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JOINT ANNOUNCEMENT

CONTINUING CONNECTED TRANSACTIONS

PROPERTY MANAGEMENT SERVICES FRAMEWORK AGREEMENT

PROPERTY MANAGEMENT SERVICES FRAMEWORK AGREEMENT

The GSFG Directors and GSLG Directors announce that, on 31 December 2020, Baoxin Holdings, an indirect non-wholly owned subsidiary of GSFG and an indirect wholly-owned subsidiary of GSLG, entered into the Property Management Services Framework Agreement with Shenzhen Jixiang, pursuant to which Shenzhen Jixiang agrees to provide property management services to Baoxin Holdings Group in accordance with the principal terms of the Property Management Services Framework Agreement for a period of three years from 1 January 2021 to 31 December 2023.

The aggregate amount of the Property Management Services Fees payable by Baoxin Holdings Group for the period from 1 January 2021 to 31 December 2023 will not exceed RMB115,000,000 and the Annual Caps for each of the years ending 31 December 2021, 31 December 2022 and 31 December 2023 will be RMB20,000,000, RMB45,000,000 and RMB50,000,000, respectively.

LISTING RULES IMPLICATIONS

As at the date of this announcement, Mr. Yao Jianhui (“**Mr. Yao**”) is an executive director and the chief executive officer of GSFG and an executive director of GSLG. He is also a controlling shareholder (as defined in the Listing Rules) of each of GSFG and GSLG interested in (i) 14,839,411,600 GSFG Shares, representing approximately 47.28% of the total number of GSFG Shares in issue, and (ii) 3,146,858,700 GSLG Shares, representing approximately 69.16% of the total number of GSLG Shares in issue as at the date of this announcement, hence Mr. Yao is a connected person of each of GSFG and GSLG under the Listing Rules.

Given that Mr. Yao is a connected person of GSFG and GSLG, Shenzhen Jixiang, which is indirectly wholly owned by Mr. Yao, is also a connected person of GSFG and GSLG under Chapter 14A of the Listing Rules. Accordingly, the transactions contemplated under the Property Management Services Framework Agreement between Shenzhen Jixiang and Baoxin Holdings (an indirect non-wholly owned subsidiary of GSFG and an indirect wholly-owned subsidiary of GSLG) constitute continuing connected transactions for both GSFG and GSLG pursuant to Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio (as defined in the Listing Rules) for the highest Annual Caps contemplated under the Property Management Services Framework Agreement is more than 0.1% but less than 5% for each of GSFG and GSLG, the Property Management Services Framework Agreement is only subject to the reporting, announcement and annual review requirements, but is exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

INTRODUCTION

On 31 December 2020 (after trading hours), Baoxin Holdings, an indirect non-wholly owned subsidiary of GSFG and an indirect wholly-owned subsidiary of GSLG, has entered into the Property Management Services Framework Agreement with Shenzhen Jixiang, pursuant to which Shenzhen Jixiang agrees to provide property management services to Baoxin Holdings Group in accordance with the principal terms of the Property Management Services Framework Agreement.

PROPERTY MANAGEMENT SERVICES FRAMEWORK AGREEMENT

The principal terms of the Property Management Services Framework Agreement are as follows:

Date: 31 December 2020 (after trading hours)

Parties: (1) Baoxin Holdings; and
(2) Shenzhen Jixiang

Term: A term of three years commencing from 1 January 2021 until 31 December 2023

Scope of Services: Property management services to be provided by Shenzhen Jixiang to members of Baoxin Holdings Group include but are not limited to (i) preliminary planning and design of the property projects; consultancy services, management of construction drawings; (ii) cleaning and maintenance of, and customer services to, property sales offices; (iii) repair and maintenance of common areas, operation and maintenance of common facilities, cleaning, greening and landscape maintenance, parking and car parks management, security control; and (iv) other management services to be agreed between the parties.

Pricing Policy

Members of Baoxin Holdings Group and Shenzhen Jixiang will enter into separate individual agreement(s) setting out specific terms for the Services, including payment of the Property Management Services Fees, which shall be determined on normal commercial terms with reference to, (i) the reference prices provided by relevant government authorities at national level (if any); (ii) the government guidance prices provided by the local authorities of the regions in which the relevant project is located (if any); and (iii) where none of the above-mentioned reference prices are available, the fees charged by Independent Third Parties for similar or comparable property management services.

The Property Management Services Fees shall also be agreed on after arm's length negotiations between the parties and determined with reference to the content, workload and nature of services required by each project in accordance with the principle of fairness and reasonableness. The Property Management Services Fees shall not be higher than the quotations offered to Baoxin Holdings by Independent Third Parties and shall be on terms no less favourable than those offered to Baoxin Holdings Group by Independent Third Parties for provision of similar services.

Annual Caps

The Annual Caps, being the maximum contractual sum payable by Baoxin Holdings Group to Shenzhen Jixiang pursuant to the Property Management Services Framework Agreement, for the period from 1 January 2021 to 31 December 2023 are set out below:

For the year ending 31 December 2021	For the year ending 31 December 2022	For the year ending 31 December 2023
RMB20,000,000 (equivalent to approximately HK\$23,800,000)	RMB45,000,000 (equivalent to approximately HK\$53,550,000)	RMB50,000,000 (equivalent to approximately HK\$59,500,000)

The Annual Caps were determined after having taken into account of (i) the expected floor areas under management; (ii) the resources required by Shenzhen Jixiang in providing the Services; and (iii) the market rate for provisions of property management services similar to the Services.

REASONS FOR AND BENEFITS OF THE PROPERTY MANAGEMENT SERVICES FRAMEWORK AGREEMENT

As Shenzhen Jixiang is principally engaged in property management and has the necessary expertise in the management of property development projects, the GSFG Directors and the GSLG Directors (including the independent non-executive directors of each of GSFG and GSLG) consider that it is in the interest of Baoxin Holdings to engage Shenzhen Jixiang to provide property management services under the Property Management Services Framework Agreement and they are in the view that the terms of the Property Management Services Framework Agreement are on normal commercial terms or better, and are fair and reasonable and the transactions under the Property Management Services Framework Agreement are in the interest of GSFG and GSLG and their respective shareholders as a whole.

INFORMATION ON GSFG GROUP AND GSLG

GSFG is an investment holding company. The GSFG Group is principally engaged in financial services, property investment and development, automation, securities investment, logistics trade and supply chain management, yacht club and training centre.

GSLG is an investment holding company. The principal activities of the subsidiaries of GSLG are (i) property development and property investment in the PRC including sales and leasing of properties; (ii) logistics trade and supply chain management; (iii) development of cultural sports in the PRC including a yacht club, a training centre and a golf course; and (iv) securities investment. As at the date of this announcement, GSLG is an indirect subsidiary of GSFG.

INFORMATION ON BAOXIN HOLDINGS

Baoxin Holdings is a limited liability company established in the PRC and is an indirect non-wholly owned subsidiary of GSFG and an indirect wholly-owned subsidiary of GSLG. Its principal activities include investment holding, logistics trade and supply chain management and property investment and development.

INFORMATION ON SHENZHEN JIXIANG

Shenzhen Jixiang is a limited liability company established in the PRC and is indirectly wholly owned by Mr. Yao. The principal activities of Shenzhen Jixiang include property management, real estate brokerage, property management information consulting and real estate information consulting; corporate management consulting (excluding human resources agencies, securities, insurance, funds, financial business and other restricted or prohibited items) and providing management services for catering companies. It is also licensed to operate parking lots in the PRC.

LISTING RULES IMPLICATIONS

As at the date of this announcement, Mr. Yao is an executive director and the chief executive officer of GSFG and an executive director of GSLG. He is also a controlling shareholder (as defined in the Listing Rules) of each of GSFG and GSLG interested in (i) 14,839,411,600 GSFG Shares, representing approximately 47.28% of the total number of GSFG Shares in issue, and (ii) 3,146,858,700 GSLG Shares, representing approximately 69.16% of the total number of GSLG Shares in issue as at the date of this announcement, hence Mr. Yao is a connected person of each of GSFG and GSLG under the Listing Rules.

Given that Mr. Yao is a connected person of GSFG and GSLG, Shenzhen Jixiang, which is indirectly wholly owned by Mr. Yao, is also a connected person of GSFG and GSLG under Chapter 14A of the Listing Rules. Accordingly, the transactions contemplated under the Property Management Services Framework Agreement between Shenzhen Jixiang and Baoxin Holdings (an indirect non-wholly owned subsidiary of GSFG and an indirect wholly-owned subsidiary of GSLG) constitute continuing connected transactions for both GSFG and GSLG pursuant to Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio (as defined in the Listing Rules) for the highest Annual Caps contemplated under the Property Management Services Framework Agreement is more than 0.1% but less than 5% for each of GSFG and GSLG, the Property Management Services Framework Agreement is only subject to the reporting, announcement and annual review requirements, but is exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

Since Mr. Yao is the ultimate beneficial owner of Shenzhen Jixiang, he has abstained from voting on the resolutions of board of directors of each of GSFG and GSLG for the approval of the Property Management Services Framework Agreement and the transactions contemplated thereunder to avoid any conflicts of interest. Save for the above, none of the GSFG Directors or GSLG Directors has any material interest in any of the transactions contemplated under the Property Management Services Framework Agreement and is required to abstain from voting on the resolutions of board of directors of each of GSFG and GSLG to approve the same.

DEFINITIONS

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

“Annual Caps”	the maximum contractual sum payable by Baoxin Holdings Group to Shenzhen Jixiang for each financial year pursuant to the Property Management Services Framework Agreement for the period from 1 January 2021 to 31 December 2023
“Baoxin Holdings”	寶新控股有限公司 (Baoxin Holdings Company Limited [#]), a company established in the PRC with limited liability, and an indirect non-wholly owned subsidiary of GSFG and an indirect wholly-owned subsidiary of GSLG
“Baoxin Holdings Group”	Baoxin Holdings and its subsidiaries
“GSFG”	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: 01282) and a controlling shareholder of GSLG
“GSFG Directors”	the directors of GSFG
“GSFG Group”	GSFG and its subsidiaries (including the GSLG Group)
“GSFG Shares”	ordinary share(s) of HK\$0.10 each in the share capital of GSFG
“GSLG”	Glory Sun Land Group Limited, a company incorporated in the Cayman Islands with limited liability, whose shares are listed on the main board of the Stock Exchange (Stock Code: 00299)
“GSLG Directors”	the directors of GSLG
“GSLG Group”	GSLG and its subsidiaries

“GSLG Shares”	ordinary share(s) of HK\$0.05 each in the share capital of GSLG
“connected person”	has the meaning ascribed to it in the Listing Rules and “connected” shall be construed accordingly
“controlling shareholder(s)”	has the meaning ascribed to in the Listing Rules
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	independent third party(ies) who is/are not connected person(s) of GSFG and GSLG and is/are independent of and not connected with any of the directors, chief executive or substantial shareholders of GSFG and GSLG or any of their respective subsidiaries or their respective associates
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China and for the purpose of this announcement, does not include Hong Kong, the Macau Special Administrative Region and Taiwan
“Property Management Services Fees”	the management services fees payable by Baoxin Holdings Group to Shenzhen Jixiang pursuant to the Property Management Services Framework Agreement
“Property Management Services Framework Agreement”	the framework agreement entered into between Baoxin Holdings and Shenzhen Jixiang on 31 December 2020 setting out the terms for the provision of the Services
“RMB”	Renminbi, the lawful currency of the PRC
“Services”	the property management services to be provided by Shenzhen Jixiang to Baoxin Holdings Group under the Property Management Services Framework Agreement

“Shenzhen Jixiang”	深圳吉祥服務集團有限公司 (Shenzhen Jixiang Property Services Group Limited [#]), a company established in the PRC with limited liability which is indirectly wholly owned by Mr. Yao, a controlling shareholder of GSFG and GSLG
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent.

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

By Order of the Board of
Glory Sun Land Group Limited
Yao Jianhui
Chairman

Hong Kong, 31 December 2020

As at the date of this announcement, GSFG’s executive directors are Mr. Yao Jianhui, Mr. Lau Wan Po, Mr. Li Minbin and Mr. Huang Wei; the non-executive director is Mr. Zhang Chi; and the independent non-executive directors are Mr. Wong Chun Bong, Professor Lee Kwok On, Matthew, and Mr. Lee Kwan Hung, Eddie.

As at the date of this announcement, GSLG’s executive Directors are Mr. Yao Jianhui, Mr. Zhang Xiaodong 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\$1.19 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).