GLORIOUS SUN ENTERPRISES LIMITED

(Incorporated in Bermuda with limited liability)

(Stock code: 393)

Announcement of Results
For the year ended 31 December 2007

FINAL RESULTS

The Directors of Glorious Sun Enterprises Limited (the "Company") are pleased to announce the consolidated results of the Company and its subsidiaries (the "Group") for the year ended 31 December 2007 together with the comparative figures as follows:

CONSOLIDATED INCOME STATEMENT

For the year ended 31 December 2007

	Notes	2007 HK$'000	2006 HK$'000
REVENUE	(4)	**4,783,880**	4,397,359
Cost of sales		**(2,716,523)**	(2,573,042)
GROSS PROFIT		**2,067,357**	1,824,317
Other income and gains		**485,578**	210,747
Selling and distribution costs		**(1,234,587)**	(1,039,980)
Administrative expenses		**(622,211)**	(524,098)
Other expenses		**(50,140)**	(90,855)
Finance costs		**(16,595)**	(17,837)
Share of profits and losses of:			
Jointly-controlled entities		**(720)**	288
Associates		**9,707**	28,662
PROFIT BEFORE TAX	(5)	**638,389**	391,244
Tax	(6)	**(85,114)**	(77,586)
PROFIT FOR THE YEAR		**553,275**	313,658
Attributable to:			
Ordinary equity holders of the Company		**515,749**	271,582
Minority interests		**37,526**	42,076
		553,275	313,658
DIVIDENDS	(7)	**274,220**	269,420
		HK cents	*HK cents*
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY			
Basic	(8a)	**48.72**	25.79
Diluted	(8b)	**48.51**	25.60

CONSOLIDATED BALANCE SHEET

At 31 December 2007

	Notes	2007 HK$'000	2006 HK$'000
NON-CURRENT ASSETS			
Property, plant and equipment		**777,291**	737,086
Investment properties		**40,367**	21,433
Prepaid land lease payments		**17,863**	17,510
Goodwill		**38,612**	38,612
Interests in jointly-controlled entities		**18,706**	20,186
Interests in associates		**127,498**	207,023
Available-for-sale investment		**298,200**	–
Financial asset at fair value through profit or loss		**24,511**	–
Deferred tax assets		**18,434**	16,966
Total non-current assets		**1,361,482**	1,058,816
CURRENT ASSETS			
Inventories		**657,681**	609,313
Trade and bills receivables	*(9)*	**437,372**	548,870
Prepayments, deposits and other receivables		**285,604**	267,296
Due from related companies		**1,567**	724
Equity investments at fair value through profit or loss		**81,475**	180,266
Pledged deposits		**4,337**	21,784
Cash and cash equivalents		**1,280,776**	1,024,926
Total current assets		**2,748,812**	2,653,179
CURRENT LIABILITIES			
Trade and bills payables	*(10)*	**556,302**	552,205
Other payables and accruals		**757,821**	666,160
Interest-bearing bank and other borrowings		**267,447**	329,600
Tax payable		**311,091**	285,456
Total current liabilities		**1,892,661**	1,833,421
NET CURRENT ASSETS		**856,151**	819,758
TOTAL ASSETS LESS CURRENT LIABILITIES		**2,217,633**	1,878,574
NON-CURRENT LIABILITIES			
Interest-bearing bank and other borrowings		**1,102**	671
Long term loans from minority shareholders		**9,400**	9,400
Deferred tax liabilities		**374**	269
Total non-current liabilities		**10,876**	10,340
Net assets		**2,206,757**	1,868,234
EQUITY			
Equity attributable to ordinary equity holders of the Company			
Issued capital		**105,941**	105,486
Reserves		**1,716,279**	1,382,915
Proposed dividends	*(7)*	**235,613**	234,601
		2,057,833	1,723,002
Minority interests		**148,924**	145,232
Total equity		**2,206,757**	1,868,234

NOTES

(1) PRINCIPAL ACCOUNTING POLICIES AND BASIS OF PREPARATION

These financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants, accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for investment properties, certain buildings and certain financial assets, which have been measured at fair value. These financial statements are presented in Hong Kong dollars (HK$) and all values are rounded to the nearest thousand (HK$'000) except when otherwise indicated.

These financial statements have been reviewed by the Audit Committee of the Company.

The accounting policies and basis of preparation used in the preparation of the financial statements are the same as those adopted in preparing the audited financial statements for the year ended 31 December 2006 except for the new adoption of HKFRSs as disclosed in note 2 below.

(2) IMPACT OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

The Group has adopted the following new and revised HKFRSs for the first time for the current year's financial statements. Except for in certain cases, giving rise to new and revised accounting policies and additional disclosures, the adoption of these new and revised standards and interpretations has had no material effect on these financial statements.

HKFRS 7	*Financial Instruments: Disclosures*
HKAS 1 Amendment	*Capital Disclosures*
HK(IFRIC)-Int 8	*Scope of HKFRS 2*
HK(IFRIC)-Int 9	*Reassessment of Embedded Derivatives*
HK(IFRIC)-Int 10	*Interim Financial Reporting and Impairment*

The principal effects of adopting these new and revised HKFRSs are as follows:

(a) HKFRS 7 *Financial Instruments: Disclosures*

This standard requires disclosures that enable users of the financial statements to evaluate the significance of the Group's financial instruments and the nature and extent of risks arising from those financial instruments. The new disclosures are included throughout the financial statements. While there has been no effect on the financial position or results of operations of the Group, comparative information has been included/revised where appropriate.

(b) Amendment to HKAS 1 *Presentation of Financial Statements – Capital Disclosures*

This amendment requires the Group to make disclosures that enable users of the financial statements to evaluate the Group's objectives, policies and processes for managing capital.

(c) HK(IFRIC)-Int 8 *Scope of HKFRS 2*

This interpretation requires HKFRS 2 to be applied to any arrangement in which the Group cannot identify specifically some or all of the goods or services received, for which equity instruments are granted or liabilities (based on a value of the Group's equity instruments) are incurred by the Group for a consideration, and which appears to be less than the fair value of the equity instruments granted or liabilities incurred. As the Company has only issued equity instruments to the Group's employees in accordance with the Group's share option scheme, the interpretation has had no effect on these financial statements.

(d) HK(IFRIC)-Int 9 *Reassessment of Embedded Derivatives*

This interpretation requires that the date to assess whether an embedded derivative is required to be separated from the host contract and accounted for as a derivative is the date that the Group first becomes a party to the contract, with reassessment only if there is a change to the contract that significantly modifies the cash flows. As the Group has no embedded derivative requiring separation from the host contract, the interpretation has had no effect on these financial statements.

(e) HK(IFRIC)-Int 10 *Interim Financial Reporting and Impairment*

The Group has adopted this interpretation as of 1 January 2007, which requires that an impairment loss recognised in a previous interim period in respect of goodwill or an investment in either an equity instrument classified as available-for-sale or a financial asset carried at cost is not subsequently reversed. As the Group had no impairment losses previously reversed in respect of such assets, the interpretation has had no impact on the financial position or results of operations of the Group.

(3) IMPACT OF ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS

The Group has not applied the following new and revised HKFRSs that have been issued but are not yet effective, in these financial statements.

HKFRS 2 Amendments	*Share-based Payment – Vesting Conditions and Cancellation* [1]
HKFRS 3 (Revised)	*Business Combinations* [5]
HKFRS 8	*Operating Segments* [1]
HKAS 1 (Revised)	*Presentation of Financial Statements* [1]
HKAS 23 (Revised)	*Borrowing Costs* [1]
HKAS 27 (Revised)	*Consolidated and Separate Financial Statements* [5]
HK(IFRIC)-Int 11	*HKFRS 2 – Group and Treasury Share Transactions* [2]
HK(IFRIC)-Int 12	*Service Concession Arrangements* [4]
HK(IFRIC)-Int 13	*Customer Loyalty Programmes* [3]
HK(IFRIC)-Int 14	*HKAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction* [4]

[1] Effective for annual periods beginning on or after 1 January 2009
[2] Effective for annual periods beginning on or after 1 March 2007
[3] Effective for annual periods beginning on or after 1 July 2008
[4] Effective for annual periods beginning on or after 1 January 2008
[5] Effective for annual periods beginning on or after 1 July 2009

(4) SEGMENT INFORMATION

(a) Business segments

	Year ended 31 December 2007			
	Retail operations *HK$'000*	**Export operations** *HK$'000*	**Others** *HK$'000*	**Consolidated** *HK$'000*
Segment revenue:				
Sales to external customers	**3,627,826**	**938,193**	**217,861**	**4,783,880**
Other income and gains	**310,462**	**70,055**	**20,208**	**400,725**
Total	**3,938,288**	**1,008,248**	**238,069**	**5,184,605**
Segment results *(NB)*	**545,165**	**64,514**	**8,960**	**618,639**
Interest income and unallocated revenue				**84,853**
Unallocated expenses				**(57,495)**
Finance costs				**(16,595)**
Share of profits and losses of:				
Jointly-controlled entities	**–**	**(739)**	**19**	**(720)**
Associates	**(5,743)**	**15,450**	**–**	**9,707**
Profit before tax				**638,389**
Tax				**(85,114)**
Profit for the year				**553,275**

	Year ended 31 December 2006			
	Retail operations *HK$'000*	Export operations *HK$'000*	Others *HK$'000*	Consolidated *HK$'000*
Segment revenue:				
Sales to external customers	2,918,766	1,254,136	224,457	4,397,359
Other income and gains	27,828	26,351	20,093	74,272
Total	2,946,594	1,280,487	244,550	4,471,631
Segment results *(NB)*	207,557	67,844	12,777	288,178
Interest income and unallocated revenue				136,475
Unallocated expenses				(44,522)
Finance costs				(17,837)
Share of profits and losses of:				
Jointly-controlled entities	–	341	(53)	288
Associates	–	28,662	–	28,662
Profit before tax				391,244
Tax				(77,586)
Profit for the year				313,658

(NB) The segment result of retail operation contains the Group's reversal of provision for loans to associates amounting to HK$11,791,000 (2006 Provision for loans to associates: HK$47,045,000).

(b) Geographical segments

	Mainland China	Hong Kong	United States of America	Australia and New Zealand	Canada	Others	Consolidated
	Year ended 31 December 2007						
	HK$'000	***HK$'000***	***HK$'000***	***HK$'000***	***HK$'000***	***HK$'000***	***HK$'000***
Segment revenue:							
Sales to external customers	**2,642,498**	**108,477**	**782,102**	**1,069,371**	**60,974**	**120,458**	**4,783,880**

	Mainland China	Hong Kong	United States of America	Australia and New Zealand	Canada	Others	Consolidated
	Year ended 31 December 2006						
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Segment revenue:							
Sales to external customers	2,087,199	130,940	1,039,058	875,731	155,142	109,289	4,397,359

(5) PROFIT BEFORE TAX

Profit before tax is arrived at after charging/(crediting) :

	2007	2006
	HK$'000	*HK$'000*
Depreciation	**163,013**	116,122
Recognition of prepaid land lease payments	**403**	427
Provision/(reversal of provision) for loans to associates	**(11,791)**	47,045
Reversal of impairment of items of property, plant and equipment	**(747)**	(2,329)
Loss on disposal/write-off of items of property, plant and equipment	**9,826**	14,247
Gain on disposal of a subsidiary	**(2,533)**	–
Gain on disposal of an associate	**(265,686)**	–
Fair value (gains)/losses, net:		
Equity investments at fair value through profit or loss	**8,240**	(68,551)
Derivative financial instruments – transactions not qualifying as hedges	**(12,038)**	(11,936)
Financial asset at fair value through profit or loss	**(1,171)**	–
Bank interest income	**(35,376)**	(33,226)

(6) TAX

Hong Kong profits tax has been provided at the rate of 17.5% (2006: 17.5%) on the estimated assessable profits arising in Hong Kong during the year. Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the countries in which the Group operates, based on existing legislation, interpretations and practices in respect thereof.

	2007	2006
	HK$'000	*HK$'000*
Current – Hong Kong		
Charge for the year	**14,288**	19,469
Overprovision in prior years	**(113)**	(2,961)
Current – Elsewhere	**70,383**	61,677
Deferred	**556**	(599)
Total tax charge for the year	**85,114**	77,586

(7) DIVIDENDS

	2007	2006
	HK$'000	*HK$'000*
Interim – HK3.55 cents (2006: HK3.20 cents) per ordinary share	**37,609**	33,756
Underaccrual of final dividend of previous year	**998**	1,063
	38,607	34,819
Proposed final – HK12.24 cents (2006: HK12.24 cents) per ordinary share	**129,672**	129,115
Proposed special – HK10.00 cents (2006: HK10.00 cents) per ordinary share	**105,941**	105,486
	235,613	234,601
	274,220	269,420

(8) EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY

(a) Basic earnings per share

The calculation of basic earnings per share amount is based on the profit for the year attributable to ordinary equity holders of the Company of HK$515,749,000 (2006: HK$271,582,000) and the weighted average number of 1,058,530,000 (2006: 1,053,183,000) ordinary shares in issue during the year.

(b) Diluted earnings per share

The calculation of diluted earnings per share amount is based on the profit for the year attributable to ordinary equity holders of the Company of HK$515,749,000 (2006: HK$271,582,000). The weighted average number of ordinary shares used in the calculation is the 1,058,530,000 (2006: 1,053,183,000) ordinary shares in issue during the year, as used in the basic earnings per share calculation; and the weighted average number of 4,680,000 (2006: 7,759,000) ordinary shares assumed to have been issued at no consideration on the deemed exercise or conversion of all dilutive potential ordinary shares into ordinary shares.

(9) TRADE AND BILLS RECEIVABLES

The trade and bills receivables include trade receivables of HK$283,857,000 (2006: HK$279,400,000) and bills receivable of HK$153,515,000 (2006: HK$269,470,000). The bills receivable aged less than four months at the balance sheet date. The trade receivables are not considered to be impaired. An aged analysis of the trade receivables as at the balance sheet date, based on the payment due date, is as follows:

	Group	
	2007	2006
	HK$'000	*HK$'000*
Current	**197,820**	185,509
Less than 4 months	**67,000**	79,448
4 to 6 months	**12,703**	6,988
Over 6 months	**6,334**	7,455
	283,857	279,400

The Group allows an average credit period of 45 days to its trade customers.

(10) TRADE AND BILLS PAYABLES

The trade and bills payables include trade payables of HK$519,751,000 (2006: HK$477,383,000). An aged analysis of the trade payables is as follows:

	Group	
	2007	2006
	HK$'000	*HK$'000*
Less than 4 months	**507,449**	435,818
4 to 6 months	**6,029**	38,255
Over 6 months	**6,273**	3,310
	519,751	477,383

The trade payables are non-interest-bearing and are normally settled on 90-day terms.

DIVIDEND

The Directors have resolved to recommend the payment of a final dividend of HK12.24 cents (2006: HK12.24 cents) per share and a special dividend of HK10.00 cents (2006: HK10.00 cents) per share for the year ended 31 December 2007 at the forthcoming annual general meeting to be held on Tuesday, 27 May 2008. The final dividend together with the special dividend amounting to HK$235,613,000, if approved by the shareholders, are expected to be paid on or around Tuesday, 3 June 2008 to those shareholders whose names appear on the register of members of the Company on Tuesday, 27 May 2008.

GROUP RESULTS

In the year under review, the development of the Group's retail operations had staged a new phase and successfully achieved the strategic goals set several years ago - "to drive growth in earnings persistently through retail operations as the core activity and to focus on China market as the core market". In the financial year ended 31 December 2007 (the "Financial Year"), the retail operations had contributed 75.83% of the Group's consolidated sales with retail turnover in the PRC representing more than half of the Group's consolidated sales. Quiksilver Glorious Sun, the joint-venture with Quiksilver US began to make earnings after a triennium of investment period. The retail business under Jeanswest retained double-digit growth and its franchise operations expanded from Middle East to Thailand and Vietnam with satisfactory progress, laying a solid foundation for building up the Jeanswest brandname in Asia. The Group's after-tax profit in the Financial Year made a record high.

During the Financial Year, the Group had disposed of its entire equity interest in G.S - i.t Limited ("GSit") to I.T Ltd., for a return of 9% equity interest in I.T Ltd. and substantial exceptional earnings.

However, in the Financial Year, the US retail market was hit sharply by the extended economic crisis triggered off by the sub-prime issue and became sluggish, more noticeably in the second half. This caused negative impact on the Group's export business. Fortunately, the impact to the Group was insignificant because the export sales only represented 19.61% of the Group's consolidated sales.

In the year under review, the Group's overall financial position remained solid with inventory turnover improving. Inventory level stayed at a healthy level. As at 31 December 2007, the Group's consolidated net cash rose to HK$1,016,564,000 from HK$716,439,000 in the previous year. During the Financial Year, the Group's consolidated sales rose to HK$4,783,880,000 (2006: HK$4,397,359,000) and the profit attributed to shareholders, being enhanced by the exceptional earnings, came up to HK$515,749,000 (2006: HK$271,582,000), representing an increase of 8.79% and 89.91% respectively.

REVIEW OF BUSINESSES

Retailing

In the Financial Year, the Group's retail operations continued to stage strong growth. In spite of the rises in store rentals, increase in operating costs and fierce competition, etc, the Group still continued to record double-digit growth in sales in the retail operations. Average inventory level also further improved to 50 days from 51 days in the corresponding period of the previous year. The Group's retail network covered Mainland China, Hong Kong, Macau, Australia, New Zealand, the Middle East, Thailand and Vietnam. There were a total of 1,940 retail stores as at the end of 2007 (2006: 1,804), of which 920 (2006: 777) were operated under franchise arrangements. For the Financial Year, the Group's aggregate sales from the retail operations amounted to HK$3,627,826,000 (2006: HK$2,918,766,000), representing a year-on-year increase of 24.29%. Contributions from its retail operations to the Group's consolidated sales had improved to 75.83% from the 66.38% saw in the corresponding period in the previous year.

1. The PRC

i. Jeanswest

The brandname of Jeanswest remained the Group's flagship brand in Mainland China. On the back of a strong and buoyant retail market, there were rising operating costs, especially in store rentals. The market competition was also very keen. Despite these, Jeanswest performed well with sales maintaining a double-digit growth thereby reducing the pressure from the escalating operating costs. Such achievement was principally attributed to the Management's resolute commitment to upgrade the brand image of Jeanswest and to enhance the quality of its product lines. This strategy was well supported by our customers, enabling Jeanswest to maintain its stronghold in the market. Meanwhile, the Group upgraded its merchandising system which provided a flexible and better inventory control, leading to increasing same store sales. The Group's strategy in adding more flagship stores and concept stores in the prime locations of major cities also enhanced the image of the Jeanswest brandname. Membership of Jeanswest VIP surpassed the million mark and they on average contributed to more than 10% of Jeanswest sales in the Mainland.

In the year under review, sales from the retail operations in the PRC amounted to HK$2,586,630,000 (2006: HK$2,050,979,000), increased by 26.12% year-on-year and represented 54.07% of the Group's consolidated sales. As at 31 December 2007, there were 1,667 Jeanswest stores (2006: 1,374), covering 250 cities in the Mainland, among which 899 (2006: 717) were operated under franchise arrangements.

ii. Quiksilver Glorious Sun

Quiksilver Glorious Sun witnessed a breakthrough in its development in the Financial Year. In the past, all products were imported from the United States. Currently over 60% of its products were manufactured in the Mainland. With the growing popularity of the brandname of Quiksilver in the Mainland, stores increased from 23 to 48 and gross sales rose by more than 60% when compared with the previous year. This operation managed to break even in the third quarter and made earnings for the whole year.

iii. GSit

In the second half of the Financial Year, the Group sold its entire 50% equity stake and assigned its shareholder's loans in GSit to I.T Ltd. in return for HK$80,000,000 in cash and 102,827,000 newly issued ordinary shares of I.T Ltd., which represented 9% of its enlarged share capital. This transaction resulted in I.T Ltd. holding the entire equity interest in GSit, giving it the flexibility to penetrate into the Mainland retail market on its own pace. For the Group, through the holding of 9% equity interest in I.T Ltd., it would still benefit from I.T Ltd.'s future development efforts. When the transaction was disclosed, both the share prices of the Company and of I.T Ltd. went up materially, suggesting that the market was generally positive towards the transactions and reckoned it as a win-win arrangement.

2. Australia and New Zealand

The retail markets in Australia and New Zealand in the first half of the Financial Year were better than those of the second half. These markets slowed down as a result of the deterioration of the US sub-prime crisis, the two interest rates hikes in Australia as well as the uncertainties in the political arena subsequent to the parliamentary election. Competition also intensified. During the year, Jeanswest had developed new concept in store operation in order to create a better shopping environment. The concept was well received, stabilising the continuous growth in sales of Jeanswest products.

For the Financial Year, sales from the Australia and New Zealand markets amounted to HK$1,041,195,000 (2006: HK$867,787,000), translating into a 19.98% year-on-year increase. As at the end of 2007, Jeanswest operated a network of 225 retail stores (2006: 220) in Australia and New Zealand, among which 6 (2006: 6) were under franchise arrangements.

Export

The intensification of the sub-prime crisis in the US led to slowdown in economic growth and sluggish retail environment in the US market, especially in the second half of the year under review. In addition, the production costs in the Mainland also increased due to the appreciation in value of Renminbi against the US dollars. Because the rises in production costs could not be shifted to the customers, gross profit margin in this operation was adversely affected. In early 2003, the Management rightly took the direction rather different from most others on the future planning after the 2005 lifting of textile export quotas restrictions among World Trade Organisation member states. Most manufacturers and traders in the Mainland anticipated that the lifting of textile export quotes would bring about market opportunity and they expanded their manufacturing facilities extensively to capture such opportunity. However, the Group considered that the current global economy could not be segregated from politics and that the private enterprises would also pose very keen market competition with more than twenty years of experience subsequent to the Chinese open-door policy. The Management therefore took a different view about the investment environment in the emerging the PRC and withdrew the resources originally allocated to the labour intensive and export businesses. Consequently, the expansion of manufacturing facilities in the Mainland was frozen and those overseas factories without competitiveness were all closed down. Our operations thereby managed to get away from the problems associated with the general over-production crisis in the industry and to reduce the negative impacts arising out of the sluggish retail environment in the US market, the Renminbi appreciation and the rises in the Mainland production costs. In the year under review, sales from the export operations contributed only 19.61% of the Group's consolidated sales. As a result, the negative impact on the Group's overall profitability was insignificant.

For the Financial Year, the Group's sales from exports amounted to HK$938,193,000 (2006: HK$1,254,136,000), slipped 25.19% from the previous year.

Other Businesses

Trading of fabric remained as the principal activities of the Group's other businesses, which contributed aggregate sales of HK$217,861,000 (2006: HK$224,457,000), representing a reduction of 2.94% year-on-year.

FINANCIAL POSITION

The Group's financial position had grown healthier. As mentioned earlier, the Group's inventory level had improved. In 2007, the Group had entered into foreign currency forward contracts to hedge its exposure to exchange risks in respect of the Australian dollars.

HUMAN RESOURCES

As at 31 December 2007, the Group employed about 30,000 employees (2006: 31,000). The Group offered competitive remuneration packages to them. In addition, bonus and share options may be granted based on the Group's results and individual performance from time to time.

SOCIAL RESPONSIBILITY

It is the belief of the Management that while maximising returns for shareholders through upgrading the quality of profitability, a company has to take up its social responsibilities. Adhering to stringent environmental protection policies and regulations, the Group also made direct contributions to the society. During the Financial Year, Jeanswest University Students Sponsorship Fund had financed 1,321 university students to complete their college education. Jeanswest Hope Project Society had joined force with 10 universities in the Mainland to host various charitable functions. Jeanswest in Australia and New Zealand also carried out charitable activities through co-operations with the youth charitable organisation Reach Foundation, The Cancer Council, Seconds to Give etc.

PROSPECTS

Looking forward to 2008, we expect the US sub-prime crisis to intensify and affect the other sectors. As a result, global economic growth is anticipated to slow down and retail markets to turn sluggish. In fact, against the background of slow global economic growth, anticipated interest rates cuts in the United States by the Federal Reserves to control the negative impact triggered by the sub-prime issues, we expect US dollars to depreciate further, which in turn, will cause Renminbi to appreciate significantly. As such, the Management believes that 2008 will be a challenging year with opportunities and crises emerging.

The Management remains positive and optimistic towards the outlook of the Mainland retail market. Despite a possible slowdown in the PRC economy in year 2008, the market is still expecting about 9% economic growth, which, to a certain extent, represents a reasonable adjustment amidst a relatively over-heated economy. We are of the opinion that healthy economic growth will benefit the retail market. Although the snow storm in the first quarter of 2008 had caused some challenges to the Group's retail activities in the Mainland, Jeanswest managed to achieve strong growth in sales, resulting in an encouraging and satisfactory result. Hence, the Management has committed to expand its retail activities in the Mainland in the ensuing year. The Group also expects Quiksilver Glorious Sun to accelerate its development and is looking for opportunity to expand into wholesale businesses.

Although economic growth in Australia and New Zealand is anticipated to slow down as well, we still expect positive growth in the Jeanswest sales. New series of dainty casual wears for ladies are now offered for sales in the specialty stores. The Group has also decided to expand Jeanswest's network of retail stores to the South East Asian markets.

However, the Management expects the operating pressure on the Group's export businesses to persist in year 2008 and thus has planned to further improve its operational efficiency and impose stringent controls over its production costs. The Group also intends to increase its sales in the Mainland in order to relax the pressure from the appreciation of Renminbi.

Barring unforeseen circumstances, the Management has confidence that the Group will continue to bring reasonable returns to its shareholders in 2008.

ANNUAL GENERAL MEETING

The annual general meeting of the Company for the year 2008 will be held on Tuesday, 27 May 2008. For details of the annual general meeting, please refer to the notice of annual general meeting of the Company which is expected to be published on The Stock Exchange of Hong Kong Limited (the "Stock Exchange")'s website (www.hkexnews.hk) and the Company's website (www.glorisun.com) on or around Friday, 25 April 2008.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Thursday, 22 May 2008 to Tuesday, 27 May 2008, both days inclusive, during which period no transfers of shares shall be effected. In order to qualify for the proposed final dividend and special dividend, all transfers of shares accompanied by the relevant share certificates must be lodged with the Company's share registrars in Hong Kong, Computershare Hong Kong Investor Services Limited at shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration by no later than 4:00 p.m. on Wednesday, 21 May 2008.

CORPORATE GOVERNANCE

The Company has complied with the Code on Corporate Governance Practices (the "Code") as set out in Appendix 14 of the Rules Governing the Listing of Securities on the Stock Exchange throughout the year ended 31 December 2007, with deviation from code provision A.4.2 of the Code in respect of rotation of directors.

Under the code provision A.4.2, every director, including those appointed for a specific term, should be subject to retirement by rotation at least once every three years.

However, in accordance with bye-law 110(A) of the Bye-laws of the Company, Dr. Charles Yeung, SBS, JP, the Chairman of the Board of Directors of the Company (the "Board"), shall not be subject to retirement by rotation. The Board considers that this deviation is well-founded as the Chairman of the Board, Dr. Charles Yeung, SBS, JP, being the founder of the Group, has a wealth of experience which is essential to the Board and helps the continued stability of the Company's business. Hence, he is eligible for being the Chairman of the Board during his lifetime and need not be subject to retirement by rotation.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the year.

By Order of the Board
Dr. Charles Yeung, SBS, JP
Chairman

Hong Kong, 17 April 2008

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, JP, Ms. Cheung Wai Yee and Mr. Chan Wing Kan, Archie.

Independent Non-Executive Directors:
Mr. Wong Man Kong, Peter, BBS, JP, Mr. Lau Hon Chuen, Ambrose, GBS, JP and Mr. Chung Shui Ming, Timpson, GBS, JP.

Non-Executive Director:
Dr. Lam Lee G.