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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)



**寶新置地集團有限公司**  
GLORY SUN LAND GROUP LIMITED  
(Incorporated in the Cayman Islands with limited liability)  
(Stock Code: 299)

## **JOINT ANNOUNCEMENT PURSUANT TO RULE 14.36 OF THE LISTING RULES**

### **SECOND SUPPLEMENTAL AGREEMENT IN RELATION TO THE DISPOSAL OF THE ENTIRE EQUITY INTEREST OF THE TARGET COMPANY**

Reference is made to the joint announcements of GSF and GSLG dated 20 July 2021 and 2 December 2021 respectively in relation to the disposal of the entire equity interest of the Target Company (the “**Previous Announcements**”). Unless otherwise specified, capitalised terms used in this joint announcement shall have the same meanings as those set out in the Previous Announcements.

#### **THE SECOND SUPPLEMENTAL EQUITY TRANSFER AGREEMENT AND THE REVISED EQUITY PLEDGE AGREEMENT**

As disclosed in the Previous Announcements, under the Equity Transfer Agreement (as amended by the Supplemental Equity Transfer Agreement), the Consideration for the Disposal is of RMB300 million shall be payable by three instalments. The first instalment of RMB50 million shall be payable on or prior to the 10th day from the date of the Disposal Announcement. The second instalment of RMB125 million and the third instalment of RMB125 million shall be payable on or prior to the 10th day and the 30th day from the date on which all the conditions precedent having been fulfilled or waived pursuant to the Equity Transfer Agreement, respectively.

#### **Second Supplemental Equity Transfer Agreement**

On 15 December 2021 (after trading hours), the Vendor, the Purchaser and Mr. Zhang entered into the second supplemental equity transfer agreement (the “**Second Supplemental Equity Transfer Agreement**”) to amend and supplement the Equity Transfer Agreement and the Supplemental Equity Transfer Agreement. Pursuant to the Second Supplemental Equity Transfer Agreement, the Vendor, the Purchaser and/or Mr. Zhang agreed that, amongst others:

- (1) the condition precedent (6) of the Equity Transfer Agreement shall be amended such that the Purchaser shall, by Completion, enter into (i) the Counter-Guarantee together with Mr. Zhang in respect of the liability to be borne by the Vendor under the

Guarantee; and (ii) the Equity Pledge Agreement to pledge the entire equity interest in the Target Company within 20 business days after the Purchaser becomes the registered owner of such equity interest;

- (2) the second instalment of RMB125 million and the third instalment of RMB125 million of the Consideration shall be payable by the Purchaser to the Vendor on or before 20 December 2021 and 31 March 2022 respectively;
- (3) within seven business days after the payment of the second instalment pursuant to the Second Supplemental Equity Transfer Agreement, the Vendor and the Purchaser shall cooperate for the registration of equity transfer in the Target Company with the local Administration Bureau for Industry and Commerce in the PRC so as to complete the Disposal; and
- (4) the Equity Pledge Agreement shall also be used to secure the Purchaser's obligation to pay the entire Consideration pursuant to the Second Supplemental Equity Transfer Agreement. If the Purchaser fails to pay the third instalment of the Consideration on or before 31 March 2022, the Vendor shall be entitled to dispose of the equity interest in the Target Company under the equity pledge in the Equity Pledge Agreement.

Save as amended by the Second Supplemental Equity Transfer Agreement, the terms and conditions of the Equity Transfer Agreement and the Supplemental Equity Transfer Agreement remains unchanged and shall continue to be in full force and effect.

As at the date of this announcement, the Vendor has received RMB100 million from the Purchaser as part of the second instalment of the Consideration.

### **Equity Pledge Agreement**

In light of the amendments under the Second Supplemental Equity Transfer Agreement, the form of the Equity Pledge Agreement has also been revised such that the Purchaser agrees to pledge to the Vendor all the equity interest of the Target Company and all its existing or future rights, interests and other benefits attaching to the equity interest to both guarantee the performance of the Vendor of its obligations under the Guarantee and secure the payment of the entire Consideration pursuant to the Second Supplemental Equity Transfer Agreement. The pledge shall be extended to cover: (i) full amount of the Consideration payable by the Purchaser to the Vendor under the Equity Transfer Agreement, the Supplemental Equity Transfer Agreement and the 2nd Supplemental Equity Transfer Agreement; and (ii) all expenses paid by the Vendor arising from the claiming of such Consideration which has become due and payable but unpaid or enforcement of the pledge under the Equity Pledge Agreement.

The Equity Pledge Agreement shall be terminated within 10 working days in the event of (a) the Vendor having received the full amount of the Consideration; and (b) Guangxi Baohui fully pays all debts owed to Minsheng Bank or all expenses paid by the Vendor for Guangxi Baohui under the Guarantee and all expenses incurred by the Vendor in exercising the right of recourse are fully repaid by Guangxi Baohui or the Purchaser.

## **REASONS AND BENEFITS OF ENTERING INTO THE SECOND SUPPLEMENTAL EQUITY TRANSFER AGREEMENT AND REVISING THE FORM OF EQUITY PLEDGE AGREEMENT**

The GSLG Board and GSFG Board consider that notwithstanding the third instalment of the Consideration will be due and payable after the Completion under the Second Supplemental Agreement, taking into account (i) the prevailing development stage of the Nanning Real Estate Development Projects and Shenyang Real Estate Development Projects and the market condition; (ii) the continuing financial strain on the GSLG Group and GSFG Group should GSLG Group support the development of the said projects; (iii) the enhancement of the cashflow and gearing position of the GSLG Group and GSFG Group as a result of the Disposal; (iv) the RMB150 million having been received as part of the Consideration as at the date of this announcement; (v) the availability of the pledge of the equity interest in favour of the Vendor to secure the payment obligation of the second instalment and the third instalment, the GSLG Board and the GSFG Board are therefore of the view that the transactions contemplated under the Second Supplemental Equity Transfer Agreement and the revised form of the Equity Pledge Agreement are on normal commercial terms, the terms of the Second Supplemental Equity Transfer Agreement are fair and reasonable to GSLG, GSFG and their shareholders as a whole.

For and on behalf of  
**Glory Sun Financial Group Limited**  
**Yao Jianhui**  
*Chairman and Chief Executive Officer*

For and on behalf of  
**Glory Sun Land Group Limited**  
**Yao Jianhui**  
*Chairman*

Hong Kong, 15 December 2021

*As at the date of this announcement, the GSFG Board comprises nine directors, namely Mr. Yao Jianhui (Chairman and Chief Executive Officer), Mr. Lau Wan Po (Vice Chairman), Mr. Li Minbin and Mr. Huang Wei as executive directors; Mr. Zhang Chi as non-executive director; and Mr. Wong Chun Bong, Professor Lee Kwok On, Matthew, and Mr. Lee Kwan Hung, Eddie, as independent non-executive directors.*

*As at the date of this announcement, the executive directors of GSLG are Mr. Yao Jianhui and Ms. Xia Lingjie; the non-executive director is Ms. Zhan Yushan; and the independent non-executive directors are Ms. He Suying, Dr. Tang Lai Wah and Mr. Wong Chun Bong.*