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**寶新金融集團有限公司**

**GLORY SUN FINANCIAL GROUP LIMITED**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 01282)**

**DISCLOSEABLE TRANSACTION  
DEEMED DISPOSAL IN RELATION TO  
PLACING OF NEW SHARES UNDER  
GENERAL MANDATE BY A SUBSIDIARY  
GLORY SUN LAND GROUP LIMITED**

**PLACING OF NEW SHARES BY GSLG**

On 18 March 2021, after trading hours, GSLG, an indirect non-wholly owned subsidiary of the Company entered into the Placing Agreement with the Placing Agent pursuant to which, GSLG has conditionally agreed to issue under the General Mandate, and the Placing Agent has conditionally agreed to procure not fewer than six (6) Placees, on a best effort basis to subscribe for up to 910,020,959 new GSLG Shares at the Placing Price of HK\$0.3 per Placing Share during the Placing Period, subject to the terms and conditions of the Placing Agreement.

The maximum number of Placing Shares to be placed by the Placing Agent will be 910,020,959 new GSLG Shares (the aggregate nominal value being approximately HK\$45,501,048).

Assuming that there will be no change in the issued share capital of GSLG between the date of this announcement and the Completion of the Placing, the maximum number of 910,020,959 Placing Shares represents (i) approximately 20 % of the issued share capital of GSLG as at the date of this announcement; and (ii) approximately 16.67% of the issued share capital of GSLG as enlarged by the allotment and issue of the Placing Shares.

The Placing Price of HK\$0.3 per Placing Share represents (i) a premium of approximately 5.26% to the closing price of HK\$0.285 per GSLG Share as quoted on the Stock Exchange on 18 March 2021, being the date of the Placing Agreement; and (ii) a premium of approximately 4.17% to the average closing price of approximately HK\$0.288 per GSLG Share as quoted on the Stock Exchange for the five consecutive trading days of the GSLG Shares immediately prior to the date of the Placing Agreement.

The Placing is conditional upon the Stock Exchange granting the listing of, and permission to deal in, the Placing Shares.

**Shareholders and potential investors should note that the Placing is subject to the fulfilment of the condition(s) under the Placing Agreement as set out in the section headed “Condition(s) precedent to Placing”. As the Placing may or may not proceed to Completion, Shareholders and potential investors are reminded to exercise caution when dealing in the Shares.**

#### **DEEMED DISPOSAL OF THE COMPANY**

As at the date of this announcement, the Company is a controlling shareholder (as defined under the Listing Rules) of GSLG, holding 3,145,544,700 GSLG Shares, representing approximately 69.13% of the total issued share capital of GSLG.

Assuming all the 910,020,959 Placing Shares are placed under the Placing Agreement, the shareholding interest of the Company in GSLG will be diluted from approximately 69.13% to approximately 57.61% (assuming there will be no other change to the issued share capital of GSLG between the date of this announcement and the date of the Completion of the Placing, other than the issue by GSLG of the Placing Shares), representing a decrease of approximately 11.52%. Accordingly, such dilution of shareholding interest in GSLG of the Company constitutes a deemed disposal transaction of the Company under Rule 14.29 of the Listing Rules.

Following the Placing, given that the Company will, subject to the applicable accounting standards, continue to control over GSLG, GSLG will remain as a subsidiary of the Company and its financial results and financial positions will continue to be consolidated in the consolidated financial statement of the Group.

As one or more percentage ratios in respect of the Deemed Disposal are more than 5% but less than 25%, the Deemed Disposal, constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules, and is therefore subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

## **THE PLACING AGREEMENT**

### **Date**

18 March 2021 (after trading hours)

### **Issuer**

GSLG

### **Placing Agent**

Glory Sun Securities Limited

To the best of the knowledge, information and belief of GSLG Directors, having made all reasonable enquiries, the Placing Agent, is an indirect non-wholly owned subsidiary of the Company. Further, the Company is a controlling shareholder of GSLG, and Mr. Yao Jianhui (“Mr. Yao”) is an executive Director and the chief executive officer of the Company and an executive director of GSLG. He is also a controlling shareholder of each of the Company and GSLG, interested in (i) 14,839,411,600 Shares, representing approximately 47.28% of the total number of the Shares in issue, and (ii) 3,146,858,700 GSLG Shares, representing approximately 69.16% of the total number of GSLG Shares in issue as at the date of this announcement. Therefore, Mr. Yao is a connected person of the Company and GSLG. The Placing Agent is a connected person of GSLG and also an associate of Mr. Yao.

The Placing Agent has conditionally agreed to place, on a best effort basis, up to 910,020,959 Placing Shares to not fewer than six Placees during the Placing Period at the Placing Price of HK\$0.3 per Placing Share. GSLG will pay a fixed placing commission of HK\$ 450,000 to the Placing Agent. The commission rate was arrived at after arm’s length negotiations between GSLG and the Placing Agent with reference to the market rate. Having considered the size and terms of the Placing, the GSLG Directors (including the independent non-executive GSLG Directors) are of the view that the placing commission of HK\$ 450,000 is fair and reasonable.

### **Placees**

The Placing Agent has conditionally agreed to place, on a best effort basis, the Placing Shares to not fewer than six Placees who will be institutional, professional and/or private investors at the Placing Price. Each of the Placees and (where applicable) their respective ultimate beneficial owner(s) shall be third parties independent of and not connected with each of GSLG, the Company and/or their respective connected person(s), and that each of the Placees is not acting in concert (as defined under the Takeovers Code) with the Company, GSLG and/or any of their respective connected person(s) in relation to the

control of GSLG. It is expected that none of the Placees will become a substantial shareholder (as defined under the Listing Rules) of GSLG immediately upon completion of the Placing.

### **Number of Placing Shares**

The maximum number of 910,020,959 Placing Shares represent (i) approximately 20% of the issued share capital of GSLG as at the date of this announcement; and (ii) assuming the Placing Shares are fully placed under the Placing, approximately 16.67% of the issued share capital of GSLG as enlarged by the allotment and issue of the Placing Shares (assuming there is no change in the issued share capital of GSLG between the date of this announcement and the Completion of the Placing, other than the issue by GSLG of the Placing Shares).

### **Placing Price**

Based on the closing price of the GSLG Shares of HK\$0.285 per GSLG Share on 18 March 2021, the date of the Placing Agreement, the Placing Shares have a market value of approximately HK\$259,360,000. The aggregate nominal value of the Placing Shares is HK\$45,501,048.

The Placing Price of HK\$0.3 per Placing Share represents:

- (i) a premium of approximately 5.26% to the closing price of HK\$0.285 per GSLG Share as quoted on the Stock Exchange on 18 March 2021, being the date of the Placing Agreement; and
- (ii) a premium of approximately 4.17% to the average closing price of approximately HK\$0.288 per GSLG Share as quoted on the Stock Exchange for the five consecutive trading days of the GSLG Shares immediately prior to the date of the Placing Agreement.

The Placing Price was determined after arm's length negotiations between GSLG and the Placing Agent with reference to, among other matters, the prevailing market price of the GSLG Shares. The GSLG Directors (including the independent non-executive GSLG Directors) consider that the terms of the Placing Agreement (including the Placing Price and the placing commission) are fair and reasonable based on the current market conditions and the Placing is in the interest of GSLG and the GSLG Shareholders as a whole.

### **Condition(s) precedent to the Placing**

The Placing is conditional upon the Listing Committee of the Stock Exchange granting the approval for the listing of, and the permission to deal in, the Placing Shares, and such listing and permission not subsequently being revoked prior to the delivery of definitive share certificate(s) representing the Placing Shares pursuant to the Placing Agreement.

In the event that the condition to the Placing is not fulfilled on or before the Long Stop Date (or such later date as may be agreed between the GSLG and the Placing Agent), the Placing will not proceed and the Placing Agreement, along with all rights and obligations of the Placing Agent and GSLG thereunder will cease and terminate. Further, the Placing Agent and GSLG shall have no obligations or liabilities to each other under the Placing, and neither GSLG nor the Placing Agent shall have any claim against the other for costs, damages, compensation or otherwise arising under the Placing Agreement, save for antecedent breaches.

### **Completion of the Placing**

Completion shall take place on the fifth Business Day, after all the conditions set out in the paragraph headed “Condition(s) precedent to the Placing” or such other date as GSLG and the Placing Agent may agree.

### **Termination of the Placing**

Notwithstanding anything contained in the Placing Agreement to the contrary, the Placing Agent shall be entitled by written notice to GSLG given prior to 6:00 p.m. on the Business Day immediately preceding the Completion Date to terminate the Placing Agreement if:

- (i) any material adverse change in the financial position of GSLG which in the reasonable opinion of the Placing Agent is material in the context of the Placing; or
- (ii) the introduction of any new law or regulation or any change or development involving a prospective change in existing laws and regulations in any relevant jurisdiction which in the reasonable opinion of the Placing Agent has or is likely to have a material adverse effect on the financial position of GSLG and/or of the GSLG Group as a whole; or
- (iii) any moratorium, suspension or material restriction on trading in shares or securities generally on the Stock Exchange due to exceptional financial circumstances or otherwise at any time prior to the Completion Date; or
- (iv) if there has come to the notice and in the reasonable opinion of the Placing Agent: -
  - (a) any material breach of the representations and warranties provided by GSLG; or
  - (b) any material breach of any of the obligations imposed upon GSLG; or

- (v) the occurrence of any event, development or change (whether or not local, national or international or forming part of a series of events or changes occurring or continuing before, on and/or after the date thereof and including an event or change in relation to or a development of an existing state of affairs) of a political, military, industrial, financial, economic or other nature, whether or not *sui generis* with any of the foregoing, resulting in a material adverse change in, political, economic or stock market conditions.

then and in any such case, the Placing Agreement shall terminate and be of no further effect and neither party shall be under any liability to the other party in respect of the Placing Agreement, save for any antecedent breaches.

### **Ranking of the Placing Shares**

The Placing Shares, when allotted, issued and fully paid, will rank *pari passu* in all respects among themselves and with all other GSLG Shares in issue or to be issued by GSLG on the date of allotment and issue of the Placing Shares.

### **General Mandate**

The Placing Shares will be issued under the General Mandate granted to the GSLG Directors at the AGM, pursuant to which, the GSLG Directors have been authorized to exercise all the powers of GSLG to allot, issue and otherwise deal with not exceeding 20% of the total number of the issued share capital of the GSLG as at the date of AGM, being up to 910,020,959 GSLG Shares. Since the date of AGM and up to the date of this announcement, no new GSLG Shares have been allotted and issued by GSLG under the General Mandate.

The 910,020,959 Placing Shares constitute approximately 100% of the General Mandate. Accordingly, the General Mandate is sufficient for the allotment and issue of the Placing Shares and the issue of the Placing Shares is not subject to any additional approval of the GSLG Shareholders.

### **Application for Listing**

An application will be made by GSLG to the Stock Exchange for the listing of, and permission to deal in, the Placing Shares.

### **REASONS FOR THE PLACING AND USE OF PROCEEDS**

On the basis that the maximum number of 910,020,959 Placing Shares will be placed in full, the gross proceeds from the Placing and the net proceeds (after deducting the placing commission and other related expenses and professional fees) from the Placing will amount to approximately HK\$273,000,000 and approximately HK\$272,460,000 respectively. The net price of each Placing Share will be approximately HK\$0.299.

GSLG intends to apply the net proceeds from the Placing wholly for financing the general working capital of the GSLG Group. The GSLG Directors consider that the net proceeds from the Placing will meet the financial needs of the GSLG Group. Further, the Placing offers a good opportunity to raise funds to strengthen the financial position of GSLG, provide GSLG Group with working capital to meet any future development and obligations, and broaden the shareholder base and capital base of GSLG.

The GSLG Directors (including the independent non-executive GSLG Directors) consider that the terms of the Placing Agreement are fair and reasonable and are in the interests of GSLG and the GSLG Shareholders as a whole.

## **FUND RAISING ACTIVITIES OF GSLG DURING THE PAST 12 MONTHS**

GSLG has not carried out any equity fund raising activity during the past 12 months immediately preceding the date of this announcement.

## **FINANCIAL INFORMATION OF GSLG GROUP**

Set out below are the abridged audited consolidated results of GSLG Group for the two years ended 31 December 2018 and 2019 respectively as extracted from the annual report of GSLG for the year ended 31 December 2019:

	<b>For the year ended 31 December 2018</b>	<b>For the year ended 31 December 2019</b>
	<i>HK\$'000</i>	<i>HK\$'000</i>
Profit before taxation	286,419	1,000,740
Profit after taxation	161,837	499,025

The unaudited total asset value and net asset value of GSLG Group as at 30 June 2020 were approximately HK\$ 20,465,743,000 and HK\$ 4,241,723,000 respectively.

## **FINANCIAL IMPACT OF THE PLACING TO THE COMPANY**

Immediately after completion of the Placing, GSLG will continue to be a subsidiary of the Company. As the overall net change in the Company's ownership interest in GSLG will not result in loss of control in GSLG according to the applicable accounting standards, there will be no gain or loss expected to accrue to the Company's consolidated statement of profit or loss and other comprehensive income as a result of the Deemed Disposal arising from the Placing.

## EFFECT OF THE SHAREHOLDING STRUCTURE OF THE COMPANY

As at the date of this announcement, GSLG has 4,550,104,797 GSLG Shares in issue. The table below sets out the shareholding structure of GSLG (i) as at the date of this announcement and (ii) upon Completion of the Placing Shares, assuming that there will be no change in the total number of GSLG Shares in issue (other than the issue of the Placing Shares) between the date of this announcement and Completion:

Shareholders	At the date of this announcement		Immediately after the Completion	
	<i>No. of GSLG Shares</i>	<i>Approximate %</i>	<i>No. of GSLG Shares</i>	<i>Approximate %</i>
<b>Company Concert Group</b>				
Hong Kong Bao Xin Asset Management Limited ( <i>Note 1</i> )	3,124,415,652	68.67	3,124,415,652	57.22
Glory Sun Securities Limited ( <i>Note 1</i> )	21,129,048	0.46	21,129,048	0.39
Mr. Yao Jianhui ( <i>Note 2</i> )	1,314,000	0.03	1,314,000	0.02
Mr. Li Minbin ( <i>Note 3</i> )	306,500	0.01	306,500	0.006
Mr. Zhang Chi ( <i>Note 4</i> )	<u>1,220,000</u>	<u>0.03</u>	<u>1,220,000</u>	<u>0.02</u>
<b>Sub-total of the Company Concert Group</b>				
Mr. Zhang Xiaodong ( <i>Note 5</i> )	3,148,385,200	69.19	3,148,385,200	57.66
Placees	—	—	910,020,959	16.67
Other Public Shareholders	<u>1,401,044,597</u>	<u>30.79</u>	<u>1,401,044,597</u>	<u>25.66</u>
<b>Total</b>	<b><u>4,550,104,797</u></b>	<b><u>100.00</u></b>	<b><u>5,460,125,756</u></b>	<b><u>100.00</u></b>

Notes:

- Hong Kong Bao Xin Asset Management Limited is a wholly-owned subsidiary of the Company and Glory Sun Securities Limited is a non-wholly owned subsidiary of the Company in which the Company holds 89.94% effective interest. Accordingly, the Company is deemed to be interested in all the GSLG Shares held by Hong Kong Bao Xin Asset Management Limited and Glory Sun Securities Limited by virtue of the SFO.
- Mr. Yao Jianhui is an executive Director, the chairman and the chief executive officer of the Company and is also an executive director, and the chairman of GSLG. He is also a controlling shareholder (as defined under the Listing Rules) of the Company. He is deemed to be interested in all the GSLG Shares held by the Company by virtue of the SFO.
- Mr. Li Minbin is an executive director of the Company.
- Mr. Zhang Chi is a non-executive director of the Company.
- Mr. Zhang Xiaodong is an executive director of GSLG.



6. The aggregate of the percentage figures in the table above may not add up to the relevant sub-total or total percentage figures shown due to rounding of the percentage figures to two decimal places. Percentages may not add up to 100% due to rounding.

## **INFORMATION ON THE GSLG GROUP**

GSLG is an investment holding company. The principal activities of the GSLG Group are (i) property development and property investment in the PRC including sales and leasing of properties; (ii) logistics trade and supply chain management; (iii) development of cultural sports in the PRC including a yacht club, a training centre and a golf practicing course; and (iv) securities investment.

## **INFORMATION ON THE GROUP**

The Company is an investment holding company. The Group is principally engaged in financial services, property investment and development, automation, securities investment, logistics trade and supply chain management, yacht club and training centre.

## **INFORMATION ON THE PLACING AGENT**

The Placing Agent, an indirect non-wholly owned subsidiary of the Company, is engaged in the provision of securities brokerage and margin financing business.

To the best of the knowledge, information and belief of the GSLG Directors, and having made all reasonable enquires, the Company is a controlling shareholder of GSLG, and Mr. Yao is an executive Director and the chief executive officer of the Company and an executive Director of GSLG. He is also a controlling shareholder of each of the Company and GSLG. Therefore, the Placing Agent is a connected person of GSLG and also an associate of Mr. Yao.

## **DEEMED DISPOSAL OF THE COMPANY**

As at the date of this announcement, the Company is the controlling shareholder holding 3,145,544,700 GSLG Shares, representing approximately 69.13% of the total issued share capital of GSLG.

Assuming all the 910,020,959 Placing Shares are placed under the Placing Agreement, the shareholding interest of the Company in GSLG will be diluted from approximately 69.13% to approximately 57.61% (assuming there will be no other change to the issued share capital of GSLG between the date of this announcement and the date of the Completion of the Placing, other than the issue by GSLG of the Placing Shares), representing a decrease of approximately 11.52%. Accordingly, such dilution of shareholding interest in GSLG by the Company constitutes a deemed disposal transaction of the Company under Rule 14.29 of the Listing Rules.

Following the Placing, given that the Company will, subject to the applicable accounting standards, continue to control over GSLG, which will remain as a subsidiary of the Company and its financial results and financial positions will continue to be consolidated in the consolidated financial statement of the Group.

As one or more percentage ratios in respect of the Deemed Disposal are more than 5% but less than 25%, the Deemed Disposal, constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules, and is therefore subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

## **REASONS FOR AND THE BENEFITS OF THE DEEMED DISPOSAL**

The Board concurs with the view of the GSLG Board as set out under the paragraph of “Reasons for the Placing and use of proceeds” that the Placing will provide GSLG Group with immediate and additional funding to meet its financial needs, support its existing business operation as well as strengthen its capital bases for future growth and development.

Having considered that the benefits on GSLG as set out above outweighing the dilution effect on shareholding interest of the Company in GSLG, the Directors consider that the Deemed Disposal is fair and reasonable and in the interest of the Group and the Shareholders as a whole.

**Shareholders and potential investors should note that the Placing is subject to the fulfilment of the condition under the Placing Agreement as set out in the section headed “Condition(s) precedent to the Placing”. As the Placing may or may not proceed to Completion, Shareholders and potential investors are reminded to exercise caution when dealing in the Shares.**

## **DEFINITIONS**

In this announcement, unless the context otherwise requires, the following words and expressions shall have the meaning ascribed to them below:

“AGM”	the annual general meeting of GSLG held on 2 June 2020
“associate(s)”	has the meaning ascribed thereto in the Listing Rules
“Board”	the board of Directors of the Company
“Business Day”	means any day (other than a Saturday) on which banks are open for business in Hong Kong

“Company”	Glory Sun Financial Group Limited, a limited liability company incorporated in the Cayman Islands and whose shares are listed on the main board of the Stock Exchange (stock code: 01282)
“Company Concert Group”	the Company and parties acting in concert with it, including without limitation the Company and its subsidiaries, Mr. Yao Jianhui, Mr. Li Minbin and Mr. Zhang Chi;
“Completion”	completion of the Placing in accordance with the terms and conditions of the Placing Agreement
“Completion Date”	a date on which Completion takes place
“connected person(s)”	has the meaning ascribed thereto in the Listing Rules and “connected” shall be construed accordingly;
“Deemed Disposal”	deemed disposal of the shareholding interest of the Company in GSLG as a result of the dilution of shareholding interest of the Company in GSLG upon the allotment and issue of the Placing Shares;
“Director(s)”	Director(s) of the Company;
“General Mandate”	the general mandate granted to the GSLG Directors pursuant to an ordinary resolution of the GSLG passed at the AGM to allot, issue and otherwise deal with not exceeding 20% of the total number of the entire issued share capital of GSLG as at the date of the AGM;
“Group”	the Company and its subsidiaries;
“GSLG”	Glory Sun Land Group Limited, a company incorporated in the Cayman Islands with limited liability and the shares of which are listed on the main board of the Stock Exchange (Stock Code: 00299);
“GSLG Director(s)”	the director(s) of GSLG;
“GSLG Group”	GSLG and its subsidiaries;
“GSLG Share(s)”	ordinary share(s) of HK\$0.05 each in the share capital of GSLG;
“GSLG Shareholder(s)”	holder(s) of the GSLG Share(s);

“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Listing Committee”	the listing sub-committee of the Stock Exchange;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Long Stop Date”	8 April 2021, or such other date as agreed by GSLG and the Placing Agent;
“Placee(s)”	any professional, institutional and other investor whom the Placing Agent has procured to subscribe for any of the Placing Shares pursuant to the Placing Agreement;
“Placing”	the placing of up to 910,020,959 Placing Shares to the Placees at the Placing Price pursuant to the terms and conditions of the Placing Agreement
“Placing Agent”	Glory Sun Securities Limited
“Placing Agreement”	the placing agreement entered into between GSLG and the Placing Agent dated 18 March 2021 in relation to the Placing
“Placing Period”	the period commencing upon the execution of the Placing Agreement and terminating on 8 April 2021 (or such later time and date as GSLG and the Placing Agent may agree in writing);
“Placing Price”	HK\$0.3 per Placing Share;
“Placing Shares”	maximum of 910,020,959 new GSLG Shares to be issued by GSLG under the General Mandate and to be placed pursuant to the Placing Agreement;
“PRC”	the People’s Republic of China which, for the purpose of this announcement, excludes the Hong Kong Special Administrative Region of the PRC, the Macau Special Administrative Region of the PRC and Taiwan;
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)

“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary” or “subsidiaries”	has the meaning ascribed to it under the Listing Rules
“Takeovers Code”	The Codes on Takeovers and Mergers and Share Buy-backs issued by the Securities and Futures Commission of Hong Kong
“%”	per cent

By Order of the Board of  
**Glory Sun Financial Group Limited**  
**Yao Jianhui**  
*Chairman and Chief Executive Officer*

Hong Kong, 18 March 2021

*As at the date of this announcement, the Company’s executive directors are Mr. Yao Jianhui, Mr. Lau Wan Po, Mr. Li Minbin and Mr. Huang Wei; the non-executive director is Mr. Zhang Chi; and the independent non-executive directors are Mr. Wong Chun Bong, Professor Lee Kwok On, Matthew, and Mr. Lee Kwan Hung, Eddie.*