

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness, and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*



**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 OF EQUITY INTEREST IN SHENZHEN B&K**

**CAPITAL INJECTION AGREEMENTS**

On 14 January 2022 (after trading hours), Shenzhen B&K (an indirect non-wholly owned subsidiary of the Company) entered into two separate Capital Injection Agreements with Baokai Industries (an indirect wholly-owned subsidiary of the Company) and Hongxinglaihua Hotel respectively. Pursuant to the Capital Injection Agreements, Baokai Industries and Hongxinglaihua Hotel shall subscribe for, and Shenzhen B&K shall issue, 280,000,000 Subscription Shares and 500,000,000 Subscription Shares, respectively, at a price of RMB1 per Subscription Share, representing approximately representing approximately 18.66% and 33.33% of all issued B&K Shares as enlarged by the Subscription Shares.

Upon Completion, the total registered capital of Shenzhen B&K will be increased from RMB720,000,000 (equivalent to HK\$864,000,000) to RMB1,500,000,000 (equivalent to HK\$1,800,000,000) and will be held as to approximately 30.91% by Baokai Industries and 37.56% by Hongxinglaihua Hotel.

**LISTING RULES IMPLICATIONS**

As the equity interest held indirectly by the Company in Shenzhen B&K will be diluted from 75.5% to 54.91% upon Completion of the Capital Injection Agreements, the transactions contemplated under the Capital Injection Agreement II constitute a deemed disposal of equity interest in Shenzhen B&K by Baokai Industries under Rule 14.29 of the Listing Rules. As Shenzhen B&K will continue to be an indirect non-wholly owned subsidiary of the Company, the financial results of Shenzhen B&K will continue to be consolidated into the financial statements of the Group.

As the highest applicable percentage ratios (as defined under the Listing Rules) in respect of the deemed disposal exceeds 5% but is less than 25%, the transactions contemplated under the Capital Injection Agreement II constitute a discloseable transaction of the Company and is therefore subject to the reporting and announcement requirements but is exempt from the circular and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

## INTRODUCTION

On 14 January 2022 (after trading hours), Shenzhen B&K (an indirect non-wholly owned subsidiary of the Company) entered into two separate Capital Injection Agreements with Baokai Industries and Hongxinglaihua Hotel respectively.

## THE CAPITAL INJECTION AGREEMENTS

### Principal terms

The principal terms of the Capital Injection Agreements are set out as follows:

**Date:** 14 January 2022

**Parties:** *Capital Injection Agreement I*

- (1) Baokai Industries (as subscriber)
- (2) Shenzhen B&K (as issuer)

*Capital Injection Agreement II*

- (1) Hongxinglaihua Hotel (as subscriber)
- (2) Shenzhen B&K (as issuer)

As at the date of this announcement, Shenzhen B&K is an indirect non-wholly owned subsidiary of the Company and Baokai Industries is an indirect wholly-owned subsidiary of the Company.

To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, Hongxinglaihua Hotel and its ultimate beneficial owners are Independent Third Parties.

**Number of Subscription Shares:** 280,000,000 Subscription Shares for Baokai Industries, representing approximately 18.66% of all issued B&K Shares as enlarged by the Subscription Shares

500,000,000 Subscription Shares for Hongxinglaihua Hotel, representing approximately 33.33% of all issued B&K Shares as enlarged by the Subscription Shares

**Subscription price:** RMB1 (equivalent to HK\$1.2) per Subscription Share

**Total subscription price:** RMB780,000,000 (equivalent to HK\$936,000,000), RMB280,000,000 (equivalent to HK\$336,000,000) of which shall be payable by Baokai Industries and RMB500,000,000 (equivalent to HK\$600,000,000) of which shall be payable by Hongxinglaihua Hotel

**Payment term:** Baokai Industries and Hongxinglaihua Hotel shall pay their respective subscription monies of the relevant Subscription Shares in full in cash within 90 days from the date of the Capital Injection Agreements. If the parties intend to extend the payment due date, Shenzhen B&K must agree by way of shareholders' resolutions, and the parties must sign a supplemental agreement in order for the extension to take effect.

Baokai Industries will satisfy its payment obligations by the Group's internal resources.

**Other major terms:** Within 7 days from the signing the Capital Injection Agreements, Shenzhen B&K shall handle the relevant approval, registration and filing procedures in relation for the change of shareholdings of shareholders in Shenzhen B&K.

Within 3 days from the signing the Capital Injection Agreements, the respective parties to the Capital Injection Agreements shall amend the articles of association of Shenzhen B&K to reflect the effect of the Capital Injections and shall sign the relevant amendment proposal.

## Basis of determining the amount of the Capital Injections

The respective amounts of Capital Injections have been determined with reference to the outstanding bank borrowings of Shenzhen B&K in the sum of approximately RMB596,420,000 (equivalent to approximately HK\$715,704,000) as at the date of this announcement and the expected working capital needs of Shenzhen B&K, and were agreed between Shenzhen B&K and each of Baokai Industries and Hongxinglaihua after arm's length negotiations.

## EFFECT OF CAPITAL INJECTIONS ON THE SHAREHOLDING STRUCTURE OF SHENZHEN B&K

The table below sets out a summary of the shareholding structure of the Shenzhen B&K (i) as at the date of this announcement; and (ii) upon the Completion of the Capital Injection Agreements (assuming no change in share capital of Shenzhen B&K other than the issuance of the Subscription Shares):

	As at the date of this announcement		Upon Completion of the Capital Injection Agreements	
	Number of B&K Shares held	Approximate %	Number of B&K Shares held	Approximate %
<i>The Group</i>				
Baokai Commercial Land	360,000,000	50.00%	360,000,000	24.00%
Baokai Industries	<u>183,600,000</u>	<u>25.50%</u>	<u>463,600,000</u>	<u>30.91%</u>
<b>Sub-total</b>	<b>543,600,000</b>	<b>75.50%</b>	<b>823,600,000</b>	<b>54.91%</b>
<i>Others</i>				
Hongxinglaihua Hotel	63,390,000	8.80%	563,390,000	37.56%
Other shareholders (Note)	<u>113,010,000</u>	<u>15.70%</u>	<u>113,010,000</u>	<u>7.54%</u>
<b>Sub-total</b>	<b>176,400,000</b>	<b>24.50%</b>	<b>676,400,000</b>	<b>45.09%</b>
<b>Total issued B&amp;K Shares</b>	<b><u>720,000,000</u></b>	<b><u>100%</u></b>	<b><u>1,500,000,000</u></b>	<b><u>100%</u></b>

*Note: To the Directors' best knowledge, the other shareholders of Shenzhen B&K are also Independent Third Parties.*

Immediately upon Completion, Shenzhen B&K will remain as an indirect non-wholly owned subsidiary of the Company. Accordingly, the financial results and financial position of Shenzhen B&K will continue to be consolidated with the financial statements of the Group after Completion.

## **REASONS FOR AND BENEFITS OF THE CAPITAL INJECTIONS**

Shenzhen B&K holds a property project located in Guangming District, Shenzhen, PRC named Baoxin Technology Park project (“**Baoxin Technology Park Project**”). The entering into of the Capital Injection Agreements would allow Shenzhen B&K to improve its liquidity by having additional capital funding for the repayment of part of outstanding bank borrowings and the final phase of construction of Baoxin Technology Park Project while diversifying the Group’s risks in the development of the project.

The Directors (including the independent non-executive Directors) are of the view that the terms of the Capital Injection Agreements are fair and reasonable and in the interest of the Company and the Shareholders as a whole.

## **INFORMATION ON SHENZHEN B&K**

Shenzhen B&K is principally engaged in property investment and development in Shenzhen.

## **INFORMATION ON THE COMPANY AND THE GROUP**

The Company is an investment holding company. The Group is principally engaged in financial services, automation, manufacturing, securities investment and property investment and development.

Baokai Industries is principally engaged in the holding of investment in Shenzhen B&K.

## **INFORMATION ON HONGXINGLAIHUA HOTEL**

Hongxinglaihua Hotel is principally engaged in hotel management and operation.

## **LISTING RULES IMPLICATIONS**

As the equity interest held indirectly by the Company in Shenzhen B&K will be diluted from 75.5% to 54.91% upon Completion of the Capital Injection Agreements, the transactions contemplated under the Capital Injection Agreement II constitute a deemed disposal of equity interest in Shenzhen B&K by Baokai Industries under Rule 14.29 of the Listing Rules. As Shenzhen B&K will continue to be an indirect non-wholly owned subsidiary of the Company, the financial results of Shenzhen B&K will continue to be consolidated into the financial statements of the Group.

As the highest applicable percentage ratios (as defined under the Listing Rules) in respect of the deemed disposal exceeds 5% but is less than 25%, the transactions contemplated thereunder constitute a discloseable transaction of the Company and is therefore subject to the reporting and announcement requirements but is exempt from the circular and Shareholders’ approval requirements under Chapter 14 of the Listing Rules.

## DEFINITIONS

The following terms have the following meanings in this announcement, unless the context otherwise requires:

“ <b>associate(s)</b> ”	has the same meaning ascribed to it under the Listing Rules
“ <b>Baokai Commercial Land</b> ”	深圳寶開商置集團有限公司 (Shenzhen Baokai Commercial Land Group Company Limited*), a company incorporated in the PRC and an indirect wholly-owned subsidiary of the Company
“ <b>Baokai Industries</b> ”	深圳寶開實業有限公司 (Shenzhen Baokai Industries Company Limited*), a company incorporated in the PRC and an indirect wholly-owned subsidiary of the Company
“ <b>Board</b> ”	the board of directors of the Company
“ <b>B&amp;K Share(s)</b> ”	the share(s) in the capital of Shenzhen B&K
“ <b>Capital Injection Agreement I</b> ”	the capital injection agreement dated 14 January 2022 entered into between Baokai Industries as subscriber and Shenzhen S&K as issuer in respect of the subscription of 280,000,000 Subscription Shares
“ <b>Capital Injection Agreement II</b> ”	the capital injection agreement dated 14 January 2022 entered into between Hongxinglaihua Hotel as subscriber and Shenzhen S&K as issuer in respect of the subscription of 500,000,000 Subscription Shares
“ <b>Capital Injections</b> ”	the capital injections to Shenzhen B&K by Baokai Industries and Hongxinglaihua Hotel as contemplated under the Capital Injection Agreements
“ <b>Capital Injection Agreements</b> ”	Capital Injection Agreement I and Capital Injection Agreement II, and each a “ <b>Capital Injection Agreement</b> ”
“ <b>Company</b> ”	Glory Sun Financial Group Limited, a company incorporated in the Cayman Islands with limited liability and whose shares are listed on the main board of the Stock Exchange (Stock Code: 1282)
“ <b>Completion</b> ”	completion of the Capital Injections pursuant to the terms and conditions of the Capital Injection Agreements
“ <b>Directors</b> ”	the directors of the Company

<b>“Group”</b>	the Company and its subsidiaries
<b>“Hongxinglaihua Hotel”</b>	深圳鴻興萊華酒店有限公司 (Shenzhen Hongxinglaihua Hotel Company Limited*), a company incorporated in the PRC and an Independent Third Party
<b>“HK\$”</b>	Hong Kong dollar, the lawful currency of Hong Kong
<b>“Hong Kong”</b>	the Hong Kong Special Administrative Region of the People’s Republic of China
<b>“Independent Third Party(ies)”</b>	any person or company that is a third party not connected to and independent from the Company and its subsidiaries and their respective connected persons under the Listing Rules
<b>“Listing Rules”</b>	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
<b>“PRC”</b>	the People’s Republic of China, and for the purpose of this announcement only, excluding Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan
<b>“RMB”</b>	Renminbi, the lawful currency of the PRC
<b>“Share(s)”</b>	the ordinary share(s) of the Company
<b>“Shareholder(s)”</b>	the holder(s) of Shares
<b>“Shenzhen B&amp;K”</b>	深圳邦凱新能源股份有限公司 (Shenzhen B&K New Energy Co., Limited*), a company incorporated in the PRC and an indirect non-wholly owned subsidiary of the Company
<b>“Stock Exchange”</b>	The Stock Exchange of Hong Kong Limited

“subsidiary(ies)”	has the same meaning as defined under the Listing Rules
“Subscription Shares”	the aggregate of 780,000,000 new B&K Shares to be issued by Shenzhen B&K to Baokai Industries and Hongxinglaihua Hotel pursuant to the Capital Injection Agreements, and each a “Subscription Share”
“%”	per cent.

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

Hong Kong, 14 January 2022

*As at the date of this announcement, the Board comprises eight 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.*

*For the purpose of this announcement, the exchange rate of RMB1.00 = HK\$1.2 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).*