

*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.*

*This announcement appears for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for any securities of the Company.*



**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)**

## **CONNECTED TRANSACTION SUBSCRIPTION OF SHARES BY A CONNECTED PERSON**

### **THE SUBSCRIPTION**

On 10 July 2019, the Company entered into the Subscription Agreement with the Subscriber pursuant to which the Subscriber agreed to subscribe 4,000,000,000 new Shares at the Subscription Price of HK\$0.25 per Share. The Subscription Shares represent approximately 14.61% of the existing issued share capital of the Company and approximately 12.74% of the issued share capital of the Company as enlarged by the Subscription.

### **LISTING RULES IMPLICATION**

The Subscriber is a company wholly-owned by Mr. Yao Jianhui, an executive Director and the controlling shareholder of the Company. As such, the Subscription constitutes a connected transaction for the Company and is subject to the approval by the Independent Shareholders at the EGM to be convened to approve the Subscription.

### **GENERAL**

The Independent Board Committee comprising all the independent non-executive Directors has been formed to advise the Shareholders on the terms of the Subscription. An independent financial adviser will be appointed to advise the Independent Board Committee and the Independent Shareholders in this regard.

The circular containing, among other things, further details about the Subscription Agreement, a letter of advice from the Independent Board Committee to the Independent Shareholders, a letter of advice from the independent financial adviser to the Independent Board Committee and the Independent Shareholders in relation to the Subscription Agreement is expected to be despatched by the Company to the Shareholders on or before 31 July 2019.

## **THE SUBSCRIPTION AGREEMENT**

Date: 10 July 2019

### **Parties**

- (a) the Company
- (b) the Subscriber

The Subscriber is an investment holding company established in the British Virgin Islands. It is wholly-owned by Mr. Yao Jianhui, an executive Director and the controlling shareholder of the Company.

### **Subscription Shares**

4,000,000,000 new Shares, representing approximately 14.61% of the existing issued share capital of the Company, and approximately 12.74% of the issued share capital of the Company as enlarged by the Subscription.

### **Subscription Price**

The Subscription Price of HK\$0.25 per Subscription Share was arrived at after arm's length negotiations between the Subscriber and the Company with reference to the recent market price of the Shares.

The Subscription Price represents:

- (i) a discount of approximately 16.67% to the closing price of HK\$0.30 per Share as quoted on the Stock Exchange on the day of the Subscription Agreement;
- (ii) a discount of approximately 19.35% to the closing price of HK\$0.31 per Share as quoted on the Stock Exchange on 9 July 2019, being the last trading day immediately preceding the date of the Subscription Agreement;
- (iii) a discount of approximately 21.88% to the average closing price of HK\$0.32 per Share as quoted on the Stock Exchange for the last five trading days up to and including 9 July 2019;
- (iv) a discount of approximately 19.35% to the average closing price of HK\$0.31 per Share as quoted on the Stock Exchange for the last five trading days up to and including 10 July 2019;
- (v) a discount of approximately 28.57% to the average closing price of HK\$0.35 per Share as quoted on the Stock Exchange for the last ten trading days up to and including 9 July 2019; and
- (vi) a discount of approximately 26.47% to the average closing price of HK\$0.34 per Share as quoted on the Stock Exchange for the last ten trading days up to and including 10 July 2019.

Given that the Subscription Price was set with reference to the recent market price of the Shares, the Directors (excluding the independent non-executive Directors who will form their view after taking advice from the independent financial adviser) consider that the Subscription Price is fair and reasonable under the current market conditions, and the Subscription is in the interests of the Company and the Shareholders as a whole.

The Subscription Shares have a nominal value of HK\$400,000,000 and a market value of HK\$1,200,000,000, based on the closing price of HK\$0.30 per Share on the date of the Subscription Agreement. After deducting expenses relating to the Subscription, the net price per Subscription Share is approximately HK\$0.25.

### **Conditions of the Subscription Agreement**

Completion of the Subscription is conditional upon:

- (i) approval of the Subscription Agreement and the specific mandate to issue the Subscription Shares by the Independent Shareholders at the EGM;
- (ii) the Listing Committee of the Stock Exchange having granted approval for the listing of, and permission to deal in, the Subscription Shares; and
- (iii) the Company having obtained all approvals and consents (if any) in relation to the Subscription and the transaction contemplated thereunder.

In the event that the conditions to the Subscription is not fulfilled on or before 9 September 2019 (or such later date as may be agreed between the parties), the Subscription Agreement and all rights and obligations thereunder will cease and terminate.

### **Application for Listing**

An application will be made by the Company to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Subscription Shares.

### **Completion**

Subject to fulfillment of the conditions of the Subscription Agreement, completion of the Subscription will be in three tranches as follows:

- (i) the first tranche of 1,200,000,000 Subscription Shares will be allotted and issued to the Subscriber within 45 days from the date that the conditions to the Subscription Agreement are satisfied;
- (ii) the second tranche of 1,200,000,000 Subscription Shares will be allotted and issued to the Subscriber within 90 days from the date that the conditions to the Subscription Agreement are satisfied; and
- (iii) the final tranche of 1,600,000,000 Subscription Shares will be allotted and issued to the Subscriber within 150 days from the date that the conditions to the Subscription Agreement are satisfied.

The Subscriber will pay the Subscription Price corresponding to each tranche of Subscription Shares allotted and issued at each completion in cash.

### **Mandate to issue the Subscription Shares**

The Subscription Shares will be allotted and issued pursuant to the Specific Mandate proposed to be sought from the Independent Shareholders at the EGM.

### **EFFECT ON THE SHAREHOLDING OF THE COMPANY FOLLOWING COMPLETION OF THE SUBSCRIPTION**

Assuming there is no change to the issued share capital of the Company and the interests of the substantial shareholders of the Company between the date of the Subscription Agreement and Completion, the effect on the shareholding structure of the Company will be as follows:

<b>Shareholder</b>	<b>Shareholding as at the date of this announcement</b>		<b>Shareholding after completion of the Subscription</b>	
	<i>Shares</i>	<i>% of shareholding</i>	<i>Shares</i>	<i>% of shareholding</i>
Mr. Yao Jianhui and his associates <sup>(1)</sup>	10,839,411,600	39.58%	14,839,411,600	47.28%
Foresea Life Insurance Co., Ltd. <sup>(2)</sup>	<u>4,219,560,000</u>	<u>15.40%</u>	<u>4,219,560,000</u>	<u>13.44%</u>
Sub-total	15,058,971,600	54.98%	19,058,971,600	60.72%
Other public shareholders	<u>12,328,540,611</u>	<u>45.02%</u>	<u>12,328,540,611</u>	<u>39.28%</u>
Total	<u><u>27,387,512,211</u></u>	<u><u>100.00%</u></u>	<u><u>31,387,512,211</u></u>	<u><u>100.00%</u></u>

*Notes:*

1. The Shares are held as to 44,468,000 Shares by Mr. Yao Jianhui personally and as to 10,794,943,600 Shares by Tinmark Development Limited, a company wholly-owned by Mr. Yao.
2. Mr. Yao Zhenhua, the brother of Mr. Yao Jianhui is beneficially interested in 51% of the equity of Foresea Life Insurance Co., Ltd. ("Foresea Life"). Foresea Life is deemed to be a concert party of Mr. Yao Jianhui.

### **CAPITAL RAISING ACTIVITIES IN THE PAST 12 MONTHS**

The Company has not carried out any equity capital raising activities in the 12 months immediately preceding the date of this announcement.

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

The Company is a diversified business group and is principally engaged in the business of financial services, manufacturing, securities trading and investment, property investment and development and automation.

The Subscription represents a valuable opportunity for the Company to raise fund to further strengthen its capital base and financial position, thereby laying down a more solid foundation for the Company to further its business development and accelerate its growth in the financial market. The Subscription would avail the Group with more resources to stay competitive against its competitors, scale up the financial services business and execute its growth strategies.

The Directors consider that the Subscription could enhance the capital base of the Company and enable the Company to maintain a sufficient cash position for the Group's operation and is an appropriate mean to raise fund. The Directors (excluding the independent non-executive Directors who will form their view after taking advice from the independent financial adviser) consider that the Subscription is in the interests of the Company and the Shareholders as a whole.

The net proceeds from the Subscription is expected to be approximately HK\$999,400,000 million and is expected to be applied by the Company as to approximately 70% for the development of its financial services business, and as to approximately 30% for general working capital of the Company.

## **LISTING RULES IMPLICATION**

The Subscriber is a company wholly-owned by Mr. Yao Jianhui, an executive Director and the controlling shareholder of the Company. As such, the Subscription constitutes a connected transaction for the Company and is subject to the approval by the Independent Shareholders at the EGM to be convened to approve the Subscription.

Mr. Yao Jianhui is interested in the Subscription and has abstained from voting at the Board meeting held to approve the Subscription.

## **GENERAL**

The Independent Board Committee comprising all the independent non-executive Directors has been formed to advise the Shareholders on the terms of the Subscription. An independent financial adviser will be appointed to advise the Independent Board Committee and the Independent Shareholders in this regard.

The circular containing, among other things, further details of the Subscription Agreement, a letter of advice from the Independent Board Committee to the Independent Shareholders, a letter of advice from the independent financial adviser to the Independent Board Committee and the Independent Shareholders in relation to the Subscription Agreement is expected to be despatched by the Company to the Shareholders on or before 31 July 2019.

**The Subscription is subject to the satisfaction of the conditions precedent to the Subscription Agreement and may or may not proceed to Completion. Shareholders and investors are advised to exercise caution when dealing in the securities of the Company.**

## **DEFINITIONS**

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

“associate”	has the meaning ascribed to it under the Listing Rules;
“Board”	the board of Directors;
“Business Day”	any day (excluding Saturday and Sunday) on which banks are generally open for business in Hong Kong;
“Company”	Glory Sun Financial Group Limited, a company incorporated in the Cayman Islands, the securities of which are listed on the main board of the Stock Exchange;
“connected persons”	has the meaning ascribed thereto under the Listing Rules;
“Director(s)”	director(s) of the Company from time to time;
“EGM”	the extraordinary general meeting of the Company to be convened to approve the Subscription Agreement and the transactions contemplated thereunder;
“Group”	the Company and its subsidiaries;
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong;
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China;
“Independent Shareholders”	shareholders of the Company other than Mr. Yao Jianhui and his associates and parties acting in concert with him;
“Listing Committee”	has the meaning ascribed to such term in the Listing Rules;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Share(s)”	ordinary share(s) of HK\$0.10 each in the capital of the Company;
“Shareholder(s)”	holder(s) of the Shares;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;

“Subscriber”	Bao Xin Development Limited, a company incorporated in the British Virgin Islands and is wholly-owned by Mr. Yao Jianhui;
“Subscription”	the subscription of the Subscription Shares by the Subscriber pursuant to the terms and conditions of the Subscription Agreement;
“Subscription Agreement”	the subscription agreement dated 10 July 2019 entered into between the Company and the Subscriber in relation to the subscription of 4,000,000,000 new Shares;
“Subscription Price”	HK\$0.25 per Share;
“Subscription Shares”	4,000,000,000 new Shares to be subscribed by the Subscriber pursuant to the Subscription Agreement; and
“%”	per cent.

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

Hong Kong, 10 July 2019

*As at the date of this announcement, the Board comprises five executive directors, namely Mr. Yao Jianhui, Mr. Lau Wan Po, Mr. Li Minbin, Mr. Huang Wei and Mr. Zhang Chi; one non-executive director, namely Mr. Chen Kaiben; and three independent non-executive directors, namely Mr. Wong Chun Bong, Professor Lee Kwok On, Matthew, and Mr. Lee Kwan Hung.*