
“Group”	the Company and its subsidiaries
“GS Kenneth Fashion Design (Huizhou)”	旭日肯尼斯服裝設計(惠州)有限公司 (GS Kenneth Fashion Design (Huizhou) Company Limited*), a limited liability company established in PRC and a subsidiary of the Company
“Gloryear”	Gloryear Management Limited 輝年管理有限公司, a limited company incorporated in Hong Kong which is engaged in property investment and owned as to 50% by each of Dr. Charles Yeung and Mr. Yeung Chun Fan, both of whom are the Directors and

Substantial Shareholders

“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
“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
“Jeanswest Apparels (China)”	真維斯服飾(中國)有限公司 (Jeanswest Apparels (China) Company Limited*), a limited liability company established in PRC and an indirect wholly-owned subsidiary of the Company
“Jeanswest Apparels (Guangdong)”	真維斯服飾(廣東)有限公司 (Jeanswest Apparels (Guangdong) Company Limited*), a limited liability company established in PRC and an indirect wholly-owned subsidiary of the Company
“Jun Cheng Trading (Huizhou)”	俊成貿易(惠州)有限公司 (Jun Cheng Trading (Huizhou) Company Limited*), a limited liability company established in PRC and an indirect wholly-owned subsidiary of the Company
“Landlords”	Gloryear, Yin Fu, Mr. Yeung Cheung Yip, Mr. Yeung Hon Yip, Huizhou Hui Fu and the Yeung’s family
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“New Tenancy Agreements”	the tenancy agreements entered into on 29 July 2016 in relation to the leasing of certain premises in PRC as disclosed in this announcement
“PRC”	The People’s Republic of China
“RMB”	Renminbi, the lawful currency of PRC
“Shaanxi Jeanswest”	陝西真維斯服飾有限公司 (Shaanxi Jeanswest Apparels Company Limited*), a limited liability company established in PRC and an indirect wholly-owned subsidiary of the Company
“sq. m.”	square metres
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Substantial Shareholders”	substantial shareholders of the Company as defined in the Listing Rules
“Yeung’s Family”	a family in which Dr. Charles Yeung and Mr. Yeung Chun Fan (both are the Directors and Substantial Shareholders) are members
“Yin Fu”	銀富房產(惠州)有限公司 (Yin Fu Properties (Huizhou) Company Limited*), a limited company established in PRC which is engaged in property investment and indirectly wholly-owned by Mr. Yeung Chun Fan, his spouse and his sons
“%”	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\$5.89, and the translation of Hong Kong dollars into RMB is based on the exchange rate of HK\$100=RMB84.96.

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

Hong Kong, 29 July 2016

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, 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.