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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

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

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

THE SUPPLEMENTAL EQUITY TRANSFER AGREEMENT

As disclosed in the Previous Announcement, the Completion of the Disposal was subject to the fulfilment or waiver of the Conditions Precedent, including but not limited to “6) *unconditional release of all the liabilities of the Vendor as the Guarantor under the Project Loan*” on or before the Long Stop Date, which was fixed to be 31 December 2021 (or such other date as mutually agreed by the Purchaser and the Vendor). As GSLG was informed that the Vendor is unlikely to be unconditionally released of all such liabilities before the Long Stop Date, on 2 December 2021 (after trading hours), the Vendor, the Purchaser and Mr. Zhang entered into a Supplemental Equity Transfer Agreement to amend the terms of the Equity Transfer Agreement, such that the Vendor can recover the sum more efficiently in the event of performance of the guarantee obligations under the Guarantee. Pursuant to the Supplemental Equity Transfer Agreement:

- (1) the Purchaser and Mr. Zhang shall provide the Counter-Guarantee in favour of the Vendor in respect of the Vendor’s liability under the Guarantee upon Completion;
- (2) the Purchaser shall enter into an Equity Pledge Agreement upon Completion and pledge the entire equity interest of the Target Company in favour of the Vendor within 20 business days after completion of registration of the equity interest in the Target Company in the name of the Purchaser;
- (3) the Vendor will appoint a person to be a member of the board of directors or senior management of Guangxi Baohui from Completion until the indebtedness of Guangxi Baohui owed to Minsheng Bank are repaid in full; and

- (4) the Purchaser shall provide and procure the Target Company to provide on a monthly basis such information as the Vendor may require to evaluate the performance of the repayment obligation of Project Loan and the likelihood of enforcement of the Guarantee by Minsheng Bank, including but not limited to the table of outstanding balance of the Project Loan, the repayment schedule, financial condition of the Target Company, and the latest sales status of the Project.

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

EQUITY PLEDGE AGREEMENT AND COUNTER-GUARANTEE

The principal terms of the Equity Pledge Agreement and the Counter-Guarantee are set out as below.

(A) The Equity Pledge Agreement

- Parties:**
- (1) Purchaser as pledgor
 - (2) Vendor as pledgee
 - (3) Target Company
- Subject:** Pursuant to the Equity Pledge Agreement, 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 guarantee the performance of the Vendor of its obligations under the Guarantee. The pledge shall cover all expenses paid by the Vendor for and on behalf of Guangxi Baohui under the Guarantee and all expenses incurred by the Vendor in exercising the right of recourse.
- Term:** The Equity Pledge Agreement shall be terminated within 10 working days in the event of any of the following:
- (a) Guangxi Baohui fully repays all debts owed to Minsheng Bank; or
 - (b) 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.

(B) The Counter-Guarantee

Pursuant to the Counter-Guarantee to be entered into by the Purchaser and Mr. Zhang as guarantors, the Purchaser and Mr. Zhang shall provide a counter-guarantee in favour of the Vendor in respect of all expenses paid by the Vendor for and on behalf of Guangxi Baohui under the Guarantee and all expenses incurred by the Vendor in exercising the right of recourse for a term commencing on the date of the Counter-Guarantee and ending on the third anniversary after the Vendor pays the full amount of the liability in relation to the Project Loan.

This announcement is made by GSFG and GSLG pursuant to Rule 14.36 of the Listing Rules to provide their shareholders and investors with updates on the Disposal. GSFG and GSLG will further announce the updates on the Disposal in accordance with the Listing Rules in due course.

PROVISION OF FINANCIAL ASSISTANCE AS GUARANTOR

On 30 July 2020, Guangxi Baohui (a subsidiary of the Target Company as borrower) entered into a loan agreement with Minsheng Bank as lender for a loan amount of RMB2.4 billion (equivalent to approximately HK\$2.9 billion) for a term of five years. As at the date of this announcement, the unpaid principal of the Project Loan is approximately RMB1.36 billion (equivalent to approximately HK\$1.66 billion). The Vendor provided an irrevocable joint and several guarantee to Minsheng Bank in respect of the loan.

Following Completion, the Guarantee is expected to continue and constitute the provision of financial assistance from the perspective of GSLG and (if by then GSFG is a holding company of GSLG) of GSFG. GSLG (and, if relevant, GSFG) will comply with the relevant requirements under Chapters 13, 14 and 14A of the Listing Rules as and when required where there is any material variation to the terms of the Guarantee after the Completion.

DEFINITIONS

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

“Counter-Guarantee”	means the counter-guarantee to be executed by the Purchaser and Mr. Zhang in favour of the Vendor in respect of the Vendor’s liability under the Guarantee
“Equity Pledge Agreement”	means the equity pledge agreement to be entered into among the Purchaser, the Vendor and the Target Company in relation to the pledge of the entire equity interest of the Target Company by the Purchaser
“Guarantee”	means the guarantee provided by the Vendor (as guarantor) in favour of Minsheng Bank in respect of the indebtedness of Guangxi Baohui owed to Minsheng Bank under the Project Loan

“Mr. Zhang”	means Mr. Zhang Jianxin (張建新), the ultimate beneficial owner of the Purchaser based on the information available to GSLG
“Project”	Nanning Wuxianghu No. 1 [#] (南寧五象湖1號)
“Supplemental Equity Transfer Agreement”	the supplemental agreement to the Equity Transfer Agreement dated 2 December 2021 entered into between the Vendor, the Purchaser and Mr. Zhang in relation to the Disposal
“Target Group”	means the Target Company and its subsidiaries

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, 2 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.

For the purpose of this announcement, the exchange rate of RMB1.00 = HK\$1.22 has been used, where applicable, for the purpose of illustration only and does not constitute a representation that any amount has been, could have been or may be exchanged at such a rate or at any other rates.

The English transliteration of the Chinese name(s) in this announcement, where indicated with #, is included for information purpose only, and should not be regarded as the official English name(s) of such Chinese name(s).