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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: 1282)**

**(1) VERY SUBSTANTIAL ACQUISITION:  
ACQUISITION OF EQUITY INTEREST IN  
A PRC TARGET COMPANY  
AND  
(2) EXEMPT CONNECTED TRANSACTION IN RELATION TO  
PROVISION OF FINANCIAL ASSISTANCE**

**THE ACQUISITION**

On 3 October 2022 (after trading hours), the Company entered into the Framework Agreement with GSLG. Pursuant to the Framework Agreement, it was acknowledged and agreed by the parties thereto that:–

**1st Tranche Acquisition**

- As at the date of the Framework Agreement, GSLG Group was indebted to GSFG Group for the GSLG Loan, which comprises RMB-denominated loans with principal amount of approximately RMB537.1 million and Hong Kong dollars-denominated loans with principal amount of HK\$523.0 million (equivalent to approximately RMB470.7 million), together with all interest accrued thereon. As at 30 September 2022, the interest accrued on the GSLG Loan amounted to approximately HK\$115.7 million (equivalent to approximately RMB104.1 million) in aggregate.
- As at the date of this announcement, the Target Company (as chargor) has granted the Land Charge over the Charged Property to Xiamen International Trust (as chargee) for securing the Secured Loan granted by Xiamen International Trust to Shenzhen Baoxin (an indirect non-wholly owned subsidiary of GSLG).

- Pursuant to negotiations between the Company and GSLG regarding the settlement of the GSLG Loan and subject to the terms of relevant agreements, the Company shall procure the Purchaser (an indirect wholly-owned subsidiary of the Company) to acquire the 1st Tranche Sale Equity Interest (representing 51% of the total equity interest and actual paid-up registered capital of the Target Company) from the Vendor (an indirect non-wholly owned subsidiary of GSLG) (the “**1st Tranche Acquisition**”).
- The 1st Tranche Consideration is RMB1,175,550,000 and shall be settled (i) by way of set-off against the GSLG Loan and all interest accrued thereon up to 1st Tranche Completion; and (ii) in cash for the remaining balance (after deducting an amount equivalent to the GSLG Loan) (the “**1st Tranche Cash Consideration**”).
- Upon entering into the Framework Agreement, GSLG shall procure the Vendor to issue an irrevocable undertaking, pursuant to which the Vendor shall undertake that the 1st Tranche Cash Consideration shall be fully applied by Shenzhen Baoxin towards the repayment of the interest accrued under the Secured Loan as and when they fall due.

Upon 1st Tranche Completion, the Target Company will become an indirect non-wholly owned subsidiary of the Company and the financial results of the Target Company will be consolidated into the financial statements of the Company.

## **2nd Tranche Acquisition**

- The Amount Due from GSLG Group represents the total non-interest bearing amount of approximately RMB415 million due from GSLG Group (excluding the Target Company) to the Target Company as at 30 September 2022.
- Subject to the satisfaction (or waiver, as the case may be) of the conditions precedent set forth in the paragraph headed “Sale and Purchase Agreement – Conditions precedent – 2nd Tranche Acquisition” in this announcement, GSLG shall procure the Vendor to dispose the 2nd Tranche Sale Equity Interest (representing the remaining 49% of the total equity interest and actual paid-up registered capital of the Target Company held by the Vendor) to the Purchaser within twelve (12) months from 1st Tranche Completion (the “**2nd Tranche Acquisition**”).
- The 2nd Tranche Consideration is RMB1,129,450,000 and shall be settled (i) by way of set-off against the Amount Due from GSLG Group; and (ii) in cash for the remaining balance (after deducting an amount equivalent to the Amount Due from GSLG Group).

- If the 2nd Tranche Acquisition is completed, it is agreed among the Target Company, the Purchaser and GSLG that the interest in relation to the Amount Due from GSLG Group will be waived by the Target Company during the period from the date of 1st Tranche Completion up to the 2nd Tranche Completion. Nevertheless, in the event the 2nd Tranche Acquisition fails to be completed, GSLG Group agrees to pay interest to the Target Company on the Amount Due from GSLG Group at the interest rate of 12% per annum. The interest payable by GSLG Group shall accrue from the date of 1st Tranche Completion up to the date upon which the Amount Due from GSLG Group is fully settled.

Upon 2nd Tranche Acquisition, GSLG Group will cease to have any equity interests in the Target Company, and the entire equity interests in the Target Company will be owned by the Purchaser.

To facilitate the Acquisition, the Company shall procure the Purchaser, and GSLG shall procure the Vendor, to enter into the Sale and Purchase Agreement within fourteen (14) Business Days (or such other date as the Company and GSLG may agree) from the date of the Framework Agreement.

#### **LISTING RULES IMPLICATIONS**

As one or more of the applicable percentage ratio(s) calculated in accordance with the Listing Rules in respect of the Acquisition and the transactions contemplated thereunder exceed 100%, the Acquisition constitutes a very substantial acquisition of the Company under Chapter 14 of the Listing Rules and is subject to the reporting, announcement, circular and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

Mr. Yao Jianhui, being the Chairman and an executive Director of the Company, and Mr. Wong Chun Bong, being an independent non-executive Director of the Company, are also directors of GSLG. In light of their directorships in both the Company and GSLG, Mr. Yao Jianhui and Mr. Wong Chun Bong will abstain from voting on the relevant board resolution(s) of the Company approving the Sale and Purchase Agreement, the Acquisition and the transactions contemplated thereunder.

## **PROVISION OF FINANCIAL ASSISTANCE TO CONNECTED PERSONS**

Upon 1st Tranche Completion, the Target Company will become an indirect non-wholly owned subsidiary of the Company. The Vendor which holds the remaining 49% equity interest in the Target Company, together with its associates, will become connected persons of the Company at the subsidiary level. Accordingly, upon 1st Tranche Completion, the financial assistance provided by the Target Company to GSLG Group in the form of (i) the Amount Due from GSLG Group to the Target Company; and (ii) the Land Charge granted by the Target Company (as chargor) to Xiamen International Trust (as chargee) for securing the Secured Loan granted by Xiamen International Trust to Shenzhen Baoxin (an indirect non-wholly owned subsidiary of GSLG) shall constitute connected transactions for the Company under Chapter 14A of the Listing Rules (collectively, the “**Connected Transactions**”).

Given that GSLG, together with its associates, are connected persons of the Company at the subsidiary level and that (i) the Board has approved the Connected Transactions; and (ii) the independent non-executive Directors have confirmed that the terms of the Connected Transactions are fair and reasonable, and are on normal commercial terms or better and in the interest of the Company and the Shareholders as a whole, taking in consideration (i) subject to the paragraphs headed “Sale and Purchase Agreement – Conditions precedent – 2nd Tranche Acquisition” and “Sale and Purchase Agreement – Completion – 2nd Tranche Completion” in this announcement, the Purchaser shall have the right to purchase the 2nd Tranche Sale Equity Interest (representing the remaining 49% of the total equity interest and actual paid-up registered capital of the Target Company held by the Vendor) within twelve (12) months from 1st Tranche Completion; and (ii) if the 2nd Tranche Acquisition fails to be completed, the Target Company shall be entitled to interest payments on the Amount Due from GSLG Group at the interest rate of 12% per annum, accruing from the date of 1st Tranche Completion up to the date upon which the Amount Due from GSLG Group is fully settled. The connected transactions between the Target Company and GSLG Group is subject to the reporting and announcement requirements but is exempt from the circular, independent financial advice and Shareholders’ approval requirements pursuant to Rule 14A.101 of the Listing Rules.

Mr. Yao Jianhui, being the Chairman and an executive Director of the Company, and Mr. Wong Chun Bong, being an independent non-executive Director of the Company, are also directors of GSLG. In light of their directorships in both the Company and GSLG, Mr. Yao Jianhui and Mr. Wong Chun Bong will abstain from voting on the relevant board resolution(s) of the Company approving the Connected Transactions.

## **EGM**

An EGM will be convened and held for the Shareholders to consider and, if thought fit, approve the Sale and Purchase Agreement, the Acquisition and the transactions contemplated thereunder.

The voting in respect of the Acquisition at the EGM will be conducted by way of poll. As at the date of this announcement, Mr. Yao Jianhui, being a director of both the Company and GSLG, is interested in 1,499,501,139 shares of GSLG, representing approximately 27.46% of the issued share capital of GSLG. In light of his interests in GSLG, Mr. Yao Jianhui and his associates will abstain from voting on the resolution(s) relating to the Sale and Purchase Agreement, the Acquisition and the transactions contemplated thereunder at the EGM. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, (i) save for Mr. Yao Jianhui and his associates, no other Shareholders or any of their associates has any material interest in the Sale and Purchase Agreement, the Acquisition and the transactions contemplated thereunder; and (ii) no other Shareholder will be required to abstain from voting on the relevant resolution(s) to approve the Sale and Purchase Agreement, the Acquisition and the transactions contemplated thereunder at the EGM.

## **DESPATCH OF CIRCULAR**

A circular containing, among other things, (i) further information on the Acquisition and the transactions contemplated thereunder; (ii) financial information of the Target Company; (iii) pro forma financial information of the Enlarged Group; (iv) valuation report of the Target Company; (v) other information as required under the Listing Rules; and (vi) the notice of the EGM, is expected to be despatched to the Shareholders on or before 4 November 2022 so as to allow sufficient time for the preparation of the relevant information for inclusion in the circular.

**As there is no assurance that the Sale and Purchase Agreement will be entered into, and completion of the Acquisition is subject to the satisfaction of a number of conditions precedent as set out in the Sale and Purchase Agreement, the Acquisition may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.**

## THE ACQUISITION

On 3 October 2022 (after trading hours), the Company entered into the Framework Agreement with GSLG. Pursuant to the Framework Agreement, it was acknowledged and agreed by the parties thereto that:–

### 1st Tranche Acquisition

- As at the date of the Framework Agreement, GSLG Group was indebted to GSFG Group for the GSLG Loan, which comprises RMB-denominated loans with principal amount of approximately RMB537.1 million and Hong Kong dollars-denominated loans with principal amount of HK\$523.0 million (equivalent to approximately RMB470.7 million), together with all interest accrued thereon. As at 30 September 2022, the interest accrued on the GSLG Loan amounted to approximately HK\$115.7 million (equivalent to approximately RMB104.1 million) in aggregate.
- As at the date of this announcement, the Target Company (as chargor) has granted the Land Charge over the Charged Property to Xiamen International Trust (as chargee) for securing the Secured Loan granted by Xiamen International Trust to Shenzhen Baoxin (an indirect non-wholly owned subsidiary of GSLG).
- Pursuant to negotiations between the Company and GSLG regarding the settlement of the GSLG Loan and subject to the terms of relevant agreements, the Company shall procure the Purchaser (an indirect wholly-owned subsidiary of the Company) to acquire the 1st Tranche Sale Equity Interest (representing 51% of the total equity interest and actual paid-up registered capital of the Target Company) from the Vendor (an indirect non-wholly owned subsidiary of GSLG) (the “**1st Tranche Acquisition**”).
- The 1st Tranche Consideration is RMB1,175,550,000 and shall be settled (i) by way of set-off against the GSLG Loan and all interest accrued thereon up to 1st Tranche Completion; and (ii) in cash for the remaining balance (after deducting an amount equivalent to the GSLG Loan) (the “**1st Tranche Cash Consideration**”).
- Upon entering into the Framework Agreement, the Company shall procure the Vendor to issue an irrevocable undertaking, pursuant to which the Vendor shall undertake that the 1st Tranche Cash Consideration shall be fully applied by Shenzhen Baoxin towards the repayment of the interest accrued under the Secured Loan as and when they fall due.

## **2nd Tranche Acquisition**

- The Amount Due from GSLG Group represents the total non-interest bearing amount of approximately RMB415 million due from GSLG Group (excluding the Target Company) to the Target Company as at 30 September 2022.
- Subject to the satisfaction (or waiver, as the case may be) of the conditions precedent set forth in the paragraph headed “Sale and Purchase Agreement – Conditions precedent – 2nd Tranche Acquisition” in this announcement, GSLG shall procure the Vendor to dispose the 2nd Tranche Sale Equity Interest (representing the remaining 49% of the total equity interest and actual paid-up registered capital of the Target Company held by the Vendor) to the Purchaser within twelve (12) months from 1st Tranche Completion (the “**2nd Tranche Acquisition**”).
- The 2nd Tranche Consideration is RMB1,129,450,000 and shall be settled (i) by way of set-off against the Amount Due from GSLG Group; and (ii) in cash for the remaining balance (after deducting an amount equivalent to the Amount Due from GSLG Group).
- If the 2nd Tranche Acquisition is completed, it is agreed among the Target Company, the Purchaser and GSLG that the interest in relation to the Amount Due from GSLG Group will be waived by the Target Company during the period from the date of 1st Tranche Completion up to the 2nd Tranche Completion. Nevertheless, in the event the 2nd Tranche Acquisition fails to be completed, GSLG Group agrees to pay interest to the Target Company on the Amount Due from GSLG Group at the interest rate of 12% per annum. The interest payable by GSLG Group shall accrue from the date of 1st Tranche Completion up to the date upon which the Amount Due from GSLG Group is fully settled.
- To facilitate the Acquisition, the Company shall procure the Purchaser, and GSLG shall procure the Vendor, to enter into the Sale and Purchase Agreement within fourteen (14) Business Days (or such other date as the Company and GSLG may agree) from the date of the Framework Agreement.

## **SALE AND PURCHASE AGREEMENT**

Date: within fourteen (14) Business Days (or such other date as the Company and GSLG may agree) from the date of the Framework Agreement

Parties: (1) the Vendor, an indirect non-wholly owned subsidiary of GSLG; and  
  
(2) the Purchaser, an indirect wholly-owned subsidiary of the Company.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, save as Mr. Yao Jianhui, being the Chairman and an executive Director of the Company, is a director of GSLG and is interested in 1,499,501,139 shares of GSLG as at the date of this announcement, representing approximately 27.46% of the issued share capital of GSLG, the Vendor and its ultimate beneficial owners are Independent Third Parties.

### **Assets to be acquired**

#### ***1st Tranche Acquisition***

Pursuant to the Sale and Purchase Agreement, the Purchaser conditionally agrees to acquire and the Vendor conditionally agrees to sell the 1st Tranche Sale Equity Interest (representing 51% of the total equity interest and actual paid-up registered capital of the Target Company).

#### ***2nd Tranche Acquisition***

Subject to the satisfaction (or waiver, as the case may be) of the conditions precedent set forth in the paragraph headed "Sale and Purchase Agreement – Conditions precedent – 2nd Tranche Acquisition" in this announcement, the Vendor shall dispose the 2nd Tranche Sale Equity Interest (representing the remaining 49% of the total equity interest and actual paid-up registered capital of the Target Company held by the Vendor) to the Purchaser within twelve (12) months from 1st Tranche Completion.

## Consideration

### *1st Tranche Consideration*

The 1st Tranche Consideration is RMB1,175,550,000, which shall be settled in the following manner:

- (i) by way of set-off of an amount equivalent to the outstanding principal amount of the GSLG Loan and all interest accrued thereon up to 1st Tranche Completion. For illustrative purpose only, assuming the 1st Tranche Acquisition is completed on 31 December 2022 and no repayment is made in respect of the GSLG Loan from the date of the Sale and Purchase Agreement up to the 1st Tranche Completion, the amount of GSLG Loan to be set-off against the 1st Tranche Consideration would be approximately RMB1,138 million, comprising (a) the principal amount of RMB-denominated loans of approximately RMB537.1 million; (b) the principal amount of Hong Kong dollars-denominated loans of approximately HK\$523.0 million (equivalent to approximately RMB470.7 million); and (c) all interest accrued on the GSLG Loan up to 31 December 2022 of approximately RMB130.2 million. Upon 1st Tranche Completion, the Company and GSLG will enter into the 1st Tranche Deed of Set-Off in relation to the set-off of the GSLG Loan against the 1st Tranche Consideration; and
- (ii) the remaining balance of the 1st Tranche Consideration (after deducting an amount equivalent to the GSLG Loan) shall be settled in cash (the “**1st Tranche Cash Consideration**”) within six (6) months from 1st Tranche Completion (or such other date as the Vendor and the Purchaser may agree). For illustrative purpose only, assuming the 1st Tranche Acquisition is completed on 31 December 2022, the 1st Tranche Cash Consideration would be approximately RMB37.6 million, which is equivalent to the 1st Tranche Consideration less the GSLG Loan of approximately RMB1,138 million to be set-off as aforementioned. Pursuant to the irrevocable undertaking to be given by the Vendor upon entering into the Framework Agreement, the Vendor undertakes that the 1st Tranche Cash Consideration to be received shall be fully applied by Shenzhen Baoxin towards the repayment of the interest accrued under the Secured Loan as and when they fall due.

## ***2nd Tranche Consideration***

The 2nd Tranche Consideration is RMB1,129,450,000 and shall be settled in the following manner:

- (i) by way of set-off of the Amount Due from GSLG Group. Upon 2nd Tranche Completion, the Target Company, the Purchaser and GSLG will enter into the 2nd Tranche Deed of Set-Off in relation to the set-off of the Amount Due from GSLG Group of approximately RMB415 million against the 2nd Tranche Consideration; and
- (ii) the remaining balance of the 2nd Tranche Consideration (after deducting an amount equivalent to the Amount Due from GSLG Group) of approximately RMB714.5 million shall be settled in cash (the “**2nd Tranche Cash Consideration**”) within six (6) months from 2nd Tranche Completion (or such other date as the Vendor and the Purchaser may agree).

Pursuant to the Sale and Purchase Agreement, out of the 2nd Tranche Cash Consideration, the Vendor shall authorise, and shall procure Shenzhen Baoxin to authorise, the Purchaser to pay a sum equivalent to the Secured Loan to Xiamen International Trust directly as full settlement of the Secured Loan, while the remaining balance shall be payable by the Purchaser to the Vendor. The Directors consider that such arrangements would significantly mitigate GSFG Group’s credit risk exposure to the Secured Loan upon completion of the Acquisition.

The Company currently plans to finance the 1st Tranche Cash Consideration and 2nd Tranche Cash Consideration through a combination of its internal resources, debt financing and/or equity fund-raising. The Board will determine the actual form of financing after taking into account the Company’s financial position and the viability and costs of different financing alternatives at the material time.

The 1st Tranche Consideration and the 2nd Tranche Consideration were arrived at after arm’s length negotiations between the Vendor and the Purchaser with reference to (i) the prospects of having the GSLG Loan and the Amount Due from GSLG Group settled in an amiable manner; (ii) the valuation of the entire equity interests in the Target Company of approximately RMB2,874.3 million as at 30 June 2022 according to the valuation by an independent professional valuer appointed by the Company; (iii) the business prospects of the Target Company; and (iv) the prevailing market conditions of the PRC real estate industry.

## **Conditions precedent**

### ***1st Tranche Acquisition***

1st Tranche Completion is conditional upon the satisfaction (or waiver, as the case may be) of the following:

- (1) the passing of necessary resolution(s) by the shareholders of GSLG at an extraordinary general meeting approving the Sale and Purchase Agreement and the transactions contemplated thereunder in accordance with the requirements of the Listing Rules;
- (2) the passing of necessary resolution(s) by the Shareholders at the EGM approving the Sale and Purchase Agreement and the transactions contemplated thereunder in accordance with the requirements of the Listing Rules;
- (3) the issuing of a legal opinion by a PRC legal adviser to the Purchaser (in a form approved by the Purchaser) on the following matters, including but not limited to:
  - (i) the Target Company having obtained all licences, registrations, filings, permissions, authorisations, waivers, approvals and consents necessary or appropriate for its business operation and in its place of operation;
  - (ii) the Target Company is currently conducting and has conducted its business and affairs in compliance with its articles of association (or other constitutional documents) and all applicable laws, rules and regulations in the PRC; and
  - (iii) any other matters proposed or expected to be raised by any regulatory authorities (including but not limited to the Stock Exchange);
- (4) all consents, approvals and clearances necessary or, to the Purchaser's knowledge, expedient for the entering into, delivery and performance of the Transaction Documents and the consummation of the transactions contemplated under the Sale and Purchase Agreement having been obtained from the government, official authorities and/or other persons;
- (5) the warranties provided by the parties under the Sale and Purchase Agreement remaining true, accurate and not misleading in any material respect at 1st Tranche Completion;

- (6) the Purchaser having given written notice to the Vendor that it is satisfied with the results of the due diligence review on the Target Company;
- (7) there having been no Material Adverse Change in respect of the Target Company since the date of the Sale and Purchase Agreement; and
- (8) no statute, regulation or decision which would reasonably be expected to prohibit, restrict or materially delay the execution, delivery or performance of the Transaction Documents, the consummation of the transactions contemplated under the Sale and Purchase Agreement having been proposed, enacted or taken by any government or official authority whether in Hong Kong, the PRC or elsewhere.

The Purchaser may in its absolute discretion waive either in whole or in part at any time by notice in writing to the Vendor any of the conditions precedent, except paragraphs (1) and (2) above which are not capable of being waived. As at the date of this announcement, none of the conditions has been fulfilled or waived.

If any of the conditions is not fulfilled or waived by the Purchaser by the Long Stop Date (or such other date as the Vendor and the Purchaser may agree), the Purchaser shall not be required to proceed with the acquisition of the 1st Tranche Sale Equity Interest.

### ***2nd Tranche Acquisition***

2nd Tranche Completion is conditional upon the satisfaction (or waiver, as the case may be) of the following:

- (i) the valuation of the Target Company shall not fall below RMB2,600 million as at the quarter end date immediately preceding the 2nd Tranche Completion;
- (ii) there having been no Material Adverse Change to the Target Company since 1st Tranche Completion; and
- (iii) Shenzhen Baoxin has issued an irrevocable undertaking, pursuant to which Shenzhen Baoxin undertakes to repay the Secured Loan in full upon the 2nd Tranche Completion for the release of the Land Charge.

The Purchaser shall be entitled to waive any of the conditions precedent mentioned above.

## **Amendments to the articles of association of the Target Company**

### ***1st Tranche Completion***

Upon 1st Tranche Completion, the articles of association of the Target Company shall be amended to incorporate, among other things, the following provisions regarding the management of the Target Company:

- (i) the board of directors of the Target Company shall comprise three (3) directors, of whom one (1) director shall be appointed by the Vendor and two (2) directors shall be appointed by the Purchaser. The chairman of the Target Company shall be a director appointed by the Purchaser;
- (ii) resolution(s) of the board of directors of the Target Company shall be passed by a simple majority; and
- (iii) the Target Company shall establish a supervisory committee comprising three (3) supervisors. Each of the Vendor, the Purchaser and employees of the Target Company shall appoint one (1) supervisor to the supervisory committee of the Target Company. The chairman of the supervisory committee of the Target Company shall be appointed by the Purchaser.

### ***2nd Tranche Completion***

Upon the change in business registration in relation to the transfer of the 2nd Tranche Sale Equity Interest from the Vendor to the Purchaser, the articles of association shall be amended to the effect that all members of the board and supervisory committee of the Target Company shall be appointed by the Purchaser.

## **Completion**

### ***1st Tranche Completion***

1st Tranche Completion shall take place within seven (7) Business Days from the fulfilment (or waiver, as the case may be) of all the conditions precedent for the 1st Tranche Acquisition.

Upon 1st Tranche Completion, the Vendor and the Purchaser shall arrange for the change in business registration in relation to the transfer of the 1st Tranche Sale Equity Interest from the Vendor to the Purchaser and the replacement of legal representatives, directors, supervisors and senior management team (unless otherwise specified under the Sale and Purchase Agreement) of the Target Company by personnel designated by the Purchaser.

### ***2nd Tranche Completion***

2nd Tranche Completion shall take place within seven (7) Business Days from the fulfilment (or waiver, as the case may be) of all the conditions precedent for the 2nd Tranche Acquisition.

Upon 2nd Tranche Completion, the Vendor and the Purchaser shall arrange for the change in business registration in relation to the transfer of the 2nd Tranche Sale Equity Interest from the Vendor to the Purchaser (the “**2nd Tranche Business Registration**”) and the replacement of legal representatives, directors, supervisors and senior management team of the Target Company by personnel designated by the Purchaser.

To secure the Purchaser’s payment obligations of the 2nd Tranche Consideration under the Sale and Purchase Agreement, the Purchaser shall enter into the Share Charge Agreement with the Vendor and complete the relevant registration within ten (10) Business Days from the 2nd Tranche Business Registration. Pursuant to the Share Charge Agreement, the Purchaser (as chargor) shall execute a charge over the 2nd Tranche Sale Equity Interest it holds in the Target Company subsequent to 2nd Tranche Completion in favour of the Vendor (as chargee) (the “**Share Charge**”).

The Share Charge arrangement was agreed between the Purchaser and the Vendor after arm's length negotiation taking into consideration that the Vendor will have disposed all of its equity interests in the Target Company upon 2nd Tranche Completion, and such disposal would take place before the Purchaser fully settles the 2nd Tranche Cash Consideration. According to the Sale and Purchase Agreement, the 2nd Tranche Sale Equity Interest shall be transferred from the Vendor to the Purchaser upon 2nd Tranche Completion; whereas the Purchaser is only required to settle the 2nd Tranche Cash Consideration within six (6) months from 2nd Tranche Completion (or such other date as the Vendor and the Purchaser may agree). The Vendor considered that the Share Charge arrangement is necessary to secure the Purchaser's payment obligations of the 2nd Tranche Cash Consideration under the Sale and Purchase Agreement, and the Purchaser considered that such Share Charge arrangement is not uncommon for transactions involving transfer of shares in PRC entity. The Vendor and the Purchaser shall together arrange for the release of the Share Charge within ten (10) Business Days upon the full settlement of the 2nd Tranche Consideration by the Purchaser.

If, during the twelve (12) months from 1st Tranche Completion, any other third party(ies) ("**Other Potential Purchaser(s)**") agrees to acquire the 2nd Tranche Sale Equity Interest at a premium of not less than 20% over the 2nd Tranche Consideration, the Vendor shall be entitled to dispose of the 2nd Tranche Sale Equity Interest to such Other Potential Purchaser(s) conditional upon the satisfaction of the following:

- (i) payment of liquidated damages in the amount of RMB20.0 million to the Purchaser;
- (ii) issue of an irrevocable undertaking by Shenzhen Baoxin, pursuant to which Shenzhen Baoxin undertakes to repay the Secured Loan in full upon the settlements made by the Other Potential Purchaser(s) for the release of the Land Charge;
- (iii) to the satisfaction of the Purchaser, an inclusion of a condition precedent under the sales and purchase agreement to be entered into between the Vendor and the Other Potential Purchaser(s) for the disposal of the 2nd Tranche Sale Equity Interest that the Other Potential Purchaser(s) could procure the payment of a sum equivalent to the Secured Loan to Xiamen International Trust directly as full settlement of the Secured Loan to release the Land Charge;

- (iv) to the satisfaction of the Purchaser, an inclusion of a condition precedent under the sales and purchase agreement to be entered into between the Vendor and the Other Potential Purchaser(s) that, it is agreed among the Target Company, the Other Potential Purchaser(s) and GSLG that the Amount Due from GSLG Group be settled; and
- (v) issue of a letter of consent by the Purchaser to the Vendor for the disposal of the 2nd Tranche Sale Equity Interest to the Other Potential Purchaser(s) upon satisfaction of items (i) to (iv) above (collectively the “**Waiver Arrangements**”).

Upon satisfaction of the Waiver Arrangements, the Purchaser shall waive the right to acquire the 2nd Tranche Sale Equity Interest and undertakes not to, in any way, interfere with or prevent the Vendor from disposing the 2nd Tranche Sale Equity Interest to such Other Potential Purchaser(s).

The Directors consider that it is fair and reasonable for the Purchaser to agree to the Waiver Arrangements taking into consideration the followings:

- (i) in consideration of the Waiver Arrangements, the Vendor allowed the Purchaser to complete the acquisition of the 2nd Tranche Sale Equity Interest within twelve (12) months from 1st Tranche Completion. As compared to a one-off acquisition of the entire equity interest in the Target Company, dividing the acquisition into two tranches will provide a longer timeframe for the Purchaser to conduct the necessary financing and obtain the required funding for the acquisition of the 2nd Tranche Sale Equity Interest, thereby easing the cashflow and liquidity pressure on the Purchaser for the Acquisition. As at 30 June 2022, the Company had cash and cash equivalents of approximately HK\$538.2 million (equivalent to approximately RMB484.4 million), which would provide sufficient funds to settle the 1st Tranche Cash Consideration in the amount of approximately RMB37.6 million (assuming the 1st Tranche Acquisition is completed on 31 December 2022). Upon 1st Tranche Completion, the Company would have already secured a majority shareholding stake in the Target Company, and hence be entitled to exercise significant control over its management and operations. Subsequent to 1st Tranche Completion, the Company would have up to twelve (12) months to raise the required funding to settle the 2nd Tranche Cash Consideration through cashflow generated from its operating activities, debt financing and/or equity fund-raising as and when appropriate;

- (ii) upon 1st Tranche Completion, the Company will indirectly hold the majority shareholding of 51% in the Target Company. Hence, even if the Vendor sold the 2nd Tranche Sale Equity Interest to the Other Potential Purchaser(s), the Purchaser, being a majority shareholder, could still maintain significant influence and control over the decision making of the Target Company. In addition, the Purchaser would also be entitled to receive a windfall gain of RMB20.0 million;
- (iii) the Waiver Arrangements would not result in the Company being worse off given (a) upon 1st Tranche Completion, the Target Company would have already become an indirect non-wholly owned subsidiary of the Company, thereby enabling the Company to have majority control over the management and operations of the Target Company; (b) the Company would receive a windfall gain of at least RMB20.0 million without disposing any equity interests in the Target Company in case the Vendor disposes the 2nd Tranche Sale Equity Interest to Other Potential Purchaser(s); (c) the Company would manage to mitigate the GSFG Group's credit risk exposure to the Secured Loan by procuring Shenzhen Baoxin and/or the Other Potential Purchaser(s) to pay a sum equivalent to the Secured Loan to Xiamen International Trust as full settlement of the Secured Loan; (d) the Company would manage to mitigate the GSFG Group's credit risk exposure to the Amount Due from GSLG Group by procuring GSLG Group and/or the Other Potential Purchaser(s) to pay a sum equivalent to settle the Amount Due from GSLG Group; and (e) in any event, even if the Vendor subsequently disposes the 2nd Tranche Sale Equity Interest to the Other Potential Purchaser(s), the Purchaser would still retain its status as the majority and single largest shareholder of the Target Company; and
- (iv) in case the Vendor successfully identifies and secures Other Potential Purchaser(s) willing to offer to purchase the 2nd Tranche Sale Equity Interest at a premium of not less than 20% over the 2nd Tranche Consideration, such premium secured by the Vendor would be primarily attributable to its own efforts and negotiations and would have little involvement or participation on the part of the Purchaser. Hence, it is only reasonable that the Vendor would enjoy a significant portion of the net premium (being the gross premium after deducting the liquidated compensation of RMB20.0 million payable to the Purchaser).

If the 2nd Tranche Acquisition is completed, it is agreed among the Target Company, the Purchaser and GSLG that the Amount Due from GSLG Group will be treated as non-interest bearing. Nevertheless, in the event the 2nd Tranche Acquisition fails to be completed between the Vendor and the Purchaser, GSLG Group agrees to pay interest to the Target Company on the Amount Due from GSLG Group at a simple interest rate of 12% per annum and the interest payable by GSLG Group shall accrue from the date of 1st Tranche Completion up to the date upon which the Amount Due from GSLG Group is fully settled.

Based on enquiries with GSLG Group, the Company understands that currently there is no specific timeline for GSLG Group to settle the Amount Due from GSLG Group. Even so, the Directors consider that it is fair and reasonable and in the interest of the Company and the Shareholders as a whole taking into consideration:

- (i) subject to the conditions precedent set out in the Sale and Purchase Agreement and/or the Waiver Arrangements, each of the Company and GSLG has indicated commitment to proceed with the 2nd Tranche Acquisition, and pursuant to the Sale and Purchase Agreement, the Amount Due from GSLG Group shall be settled by way of set-off against the 2nd Tranche Consideration. Given that the exact timing for the 1st Tranche Acquisition and 2nd Tranche Acquisition remain to be determined, it is presently not feasible for the parties to agree upon a specific timeline for the full settlement of the Amount Due from GSLG Group; and
- (ii) in the event the 2nd Tranche Acquisition fails to be completed between the Vendor and the Purchaser, GSLG Group shall settle the Amount Due from GSLG Group as soon as practicable after the receipt by the Vendor of the full amount of consideration for the disposal of the 2nd Tranche Sale Equity Interest to the Other Potential Purchaser(s). In such event, GSLG Group will have to pay interest to the Target Company on the Amount Due from GSLG Group at a simple interest rate of 12% per annum and the interest payable by GSLG Group shall accrue from the date of 1st Tranche Completion up to the date upon which the Amount Due from GSLG Group is fully settled. The interest rate of 12% per annum was determined with reference to the interest rate of the GSLG Loan and the prevailing market conditions. Therefore, regardless of the exact timing of the full settlement of the Amount Due from GSLG Group, there would be no material prejudice caused to the Purchaser since GSLG Group shall be liable to pay interest calculated at 12% per annum at a simple interest rate to the Target Company accruing from the date of 1st Tranche Completion, if the 2nd Tranche Acquisition fails to proceed.

## **INFORMATION OF THE PARTIES TO THE SALE AND PURCHASE AGREEMENT**

### **The Purchaser**

The Purchaser is a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company. The Purchaser is principally engaged in investment holding, property development and investment in the PRC, providing supply chain management services and business services, establishing technology research and development centres and corporate management consulting.

### **The Vendor**

The Vendor is a company established in the PRC with limited liability and an indirect non-wholly owned subsidiary of GSLG. The Vendor is principally engaged in technological development of electronic products and provision of technology consultation, technology transfer, technical support and other consultation services.

## **INFORMATION OF THE TARGET COMPANY**

The Target Company is a company established in the PRC with limited liability and an indirect non-wholly owned subsidiary of GSLG. The Target Company is solely engaged in a development and construction project located at Longhu District, Shantou City, Guangdong Province, the PRC, with total land area of approximately 167,000 sq.m. and a gross floor area of approximately 951,000 sq.m., which is divided into three zones, and involve office and commercial buildings, residential units and loft apartments (the “**Project**”).

The Target Company holds the land use right to the following investment properties under the Project:

- (a) a plot of land located at plot F02-10, the south zone of the Project (the “**South Zone**”) with gross floor area of approximately 212,000 sq.m. and a term ending in January 2057;
- (b) a plot of land located at plot F01-11, the north zone of the Project, (the “**North Zone**”) with gross floor area of approximately 507,000 sq.m. and a term ending in January 2057; and

(c) a plot of land located at plot F02-08, the middle zone of the Project (the “**Middle Zone**”) with gross floor area of approximately 232,000 sq.m. and a term ending in January 2057.

As at the date of this announcement, the Target Company (as chargor) has granted the Land Charge over the Middle Zone (as Charged Property) to Xiamen International Trust (as chargee) for securing the Secured Loan granted by Xiamen International Trust to Shenzhen Baoxin (an indirect non-wholly owned subsidiary of GSLG).

As at the date of this announcement, the construction works in relation to the South Zone were completed, whereas the construction works in relation to the North and Middle Zones are still in progress and are expected to be completed in or around January 2025, per management of the Target Company.

The unaudited financial information of the Target Company for the two years ended 31 December 2020 and 2021 and prepared in accordance with the accounting principles generally accepted in Hong Kong are as follows:

	<b>For the year ended 31 December 2020 HK\$'000</b>	<b>For the year ended 31 December 2021 HK\$'000</b>
Revenue	1,359	9,608
Net profit before taxation	123,462	23,139
Net profit after taxation	89,434	16,821

The unaudited net asset value of the Target Company as at 30 June 2022 was approximately HK\$2,938.6 million.

## **REASONS FOR AND BENEFITS OF THE ACQUISITION**

GSFG Group is principally engaged in the business of financial services, property investment and development, automation and securities investment. The property investment and development segment of GSFG Group has been under rapid development and expansion in recent years and is mainly rooted in the Guangdong – Hong Kong – Macau Greater Bay

Area. GSFG Group is engaged in a number of property projects in Hong Kong and various major cities in the PRC, covering projects including commercial complexes, upscale residences, hotels, commercial apartments and office buildings.

It is part of the business strategies of GSFG Group to explore quality property projects in the Greater Bay Area for future development. The Acquisition which enables GSFG Group to participate in the Project adheres to the Group's business strategies in further expanding its property investment and development portfolio. The Project forms part of a large scale urban development in Shantou City, comprising intelligent complex integrating high-end residence, cultural centre, five-star hotel, top-notch business, office buildings, offices and aesthetic mansions. The urban development is designed to promote regional development and innovation, encourage industrial upgrading of the city and to stimulate economic growth.

Subject to the results of the due diligence review performed by the Purchaser on the Target Company, the Company is of the view that the capital required for further development of the Project could be mainly funded by the operating cash flow generated by the Target Company from the sale and/or rental of property units, taking into consideration (i) the forecasted positive operating cash flow to be generated from the Project upon 1st Tranche Completion, which seemingly sufficient enough to pay for the incurred construction and related cost; (ii) the much higher average unit sales price as compared to the average unit construction cost of the property units under the Project as shown from the figures provided as of the valuation date; and (iii) the expected moderate growth in light of the recovery in the PRC property market in the foreseeable future.

It is anticipated that investment in the Project will expand the market presence and market share as well as enhance the market recognition and corporate profile of GSFG Group in the Greater Bay Area, thereby facilitating the business growth of GSFG Group in the long run. Besides, the Project operated by the Target Company will provide GSFG Group with an additional source of profit, and therefore enhance the profitability and financial position of GSFG Group. The Directors consider that the Acquisition is in line with GSFG Group's strategies to actively expand its property investment and development business.

Further, as at the date of the Framework Agreement, GSLG Group was indebted to GSFG Group for the GSLG Loan, together with all interest accrued thereon. As part of the total Consideration of the Acquisition would be settled by way of set-off against the GSLG Loan,

the Directors believe that the Acquisition presents an opportunity for GSFG Group and GSLG Group to settle the GSLG Loan, together with all interest accrued thereon in full in an amiable manner.

Having considered the above, the Directors (including the independent non-executive Directors) are of the view that the Sale and Purchase Agreement and the transactions contemplated thereunder are fair and reasonable and are on normal commercial terms, and that the Acquisition is in the interests of the Company and the Shareholders as a whole.

## **LISTING RULES IMPLICATIONS**

As one or more of the applicable percentage ratio(s) calculated in accordance with the Listing Rules in respect of the Acquisition and the transactions contemplated thereunder exceed 100%, the Acquisition constitutes a very substantial acquisition of the Company under Chapter 14 of the Listing Rules and is subject to the reporting, announcement, circular and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

Mr. Yao Jianhui, being the Chairman and an executive Director of the Company, and Mr. Wong Chun Bong, being an independent non-executive Director of the Company, are also directors of GSLG. In light of their directorships in both the Company and GSLG, Mr. Yao Jianhui and Mr. Wong Chun Bong will abstain from voting on the relevant board resolution(s) of the Company approving the Sale and Purchase Agreement, the Acquisition and the transactions contemplated thereunder.

## **PROVISION OF FINANCIAL ASSISTANCE TO CONNECTED PERSONS**

Upon 1st Tranche Completion, the Target Company will become an indirect non-wholly owned subsidiary of the Company. The Vendor which holds the remaining 49% equity interest in the Target Company, together with its associates, will become connected persons of the Company at the subsidiary level. Accordingly, upon 1st Tranche Completion, the financial assistance provided by the Target Company to GSLG Group in the form of (i) the Amount Due from GSLG Group to the Target Company; and (ii) the Land Charge granted by the Target Company (as chargor) to Xiamen International Trust (as chargee) for securing the Secured Loan granted by Xiamen International Trust to Shenzhen Baoxin (an indirect non-wholly owned subsidiary of GSLG) shall constitute connected transactions for the Company under Chapter 14A of the Listing Rules (collectively, the “**Connected Transactions**”).

Given that GSLG, together with its associates, are connected persons of the Company at the subsidiary level and that (i) the Board has approved the Connected Transactions; and (ii) the independent non-executive Directors have confirmed that the terms of the Connected Transactions are fair and reasonable, and are on normal commercial terms or better and in the interest of the Company and the Shareholders as a whole, taking in consideration (i) subject to the paragraphs headed “Sale and Purchase Agreement – Conditions precedent – 2nd Tranche Acquisition” and “Sale and Purchase Agreement – Completion – 2nd Tranche Completion” in this announcement, the Purchaser shall have the right to purchase the 2nd Tranche Sale Equity Interest (representing the remaining 49% of the total equity interest and actual paid-up registered capital of the Target Company held by the Vendor) within twelve (12) months from 1st Tranche Completion; and (ii) if the 2nd Tranche Acquisition fails to be completed, the Target Company shall be entitled to interest payments on the Amount Due from GSLG Group at the interest rate of 12% per annum, accruing from the date of 1st Tranche Completion up to the date upon which the Amount Due from GSLG Group is fully settled. The connected transactions between the Target Company and GSLG Group is subject to the reporting and announcement requirements but is exempt from the circular, independent financial advice and Shareholders’ approval requirements pursuant to Rule 14A.101 of the Listing Rules.

Mr. Yao Jianhui, being the Chairman and an executive Director of the Company, and Mr. Wong Chun Bong, being an independent non-executive Director of the Company, are also directors of GSLG. In light of their directorships in both the Company and GSLG, Mr. Yao Jianhui and Mr. Wong Chun Bong will abstain from voting on the relevant board resolution(s) of the Company approving the Connected Transactions.

## **INFORMATION ON THE PARTIES TO THE CONNECTED TRANSACTIONS**

### **The Company**

The Company is incorporated in the Cayman Islands with limited liability, whose Shares are listed on the Main Board of the Stock Exchange (stock code: 1282). The GSFG Group is principally engaged in the business of financial services, property investment and development, automation and securities investment.

## **GSLG**

GSLG is a company incorporated in the Cayman Islands with limited liability, whose shares are listed on the Main Board of the Stock Exchange (stock code: 299). The GSLG Group is principally engaged in property development and property investment in the PRC including sales and leasing of properties; trading of commodities and building materials in the PRC; and operation of cultural development business.

## **Shenzhen Baoxin**

Shenzhen Baoxin is a company established in the PRC with limited liability and an indirect non-wholly owned subsidiary of GSLG. Shenzhen Baoxin is principally engaged in property investment.

## **EGM**

An EGM will be convened and held for the Shareholders to consider and, if thought fit, approve the Sale and Purchase Agreement, the Acquisition and the transactions contemplated thereunder.

The voting in respect of the Acquisition at the EGM will be conducted by way of poll. As at the date of this announcement, Mr. Yao Jianhui, being a director of both the Company and GSLG, is interested in 1,499,501,139 shares of GSLG, representing approximately 27.46% of the issued share capital of GSLG. In light of his interests in GSLG, Mr. Yao Jianhui and his associates will abstain from voting on the resolution(s) relating to the Sale and Purchase Agreement, the Acquisition and the transactions contemplated thereunder at the EGM. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, (i) save for Mr. Yao Jianhui and his associates, no other Shareholders or any of their associates has any material interest in the Sale and Purchase Agreement, the Acquisition and the transactions contemplated thereunder; and (ii) no other Shareholder will be required to abstain from voting on the relevant resolution(s) to approve the Sale and Purchase Agreement, the Acquisition and the transactions contemplated thereunder at the EGM.

## **DESPATCH OF CIRCULAR**

A circular containing, among other things, (i) further information on the Acquisition and the transactions contemplated thereunder; (ii) financial information of the Target Company; (iii) pro forma financial information of the Enlarged Group; (iv) valuation report of the Target

Company; (v) other information as required under the Listing Rules; and (vi) the notice of the EGM, is expected to be despatched to the Shareholders on or before 4 November 2022 so as to allow sufficient time for the preparation of the relevant information for inclusion in the circular.

**As there is no assurance that the Sale and Purchase Agreement will be entered into, and completion of the Acquisition is subject to the satisfaction of a number of conditions precedent as set out in the Sale and Purchase Agreement, the Acquisition may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company, and if they are in any doubt about their position, they should consult their professional adviser(s).**

## **DEFINITIONS**

In this announcement, unless the context otherwise requires, the following expressions shall have the following meanings when used herein:

“1st Tranche Acquisition”	the acquisition of 1st Tranche Sale Equity Interest by the Purchaser from the Vendor and other transactions contemplated under the Sale and Purchase Agreement
“1st Tranche Completion”	completion of 1st Tranche Acquisition
“1st Tranche Consideration”	the consideration for 1st Tranche Acquisition in the amount of RMB1,175,550,000
“1st Tranche Deed of Set-Off”	the deed to be entered into between the Company and GSLG in relation to the set-off of the GSLG Loan against the 1st Tranche Consideration
“1st Tranche Sale Equity Interest”	51% of the total equity interest and actual paid-up registered capital of the Target Company
“2nd Tranche Acquisition”	the acquisition of 2nd Tranche Sale Equity Interest by the Purchaser from the Vendor and other transactions contemplated thereunder
“2nd Tranche Completion”	completion of 2nd Tranche Acquisition

“2nd Tranche Consideration”	the consideration for 2nd Tranche Acquisition in the amount of RMB1,129,450,000
“2nd Tranche Deed of Set-Off”	the deed to be entered into among the Target Company, the Purchaser and GSLG in relation to the set-off of the Amount Due from GSLG Group against the 2nd Tranche Consideration
“2nd Tranche Sale Equity Interest”	49% of the total equity interest and actual paid-up registered capital of the Target Company
“Acquisition”	1st Tranche Acquisition and 2nd Tranche Acquisition
“Amount Due from GSLG Group”	the total non-interest bearing amount of approximately RMB415 million due from GSLG Group (excluding the Target Company) to the Target Company
“associates”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Business Day(s)”	a day on which licensed banks in the PRC are open for general commercial business, other than a Saturday, Sunday or public holiday in the PRC
“Charged Property”	a plot of land located at Longhu District, Shantou City, Guangdong Province, the PRC with approximate gross floor area of approximately 232,000 sq.m.
“Company” or “GSFG”	Glory Sun Financial Group Limited (寶新金融集團有限公司), a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Stock Exchange (stock code: 1282)
“connected person(s)”	has the same meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company

“EGM”	the extraordinary general meeting of the Company to be held to consider, and if thought fit, approve the Sale and Purchase Agreement, the Acquisition and the transactions contemplated therein
“Enlarged Group”	GSFG Group as enlarged by the Acquisition to include the Target Company
“Framework Agreement”	the framework agreement dated 3 October 2022 entered into between the Company and GSLG
“GSFG Group”	GSFG and its subsidiaries
“GSLG”	Glory Sun Land Group Limited (寶新置地集團有限公司), a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Stock Exchange (stock code: 299)
“GSLG Group”	GSLG and its subsidiaries
“GSLG Loan”	the outstanding loan advanced by GSFG Group to GSLG Group pursuant to facility agreements entered into between GSFG Group and GSLG Group in respect of various term loan facilities, comprising RMB-denominated loans with principal amount of approximately RMB537.1 million and Hong Kong dollars-denominated loans with principal amount of HK\$523.0 million (equivalent to approximately RMB470.7 million), together with all interest accrued thereon up to 1st Tranche Completion
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the PRC

“Independent Third Party(ies)”	any person(s) or company(ies) and their respective ultimate beneficial owner(s), to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, are not core connected persons of the Company and are third parties independent of the Company and its core connected persons in accordance with the Listing Rules
“Land Charge”	the charge over the Charged Property granted by the Target Company (as chargor) to Xiamen International Trust (as chargee) as security for the Secured Loan
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Long Stop Date”	31 March 2023 (or such other date as the Purchaser and the Vendor may agree in writing)
“Material Adverse Change”	any change, event, circumstance or other matter that, in the opinion of the Purchaser, has, or would reasonably be expected to have, either individually or in aggregate, a material adverse effect on (a) the ability of the Vendor to perform its obligations under the Transaction Documents; or (b) the business, assets and liabilities, financial condition, results of operations or prospects of the Target Company
“PRC”	the People’s Republic of China, which for the purpose of this announcement excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Purchaser”	Shenzhen Baokai Investment Holding Company Limited* (深圳寶開投資控股有限公司), a company established in the PRC and an indirect wholly-owned subsidiary of the Company
“RMB”	Renminbi, the lawful currency of the PRC

“Sale and Purchase Agreement”	the conditional sale and purchase agreement to be entered into between the Purchaser and the Vendor, in respect of the Acquisition within fourteen (14) Business Days (or such other date as the Vendor and the Purchaser may agree) from the date of the Framework Agreement
“Secured Loan”	the facility granted by Xiamen International Trust to Shenzhen Baoxin. As at 30 September 2022, the outstanding principal amount and interest accrued thereon amounted to approximately RMB365.9 million
“Share(s)”	ordinary share(s) of HK\$0.1 each in the share capital of the Company
“Share Charge Agreement”	the share charge agreement to be entered into between the Vendor and the Purchaser following 2nd Tranche Completion, pursuant to which the Purchaser (as chargor) shall execute a charge over the 2nd Tranche Sale Equity Interest it holds in the Target Company subsequent to 2nd Tranche Completion in favour of the Vendor (as chargee)
“Shareholder(s)”	holder(s) of the Shares
“Shenzhen Baoxin”	Shenzhen Baoxin Industrial Company Limited* (深圳寶新實業集團有限公司), a company established in the PRC and an indirect non-wholly owned subsidiary of GSLG
“sq.m.”	square metre
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company”	Shantou Taisheng Technology Limited* (汕頭市泰盛科技有限公司), a company established in the PRC with limited liability and an indirect non-wholly owned subsidiary of GSLG prior to 1st Tranche Completion

“Transaction Documents”	the Sale and Purchase Agreement and the 1st Tranche Deed of Set-Off
“Vendor”	Shenzhen Hong Jia Xin Technology Limited* (深圳宏佳新科技有限公司), a company established in the PRC with limited liability and an indirect non-wholly owned subsidiary of GSLG
“Xiamen International Trust”	Xiamen International Trust Co., Ltd.* (廈門國際信託有限公司)
“%”	per cent.

\* For identification only

For the purpose of this announcement, unless otherwise indicated, conversion of Renminbi into Hong Kong dollars is calculated at the approximate exchange rate of HK\$1.00 to RMB0.90. This exchange rate is adopted for the purpose of illustration purpose only and does not constitute a representation that any amounts have been, could have been, or may be, exchanged at this rate or any other rates at all.

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

Hong Kong, 3 October 2022

*As at the date of this announcement, the executive Directors of the Company are Mr. Yao Jianhui, Mr. Li Minbin and Mr. Huang Wei; the non-executive Director of the Company is Mr. Zhang Chi; and the independent non-executive Directors of the Company are Mr. Wong Chun Bong, Professor Lee Kwok On, Matthew and Ms. Zhao Yizi.*