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**(1) PROPOSED DECLARATION OF INTERIM DIVIDEND BY GSFG
BY WAY OF DISTRIBUTION IN SPECIE OF GSLG SHARES**

**(2) RECORD DATE AND CLOSURE OF REGISTER OF MEMBERS OF GSFG
AND**

**(3) CONTINUATION OF FINANCIAL ASSISTANCE AFTER DISTRIBUTION
IN SPECIE**

**PROPOSED DECLARATION OF INTERIM DIVIDEND BY GSFG BY WAY OF
DISTRIBUTION IN SPECIE OF GSLG SHARES**

The GSFG Board wishes to announce that GSFG is considering putting to the GSFG Shareholders for consideration the declaration of an interim dividend in the form of a distribution of 3,154,444,976 Distribution GSLG Shares to the GSFG Shareholders whose names appear on the register of members of GSFG on the Record Date, on a pro-rata basis in proportion to their respective shareholdings in GSFG on the following basis:

for every 4,000 GSFG Shares held 402 Distribution GSLG Shares

A GSFG Qualifying Shareholder holding less than an integral multiple of 4,000 Shares (for the avoidance of doubt, including a GSFG Qualifying Shareholder holding less than 4,000 Shares) will be entitled to a pro-rata number of Distribution GSLG Shares, being rounded down to the nearest whole number of Distribution GSLG Shares. GSFG will distribute the Distribution GSLG Shares to the GSFG Qualifying Shareholders free of any payment of consideration. All stamp duties payable on the transfer of Distribution GSLG Shares in the Distribution in Specie will be borne by GSFG.

The Distribution in Specie will be conditional upon the passing of an ordinary resolution by the GSFG Shareholders at the EGM to approve the payment of interim dividend out of the share premium account to effect the Distribution in Specie.

The Distribution in Specie will be available to the Qualifying GSFG Shareholders, but will not be extended to any Non-Qualifying GSFG Overseas Shareholder(s). The GSLG Shares which would otherwise have been transferred to any Non-Qualifying GSFG Overseas Shareholder(s) will be sold in the market as soon as possible, on or after the date of despatch of the share certificates for the GSLG Shares (which is currently expected to be on or about Monday, 10 January 2022), and any proceeds of sale, after deduction of expenses and duties (other than stamp duties which will be borne by GSFG), will be distributed in Hong Kong dollars to the relevant Non-Qualifying GSFG Overseas Shareholder(s), except that net proceeds less than HK\$100 will be retained for the benefit of GSFG.

No fraction of a GSLG Share will be distributed. Fractional entitlements to the GSLG Shares and any GSLG Shares left undistributed (other than any GSLG Shares sold for the benefit of any Non-Qualifying GSFG Overseas Shareholder(s)) will be sold in the market as soon as practicable and the net proceeds of such sale will be retained for the benefit of GSFG.

Following completion of the Distribution in Specie, GSLG will cease to be a subsidiary of GSFG and the GSFG Shareholders will directly hold the Distribution GSLG Shares. GSFG will continue as a publicly listed company on the Stock Exchange and operate the Remaining Business.

THE RECORD DATE AND CLOSURE OF REGISTER OF MEMBERS

For determining entitlements to the Distribution in Specie, the register of members of GSFG will be closed from Tuesday, 28 December 2021 to Thursday, 30 December 2021, both days inclusive, during which no transfer of Shares will be registered. In order to qualify for the Distribution in Specie, all properly completed transfer forms accompanied by the relevant share certificates must be lodged with GSFG's Hong Kong branch share registrar and transfer office, Tricor Investor Services Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration not later than 4:30 p.m. on Friday, 24 December 2021. The last day for trading of GSFG Shares on the Stock Exchange with entitlements to the Distribution in Specie is expected to be on Wednesday, 22 December 2021.

A GSFG Shareholder's entitlements to the Distribution in Specie will be determined at 5:30 p.m. on the Record Date, i.e. Thursday, 30 December 2021.

CONTINUATION OF FINANCIAL ASSISTANCE AFTER DISTRIBUTION IN SPECIE

GSFG Group has made unsecured Loans to GSLG Group at 8% to 12% per annum under several Loan Agreements. As at 30 September 2021, the total outstanding principal amount of Loans was HK\$1,198,060,079. Pursuant to the terms of Loan Agreements, the outstanding Loans will be due and payable from 22 June 2022 to 4 November 2023, which will be after the completion of the Distribution in Specie. GSFG and GSLG intend that the Loans will remain outstanding after GSLG ceases to be a subsidiary of GSFG following completion of the Distribution in Specie and thus constitute the continuing financial assistance.

GSFG and GSLG 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 or renewal of the terms of the Loan Agreements after the completion of the Distribution in Specie.

EGM

A circular containing, among others, further details of (i) the proposed payment of the interim dividend by way of the Distribution in Specie; and (ii) a notice of EGM, will be despatched by GSFG to the GSFG Shareholders as soon as practicable.

Shareholders should note that the Distribution in Specie is subject to the approval by GSFG Shareholders of the payment of the interim dividend out of the share premium account by way of the Distribution in Specie as described in this announcement. Shareholders and/or potential investors in GSFG should be aware that implementation of the Distribution in Specie may or may not become effective. There is no assurance that the Distribution in Specie will be approved or will materialise. Meanwhile, the GSFG Shareholders and prospective investors are advised to exercise caution in dealing in the GSFG Shares.

PROPOSED DECLARATION OF INTERIM DIVIDEND BY WAY OF DISTRIBUTION IN SPECIE OF GSLG SHARES

Basis of entitlement

The GSFG Board wishes to announce that GSFG is considering putting to the GSFG Shareholders for consideration the declaration of an interim dividend in the form of a distribution of 3,154,444,976 Distribution GSLG Shares to the GSFG Shareholders whose names appear on the register of members of GSFG on the Record Date, on a pro-rata basis in proportion to their respective shareholdings in GSFG on the following basis:

for every 4,000 GSFG Shares held 402 Distribution GSLG Shares

A Qualifying GSFG Shareholder holding less than an integral multiple of 4,000 Shares (for the avoidance of doubt, including a Qualifying GSFG Shareholder holding less than 4,000 Shares) will be entitled to a pro-rata number of Distribution GSLG Shares, being rounded down to the nearest whole number of Distribution GSLG Shares. The Company will distribute the Distribution GSLG Shares to the Qualifying GSFG Shareholders free of any payment of consideration. All stamp duties payable on the transfer of Distribution GSLG Shares in the Distribution in Specie will be borne by GSFG.

The Distribution in Specie is intended to be declared out of the share premium account of GSFG. The actual amount standing to the debit of the share premium account of GSFG to be used for the payment of the interim dividend will depend on the carrying amount of dividend payable as at the date of settlement which will be affected by the net assets of GSLG attributable to GSFG at the date of the Distribution in Specie.

Condition precedent

The Distribution in Specie will be conditional upon the passing of an ordinary resolution by the GSFG Shareholders at the EGM to approve the payment of interim dividend out of the share premium account to effect the Distribution in Specie.

The above condition cannot be waived.

Fractions of GSLG Shares

No fraction of a GSLG Share will be distributed. Fractional entitlements to the Distribution GSLG Shares and any Distribution GSLG Shares left undistributed (other than any Distribution GSLG Shares sold for the benefit of any Non-Qualifying GSFG Overseas Shareholder(s) as set out in the section headed “**Qualifying GSFG Shareholders and Non-Qualifying GSFG Overseas Shareholder(s)**” below) will be sold in the market as soon as practicable and the net proceeds of such sale will be retained for the benefit of GSFG. If any calculation of a Qualifying GSFG Shareholder’s entitlements to the Distribution GSLG Shares would result in a fraction of a Distribution GSLG Share, such entitlement will be rounded down to the nearest whole number of Distribution GSLG Shares.

The Distribution GSLG Shares

As at the date of this announcement, GSFG holds a total of 3,155,934,700 GSLG Shares through two subsidiaries, namely, GSSL and Hong Kong Bao Xin. Prior to the completion of the Pre-Distribution Reorganisation, the 3,155,934,700 GSLG Shares will be transferred to GSFG directly. The 3,154,444,976 Distribution GSLG Shares to be distributed represent approximately 99.95% of the GSLG Shares held by GSFG and approximately 57.77% of the total number of issued GSLG Shares as at the date of this announcement. The GSLG Shares are listed on the Main Board of the Stock Exchange (Stock Code: 299).

The remaining 1,489,724 GSLG Shares to be directly held by GSFG prior to the completion of the Pre-Distribution Reorganisation are not subject to the Distribution in Specie, and are intended to be sold in the market as soon as practicable and the net proceeds of such sale will be retained for the benefit of GSFG.

Record Date and closure of register of members

For determining entitlements to the Distribution in Specie, the register of members of GSFG will be closed from Tuesday, 28 December 2021 to Thursday, 30 December 2021, both days inclusive, during which period no transfer of Shares will be registered. In order to qualify for the Distribution in Specie, all properly completed transfer forms accompanied by the relevant share certificates must be lodged with GSFG's Hong Kong branch share registrar and transfer office, Tricor Investor Services Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration not later than 4:30 p.m. on Friday, 24 December 2021. The last day for trading of GSFG Shares on the Stock Exchange with entitlements to the Distribution in Specie is expected to be on Wednesday, 22 December 2021.

A GSFG Shareholder's entitlements to the Distribution in Specie will be determined at 5:30 p.m. on the Record Date, i.e. Thursday, 30 December 2021.

Despatch of share certificates and CCASS settlement

It is expected that share certificates for the relevant Distribution GSLG Shares will be despatched on or about Monday, 10 January 2022 by ordinary post at the risk of the Qualifying GSFG Shareholders to their respective addresses shown on the register of members of GSFG on the Record Date. In the case of a joint holding of Shares, the share certificate for the Distribution GSLG Shares will be posted to the address of the person whose name stands first on the register of members of GSFG in respect of such Distribution GSLG Shares on the Record Date. Investors holding Shares through CCASS Participants are expected to receive the Distribution GSLG Shares through their respective stockbrokers or custodians or through their CCASS Investor Participant stock accounts following the despatch of share certificates of the Distribution GSLG Shares. Such investors should seek the advice of their respective stockbrokers or other professional advisers in case of doubt.

Odd lot matching service for the Distribution GSLG Shares

The GSLG Shares are traded at the board lot size of 5,000 GSLG Shares on the Stock Exchange. GSFG has, at its own costs, appointed GSSL to provide matching service for sale and purchase of odd lots of the GSLG Shares, on a best effort basis, to those Qualifying GSFG Shareholders entitled to the Distribution in Specie who wish to acquire odd lots of the GSLG Shares to make up a full board lot, or to dispose of their odd lots of the GSLG Shares.

Qualifying GSFG Shareholders who wish to utilise the service should contact GSSL, whose address is at 18/F., Wing On Centre, 111 Connaught Road Central, Hong Kong (contact person: Mr. Sze Yin Cheung; telephone number: (852) 2379 8918) during the period from 9:00 a.m. on Monday, 17 January 2022 to 4:00 p.m. on Friday, 11 February 2022, both days inclusive. Holders of odd lots of the GSLG Shares should note that successful matching of such sale and purchase is not guaranteed.

Qualifying GSFG Shareholders and Non-Qualifying GSFG Shareholders

The Distribution in Specie will be available to the Qualifying GSFG Shareholders, but will not be extended to any Non-Qualifying GSFG Overseas Shareholder(s).

Shareholders with registered addresses outside of Hong Kong

Based on the register of members of GSFG as at 17 November 2021, there were a total of nine Shareholders whose addresses as shown on the register of members of GSFG were outside of Hong Kong, namely in Guangdong Province, PRC, representing in aggregate approximately 0.82% of the total number of issued Shares as at the close of business on 17 November 2021.

GSFG had engaged legal counsels to ascertain whether or not there are any legal or regulatory requirements or restrictions which would make extending the Distribution in Specie to the GSFG Shareholders whose addresses as shown on the register of members of GSFG are located in the aforesaid overseas jurisdictions administratively prohibitive or inexpedient. Having considered such advice provided by the legal counsels in the aforementioned overseas jurisdictions, the GSFG Directors are of the view that with respect to the PRC, GSFG has been advised that there are no such legal or regulatory restrictions requiring the exclusion of such Shareholder from the Distribution in Specie. Having considered such advices provided by the legal counsels, the GSFG Directors are of the view that the Distribution in Specie will be extended to the GSFG Shareholders whose addresses as shown on the register of members of GSFG will be in the PRC on the Record Date.

Shareholders with registered addresses outside of Hong Kong should consult their own professional advisers as to whether or not they are permitted to receive the interim dividend or if any governmental or other consent is required or other formalities which need to be observed and whether there are any other restrictions in relation to the future sale of any GSLG Shares so received. Shareholders with registered addresses in the PRC shall undergo the relevant approval or filing procedures (if any) on their own and bear the risk of any corresponding legal responsibilities.

Notwithstanding the above, the GSFG Board reserves the right to exclude any other Shareholder whose address as shown on the register of members of GSFG on the Record Date is located in any other overseas jurisdiction from the Distribution in Specie, if the GSFG Board believes that the Distribution in Specie may be administratively prohibitive or inexpedient or violate any applicable legal and/or regulatory requirements in the relevant jurisdiction. If and when necessary, GSFG will separately notify any such Shareholder of the arrangement regarding the Distribution in Specie.

Arrangements for Non-Qualifying GSFG Overseas Shareholders

As the Distribution in Specie will not be extended to any Non-Qualifying GSFG Overseas Shareholders, arrangements will be made for the GSLG Shares which would otherwise have been transferred to such Non-Qualifying GSFG Overseas Shareholders to be sold in the market as soon as practicable, on or after the date of posting of the share certificates for the Distribution GSLG Shares (which date is currently expected to be on or about Monday, 10 January 2022), and the proceeds of sale, after deduction of expenses and duties, will be distributed in Hong Kong dollars to the relevant Non-Qualifying GSFG Overseas Shareholders at their own risk, except that net proceeds less than HK\$100 will be retained for the benefit of GSFG.

Distribution arrangements for PRC Stock Connect Investors

According to the “Stock Connect Shareholding Search” available on the Stock Exchange’s website (www.hkexnews.hk), as at 17 November 2021, ChinaClear held 4,821,796,000 Shares, representing approximately 15.36% of the total issued Shares.

The PRC Stock Connect Investors will receive Distribution GSLG Shares pursuant to the Distribution in Specie and hold the relevant Distribution GSLG Shares received through ChinaClear. Pursuant to the Shanghai Stock Exchange Measures for the Implementation of Shanghai Connect (上海證券交易所滬港通業務實施辦法) and the Shenzhen Stock Exchange Measures for the Implementation of Shenzhen Connect (深圳證券交易所深港通業務實施辦法), the PRC Stock Connect Investors (or the relevant ChinaClear participants, as the case may be) whose stock accounts in ChinaClear are credited with Distribution GSLG Shares may only sell them on the Stock Exchange under the Shanghai Connect and the Shenzhen Connect.

PRC Stock Connect Investors should seek advice from their intermediaries (including broker, custodian, nominee or ChinaClear participant) and/or other professional advisors for details of the logistical arrangements as required by ChinaClear.

POTENTIAL EFFECTS OF THE DISTRIBUTION IN SPECIE

Following completion of the Distribution in Specie, GSLG will cease to be a subsidiary of GSFG and the GSFG Shareholders will directly hold the Distribution GSLG Shares, and GSFG will continue as a publicly listed company on the Stock Exchange and operate the Remaining Business.

For the six months ended 30 June 2021, the unaudited consolidated net loss of GSLG was approximately HK\$84.1 million and the GSFG's share of GSLG's consolidated loss for that period was approximately HK\$87.3 million. On the assumption that the Distribution in Specie had taken place at the beginning of the said financial period, the consolidated net profit of GSFG for that period would have been increased by approximately HK\$87.3 million.

The profit and loss implications on GSFG as a result of the distribution of the GSLG Shares upon completion of the Distribution in Specie may only be ascertained following the date of settlement of the Distribution in Specie.

The implementation of the payment of interim dividend out of the share premium account does not involve any reduction in the authorized or issued share capital of GSFG nor does it involve any reduction in the nominal value of the GSFG Shares or the trading arrangements concerning the GSFG Shares.

REASONS FOR AND BENEFITS OF THE DISTRIBUTION IN SPECIE

The GSFG Directors are of the view that the Distribution in Specie is in the interests of GSFG and its Shareholders as a whole after taking into consideration of the following:

- (i) The Distribution in Specie will relieve GSFG and its subsidiaries from having to account for the operating loss of GSLG in the consolidated financial statements of the GSFG as a subsidiary and to unlock the value of the GSLG Shares in GSFG's accounts and return the same to the GSFG Shareholders. Specifically, as at 30 June 2021, the total liabilities of GSLG and GSFG were HK\$21,731,315,000 and HK\$25,566,970,000 respectively. The liabilities of GSLG amounted to approximately HK\$20,870,170,000 (after offsetting the intergroup balances) or approximately 81.67% of the total liabilities of GSFG. It is expected that the liabilities of GSFG will decrease substantially after completion of the Distribution in Specie.

- (ii) GSFG has alternatively considered disposing of the Distribution GSLG Shares. However, there is no assurance that GSFG can successfully identify and negotiate with the potential buyer(s) for the sale of all of the Distribution GSLG Shares. Further, any such disposal will be uncertain as potential buyer(s) will need to conduct due diligence work and negotiate the sale and purchase agreement. Additional costs will also have to be incurred for the engagement of the placing agent, financial advisers and other professionals. Further, given the substantial number of GSLG Shares involved, it is highly likely that the GSLG Shares could only be sold at a discount to the market price, which will have negative impact on the financials of GSFG as compared to the Distribution in Specie.
- (iii) The Distribution in Specie will immediately benefit the Qualifying GSFG Shareholders as they will receive their proportionate interest and direct beneficial ownership in the Distribution GSLG Shares, such that they may directly participate in the investment of the Distribution GSLG Shares by either holding such shares or realising value of the Distribution GSLG Shares on market. The Distribution in Specie will provide the GSFG Shareholders with the flexibility to determine the level of their investment in GSLG at their own discretion in comparison to a disposal of the Distribution GSLG Shares by GSFG followed by a special cash dividend.

Taking into account the above, the GSFG Directors consider that it is in the interest of GSFG and the GSFG Shareholders as a whole to undertake the Distribution in Specie.

TENTATIVE TIMETABLE FOR THE DISTRIBUTION IN SPECIE

Despatch of circular by GSFG on Distribution in Specie	Monday, 6 December 2021
Latest time for lodging transfer of the GSFG Shares in order to be qualified for attending and voting at the EGM	4:30 p.m. on Friday, 17 December 2021
Register of members of GSFG closes for the purpose of determining qualification for attending and voting at the EGM (both days inclusive)	Monday, 20 December 2021 to Tuesday, 21 December 2021
Latest time and date for lodging proxy forms for the EGM.....	10:00 a.m. on Sunday, 19 December 2021
Time and date of the EGM.....	10:00 a.m. on Tuesday, 21 December 2021
Announcement of results of the EGM to be posted on the Stock Exchange's and GSFG's websites	Tuesday, 21 December 2021
Register of members of GSFG reopens	Wednesday, 22 December 2021
Last day of dealings in the GSFG Shares cum-entitlement to the Distribution in Specie.....	Wednesday, 22 December 2021
First day of dealings in the GSFG Shares ex-entitlement to the Distribution In Specie.....	Thursday, 23 December 2021
Latest date and time for lodging transfer documents of GSFG Shares to qualify for entitlement to the Distribution in Specie	4:30 p.m. on Friday, 24 December 2021

Register of members of GSFG closes for
the purpose of determining qualification for
the Distribution in Specie (both day inclusive) Tuesday, 28 December 2021, to
Thursday, 30 December 2021

Record Date 5:30 p.m. on
Thursday, 30 December 2021

Register of members of GSFG reopens Friday, 31 December 2021

Despatch of certificates for Distribution GSLG Shares Monday, 10 January 2022

Odd lots matching 9:00 a.m. on
Monday, 17 January 2022 to
4:00 p.m. on
Friday, 11 February 2022

Note 1: All references to time and date in this announcement refer to Hong Kong local time and date.

Note 2: The timings are indicative only. Should there be any change to the above tentative timetable, further announcement will be made by GSFG as and when appropriate.

Note 3: The latest time for lodging transfer documents of the GSFG Shares in order to qualify for the Distribution in Specie will not take place if a tropical cyclone warning signal no. 8 or above, or “extreme conditions” caused by a super typhoon, or a “black” rainstorm warning is: (a) in force in Hong Kong at any local time before 12:00 noon and no longer in force after 12:00 noon on Friday, 24 December 2021, being the date on which the latest time for lodging transfer documents of the GSFG Shares in order to qualify for the Distribution in Specie falls, and in that case, the latest time for lodging transfer documents will be extended to 5:00 p.m. on the same day; or (b) in force in Hong Kong at any local time between 12:00 noon and 4:00 p.m. on Friday, 24 December 2021, being the date on which the latest time for lodging transfer documents of the GSFG Shares in order to qualify for the Distribution in Specie falls, and in that case, the latest time for lodging of transfer documents will be rescheduled to 4:00 p.m. on the next business day which does not have either of those warnings in force at any time between 9:00 am and 4:00 pm.

WAIVER FROM COMPLIANCE WITH RULE 26 OF THE TAKEOVERS CODE

Pre-Distribution Reorganisation

As at the date of this announcement, GSFG holds a total of 3,155,934,700 GSLG Shares through GSSL and Hong Kong Bao Xin. To facilitate the Distribution in Specie, the 3,155,934,700 GSLG Shares will be transferred from GSSL and Hong Kong Bao Xin to GSFG prior to the completion of the Distribution in Specie. In this regard, Mr. Yao Jianhui and GSFG has applied for, and the Executive has granted a waiver of, the obligation to make a mandatory general offer for all the GSLG Shares not already owned or will be acquired by GSFG and the parties acting in concert with it as a result of the completion of the Pre-Distribution Reorganisation pursuant to Note 6(a) to Rule 26.1 of the Takeovers Code.

Distribution in Specie

As at the date of this announcement, Mr. Yao Jianhui is directly and indirectly interested in (i) 14,892,511,600 Shares, representing approximately 47.45% of the entire issued share capital of GSFG and (ii) 1,314,000 GSLG Shares, representing approximately 0.02% of the entire issued share capital of GSLG; and GSFG is indirectly interested in 3,155,934,700 GSLG Shares, representing approximately 57.80% of the entire issued share capital of GSLG. As at the date of this announcement, Mr. Yao Zhenhua, brother of Mr. Yao Jianhui, is indirectly interested in (i) 4,219,560,000 Shares, representing approximately 13.44% of the entire issued share capital of GSFG, but no interests in the entire issued share capital of GSLG. Mr. Yao Jianhui has applied for, and the Executive has granted a waiver of, the obligation to make a mandatory general offer for all the GSLG Shares not already owned or will be acquired by Mr. Yao Jianhui and the parties acting in concert with him as a result of the completion of the Distribution in Specie pursuant to Note 6(a) to Rule 26.1 of the Takeovers Code.

SHAREHOLDING STRUCTURE OF GSFG AND GSLG BEFORE AND AFTER THE DISTRIBUTION IN SPECIE

Set out below are the shareholding structures of GSFG and GSLG before and after the completion of the Distribution in Specie (assuming no change in the shareholding structure of GSFG and GSLG during the period from the date of this announcement to the date of completion of the Distribution in Specie):

	Shareholding structure of GSFG before the completion of the Distribution in Specie		Shareholding structure of GSLG before the completion of the Pre-Distribution Reorganisation		Shareholding structure of GSLG after the completion of the Pre-Distribution Reorganisation and before the completion of the Distribution in Specie		Shareholding structure of GSLG after the completion of the Distribution in Specie	
	No. of GSFG Shares held	%	No. of GSLG Shares held	%	No. of GSLG Shares held	%	No. of GSLG Shares held	%
<i>Substantial shareholders</i>								
Mr. Yao Jianhui (Note 1)	44,468,000	0.14	1,314,000	0.02	1,314,000	0.02	5,783,034	0.11
Laihua Holdings (Note 1)	53,100,000	0.17	—	—	—	—	5,336,550	0.10
Bao Xin Development (Note 1)	14,794,943,600	47.14	—	—	—	—	1,486,891,831	27.23
Qianhai Life Insurance (Note 2)	4,219,560,000	13.44	—	—	—	—	424,065,780	7.77
GSFG (Note 3)	—	—	—	—	3,155,934,700	57.80	—	—
Hong Kong Bao Xin (Note 3)	—	—	3,134,805,652	57.41	—	—	—	—
GSSL (Note 3)	—	—	21,129,048	0.39	—	—	—	—
<i>Other GSFG Directors save for Mr. Yao Jianhui</i>								
Mr. Li Minbin	—	—	306,500	0.01	306,500	0.01	306,500	0.01
<i>Other GSLG Directors save for Mr. Yao Jianhui</i>								
NIL	—	—	—	—	—	—	—	—
<i>Other public GSFG Shareholders (Note 4)</i>								
	12,275,440,611	39.11	—	—	—	—	1,233,681,781	22.59
<i>Other public GSLG Shareholders (Note 4)</i>								
	—	—	2,302,569,597	42.17	2,302,569,597	42.17	2,304,059,321	42.19
Total	<u>31,387,512,211</u>	<u>100</u>	<u>5,460,124,797</u>	<u>100</u>	<u>5,460,124,797</u>	<u>100</u>	<u>5,460,124,797</u>	<u>100</u>

Note 1: Laihua Holdings and Bao Xin Development are indirectly held as to 99.5% and 100% respectively by Mr. Yao Jianhui (an executive director, the chairman of the GSFG Board and the chief executive officer of GSFG and an executive director and the chairman of the board of directors of GSLG).

Note 2: Qianhai Life Insurance is a company indirectly controlled by Mr. Yao Zhenhua, the brother of Mr. Yao Jianhui.

Note 3: Each of GSSL and Hong Kong Bao Xin are indirectly held as to 90.38% and 100% respectively by GSFG.

Note 4: Save for Mr. Yao Jianhui and Mr. Li Minbin, no other GSFG Directors or GSLG Directors held any GSFG Share or GSLG Share as at the date of this announcement.

Note 5: It is assumed that the public GSFG Shareholders do not hold any GSLG Shares and the public GSLG Shareholders do not hold any GSFG Shares before the completion of Distribution in Specie.

CONTINUATION OF FINANCIAL ASSISTANCE AFTER DISTRIBUTION IN SPECIE

GSFG Group has made unsecured Loans to GSLG Group at 8% to 12% per annum under several Loan Agreements. As at 30 September 2021, the total outstanding principal amount of Loans was HK\$1,198,060,079. Pursuant to the terms of Loan Agreements, the outstanding Loans will be due and payable from 22 June 2022 to 4 November 2023, which will be after the completion of the Distribution in Specie. GSFG and GSLG intend that the Loans will remain outstanding after GSLG ceases to be a subsidiary of GSFG following completion of the Distribution in Specie and thus constitute the continuing financial assistance.

By virtue of being (i) an executive director and the chief executive officer of GSFG and (ii) an executive director of GSLG, Mr. Yao Jianhui is a connected person of both GSFG and GSLG. After the Distribution in Specie, as Mr. Yao Jianhui and Mr. Yao Zhenhua will directly and indirectly hold over 50% of all GSFG Shares, GSFG will be a connected person of GSLG, and the Loans will become continuing connected transactions of GSLG under Chapter 14A of the Listing Rules. However, given the Loans are to be conducted on normal commercial terms from the perspective of GSLG and is not secured by any assets of GSLG Group, the Loans will be fully exempt from the annual review and all disclosure requirements as required under Rule 14A.60 of the Listing Rules. After the Distribution in Specie, as Mr. Yao Jianhui and Mr. Yao Zhenhua will directly and indirectly hold less than 50% of all GSLG Shares, GSLG will not be a connected person of GSFG and the Loans will not become connected transactions of GSFG under Chapter 14A of the Listing Rules.

GSFG and GSLG 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 or renewal of the terms of the Loan Agreements after the completion of the Distribution in Specie.

INFORMATION ON GSFG

GSFG is an investment holding company and the principal activities of its subsidiaries are financial services, property investment and development, automation, securities investment and trading of commodities.

INFORMATION ON GSLG

GSLG is an investment holding company and the principal activities of its subsidiaries are (i) property development and property investment in the PRC including sales and leasing of properties; (ii) trading of commodities and home appliances in the PRC; (iii) operation of cultural entertainment business including a golf practicing court, children playroom, karaoke and fitness room; and (iv) securities investment.

EGM

A circular containing, among others, further details of (i) the proposed payment of the interim dividend out of the share premium account of GSFG by way of the Distribution in Specie; and (ii) a notice of EGM, will be despatched by GSFG to the GSFG Shareholders as soon as practicable.

No GSFG Director was required to abstain from voting on the GSFG Board resolutions approving the payment of the interim dividend out of the share premium account of GSFG by way of the Distribution in Specie. To the best of the GSFG Directors' knowledge, information and belief having made all reasonable enquiries, no Shareholders are required to abstain from voting on the proposed relevant resolution(s) approving the payment of the interim dividend out of the share premium account by way of the Distribution in Specie at the EGM.

Shareholders should note that the Distribution in Specie is subject to the approval by GSFG Shareholders of the payment of the interim dividend out of the share premium account by way of the Distribution in Specie as described in this announcement. Shareholders and/or potential investors in GSFG should be aware that implementation of the Distribution in Specie may or may not become effective. There is no assurance that the Distribution in Specie will be approved or will materialise. Meanwhile, the GSFG Shareholders and prospective investors are advised to exercise caution in dealing in the GSFG Shares.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms have the meanings as set out below:

- “Bao Xin Development” means Bao Xin Development Limited
- “CCASS Investor Participant” means a person admitted to participate in CCASS as an investor participant who may be an individual or joint individuals or a corporation
- “CCASS Participant” means any person admitted to participate in CCASS as a direct clearing participant, a general clearing participant, a custodian participant, or any CCASS Investor Participant
- “CCASS” means the Central Clearing and Settlement System established and operated by Hong Kong Securities Clearing Company Limited
- “ChinaClear” means China Securities Depository and Clearing Corporation Limited (中國證券登記結算有限責任公司)
- “Distribution in Specie” means the distribution of an interim dividend by GSFG to the Qualifying GSFG Shareholders in the form of a distribution in specie of 3,154,444,976 GSLG Shares to be held by GSFG upon completion of the Pre-Distribution Reorganisation in the proportion of 402 Shares for every 4,000 Shares held on the Record Date
- “Distribution GSLG Shares” means the 3,154,444,976 GSLG Shares held by GSFG upon completion of the Pre-Distribution Reorganisation to distributed to the GSFG Shareholders pursuant to the Distribution in Specie
- “EGM” means the extraordinary general meeting of GSFG to be convened for the GSFG Shareholders to consider, and if thought fit, approve, inter alia, the payment of the interim dividend out of the share premium account by way of the Distribution in Specie

“Executive”	means the executive director of the Corporate Finance Division of the SFC
“GSFG Board”	means the board of GSFG Directors
“GSFG Director(s)”	means the director(s) of GSFG
“GSFG Group”	means GSFG and its subsidiaries (excluding the GSLG Group)
“GSFG Share(s)”	means the ordinary share(s) of nominal value HK\$0.10 each in the share capital of GSFG
“GSFG Shareholder(s)”	means holder(s) of GSFG Share(s)
“GSFG”	means Glory Sun Financial 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: 1282)
“GSLG Group”	means GSLG and its subsidiaries
“GSLG Share(s)”	means the ordinary share(s) of nominal value HK\$0.05 each in the share capital of GSLG
“GSLG”	means 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: 299)
“GSSL”	means Glory Sun Securities Limited, a subsidiary of GSFG
“HK\$”	means Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	means the Hong Kong Special Administrative Region of the People’s Republic of China

“Hong Kong Bao Xin”	means Hong Kong Bao Xin Asset Management Limited, a subsidiary of GSFG
“Laihua Holdings”	means 萊華控股集團有限公司 (Laihua Holdings Group Limited [#])
“Loans”	means the loans advanced by GSFG Group to GSLG Group under the Loan Agreements
“Loan Agreements”	means the unsecured term loan agreements (as amended from time to time) entered into between a relevant member of GSFG Group (as lender) and a relevant member of GSLG Group (as borrower)
“Non-Qualifying GSFG Overseas Shareholder(s)”	means GSFG Shareholder(s) whose (respective) address(es) as shown on the register of members of GSFG on the Record Date is(are) in a place outside Hong Kong which the GSFG Board on account of the relevant legal or regulatory requirements or restrictions considers necessary or expedient to exclude from the Distribution in Specie
“PRC Stock Connect Investors”	means the PRC southbound trading investor(s) through Shanghai Connect and/or Shenzhen Connect who hold Shares through ChinaClear as nominee
“PRC”	means the People’s Republic of China, which for the purpose of this announcement, excludes Hong Kong, Macau and Taiwan
“Pre-Distribution Reorganisation”	means the acquisition of the GSLG shares by GSFG from GSSL and Hong Kong Bao Xin prior to the completion of the Distribution in Specie
“Qianhai Life Insurance”	means Qianhai Life Insurance Co., Ltd.
“Qualifying GSFG Shareholder(s)”	means the GSFG Shareholder(s) whose name(s) appear(s) on the register of members of GSFG on the Record Date, other than the Non-Qualifying GSFG Overseas Shareholder(s)

“Record Date”	means Thursday, 30 December 2021, being the date fixed for determining the GSFG Shareholders’ entitlements to the Distribution in Specie
“Remaining Business”	means the business of GSFG and its subsidiaries upon the completion of the Distribution in Specie
“Stock Exchange”	means The Stock Exchange of Hong Kong Limited
“Takeovers Code”	means The Codes on Takeovers and Mergers and Share Buy-backs
“%”	means per cent.

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, 18 November 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.

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).