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**If you have sold or transferred** all your shares in the Company, you should at once hand this circular to the purchaser(s) or transferee(s) or to the licensed securities dealer or registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or transferee(s).



**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)**

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

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

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

**(4) NOTICE OF EXTRAORDINARY GENERAL MEETING**

Capitalised terms used in this cover page have the same meanings as those defined in this circular.

A letter from the Board is set out on pages 6 to 16 in this circular.

A notice convening the EGM to be held at 18/F., Wing On Centre, 111 Connaught Road Central, Hong Kong on Friday, 17 December 2021 at 10:00 a.m. is set out on pages EGM-1 to EGM-3 of this circular. A form of proxy for the EGM is enclosed with this circular.

Whether or not you intend to attend the EGM, you are requested to complete the form of proxy in accordance with the instructions printed on the form and return the form to the branch share registrar and transfer office of the Company in Hong Kong, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for the EGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM if you so wish.

**PRECAUTIONARY MEASURES FOR THE EGM**

Please see page 1 of this circular for measures being taken to try to prevent and control the spread of the coronavirus disease 2019 (“COVID-19”) at the EGM, including:

- compulsory wearing of face masks and attendees who do not wear face masks may be requested to leave or denied entry into the EGM venue
- scanning of the “LeaveHomeSafe” venue QR code or registering contact details in written form
- compulsory hand sanitizing at the entrance of the EGM venue
- compulsory body temperature checks at the entrance of the EGM venue
- no distribution of refreshments and gift coupons

The Company wishes to remind the Shareholders that they may, by using proxy forms with voting instructions inserted, appoint the Chairman of the meeting as their proxy to vote on the relevant resolutions at the EGM as an alternative to attending the EGM in person. Completion and return of the proxy forms will not preclude the Shareholders from attending and voting in person at the EGM or any adjournment of that meeting should they subsequently so wish, and in such case, the proxy forms previously submitted shall be deemed to be revoked.

## PRECAUTIONARY MEASURES FOR THE EXTRAORDINARY GENERAL MEETING

In compliance with the HKSAR Government's directive on social distancing, personal and environmental hygiene, and the guidelines issued by the Centre for Health Protection of the Department of Health on the prevention of COVID-19, the Company will implement additional precautionary measures at the EGM including, without limitation:

- (1) all attendees must wear face masks inside the EGM venue at all times and the attendees who do not wear face masks may be requested to leave or denied entry into the EGM venue;
- (2) all attendees must scan the "LeaveHomeSafe" venue QR code or register his/her name, contact number and the date and time of visit, prior to entering the EGM venue;
- (3) all attendees must wash their hands with alcohol-based hand sanitizer before entering the EGM venue;
- (4) compulsory body temperature checks will be conducted on all attendees at the entrance of the EGM venue. Any person with a body temperature of over 37.2 degrees Celsius may be denied entry into the EGM venue or be required to leave the EGM venue; and
- (5) no refreshments or gift coupons will be distributed.

To the extent permitted under law, the Company reserves the right to deny entry into the EGM venue or require any person to leave the EGM venue in order to ensure the health and safety of the attendees at the EGM.

In the interest of all stakeholders' health and safety and in view of the recent COVID-19 guidelines for prevention and control, the Company wishes to remind all Shareholders that physical attendance at the EGM is not necessary for the purpose of exercising voting rights. As an alternative, by using proxy forms with voting instructions inserted, Shareholders may appoint the Chairman of the meeting as their proxy to vote on the relevant resolutions at the EGM instead of attending the EGM in person. Completion and return of the proxy forms will not preclude the Shareholders from attending and voting in person at the EGM or any adjournment of that meeting should they subsequently so wish, and in such case, the proxy forms previously submitted shall be deemed to be revoked.

If any Shareholder has any questions relating to the EGM, please contact the Hong Kong branch share registrar of the Company, Tricor Investor Services Limited as follows:

**Tricor Investor Services Limited**  
Level 54, Hopewell Centre  
183 Queen's Road East  
Hong Kong  
Telephone: +852 2980 1333  
Email: [is-enquiries@hk.tricorglobal.com](mailto:is-enquiries@hk.tricorglobal.com)

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## DEFINITIONS

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

“Bao Xin Development”	means Bao Xin Development Limited
“Board”	means the board of Directors
“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)
“Company”	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)
“Director(s) “	means the director(s) of the Company
“Distribution in Specie”	means the distribution of an interim dividend by the Company to the Qualifying Shareholders in the form of a distribution in specie of 3,154,444,976 GSLG Shares to be held by the Company upon completion of the Pre-Distribution Reorganisation in the proportion of 402 GSLG Shares for every 4,000 Shares held on the Record Date
“Distribution GSLG Shares”	means the 3,154,444,976 GSLG Shares held by the Company upon completion of the Pre-Distribution Reorganisation to distributed to the Shareholders pursuant to the Distribution in Specie
“EGM”	means the extraordinary general meeting of the Company to be convened at 18/F., Wing On Centre, 111 Connaught Road Central, Hong Kong on Friday, 17 December 2021 at 10:00 a.m. for the 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

## DEFINITIONS

“Group”	means the Company and its subsidiaries (excluding the GSLG Group)
“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 the Company
“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 the Company
“Joint Announcements”	means the joint announcements of the Company and GSLG dated 18 November 2021 and 26 November 2021 in relation to the Distribution in Specie
“Laihua Holdings”	means 萊華控股集團有限公司 (Laihua Holdings Group Limited <sup>#</sup> )
“Latest Practicable Date”	means 25 November 2021, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information for inclusion in this circular
“Loans”	means the loans advanced by members of the Group to members of the GSLG Group under the Loan Agreements
“Loan Agreements”	means the unsecured term loan agreements (as amended from time to time) entered into between relevant members of the Group (as lender) and relevant members of the GSLG Group (as borrower)
“Non-Qualifying Overseas Shareholder(s)”	means Shareholder(s) whose (respective) address(es) as shown on the register of members of the Company on the Record Date is(are) in a place outside Hong Kong which the Board on account of the relevant legal or regulatory requirements or restrictions considers necessary or expedient to exclude from the Distribution in Specie

## DEFINITIONS

“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 circular, excludes Hong Kong, Macau and Taiwan
“Pre-Distribution Reorganisation”	means the acquisition of the GSLG Shares by the Company 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 Shareholder(s)”	means the Shareholder(s) whose name(s) appear(s) on the register of members of the Company on the Record Date, other than the Non-Qualifying Overseas Shareholder(s)
“Record Date”	means Friday, 24 December 2021, being the date fixed for determining the Shareholders’ entitlements to the Distribution in Specie
“Remaining Business”	means the business of the Company and its subsidiaries upon the completion of the Distribution in Specie
“Share(s)”	means the ordinary share(s) of nominal value HK\$0.10 each in the share capital of the Company
“Shareholder(s)”	means holder(s) of Share(s)
“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.

*Any discrepancies in the tables, graphs and charts between the listed amounts and totals thereof are due to rounding. Where applicable, figures and percentages are rounded to one decimal place.*

*The English transliteration of the Chinese name(s) in this circular, 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).*

## INDICATIVE TIMETABLE

The expected time and dates in the timetable for the Distribution in Specie and in this circular are indicative only and may be subject to change. Any such change will be announced in a separate announcement by the Company as and when appropriate.

All time and date references contained in this circular shall refer to Hong Kong local time and dates.

Despatch of circular by the Company  
on the Distribution in Specie..... Wednesday, 1 December 2021

Latest time for lodging transfer of the Shares in order  
to be qualified for attending and voting at the EGM ..... 4:30 p.m. on Wednesday,  
15 December 2021

Register of members of the Company closes for the  
purpose of determining qualification for attending  
and voting at the EGM (both days inclusive) ..... Thursday, 16 December 2021 to  
Friday, 17 December 2021

Latest time and date for lodging proxy forms for the EGM..... 10:00 a.m. on Wednesday,  
15 December 2021

Time and date of the EGM ..... 10:00 a.m. on Friday,  
17 December 2021

Announcement of results of the EGM to be posted on  
the Stock Exchange's and the Company's websites..... Friday, 17 December 2021

Register of members of the Company reopens ..... Monday, 20 December 2021

Last day of dealings in the Shares cum-entitlement  
to the Distribution in Specie ..... Monday, 20 December 2021

First day of dealings in the Shares ex-entitlement  
to the Distribution in Specie ..... Tuesday, 21 December 2021

Latest date and time for lodging transfer documents  
of Shares to qualify for entitlement to  
the Distribution in Specie..... 4:30 p.m. on Wednesday,  
22 December 2021

Register of members of the Company closes for the  
purpose of determining qualification for the  
Distribution in Specie (both days inclusive) ..... Thursday, 23 December 2021,  
to Friday, 24 December 2021

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

<b>INDICATIVE TIMETABLE</b>
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Register of members of the Company reopens .....	Tuesday, 28 December 2021
Despatch of certificates for Distribution GSLG Shares .....	Tuesday, 4 January 2022
Odd lots matching .....	9:00 a.m. on Monday, 10 January 2022 to 4:00 p.m. on Friday, 4 February 2022

**EFFECT OF BAD WEATHER AND EXTREME CONDITIONS ON THE LATEST TIME FOR LODGING TRANSFER DOCUMENTS OF THE SHARES TO QUALIFY FOR THE DISTRIBUTION IN SPECIE**

The latest time for lodging transfer documents of the 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 Wednesday, 22 December 2021, being the date on which the latest time for lodging transfer documents of the 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 Wednesday, 22 December 2021, being the date on which the latest time for lodging transfer documents of the 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.

If the latest time for lodging transfer documents of the Shares in order to qualify for the Distribution in Specie does not take place on Wednesday, 22 December 2021, the dates mentioned in this section may be affected. The Company will make an announcement notifying the Shareholders on any changes to the expected timetable as soon as practicable.

LETTER FROM THE BOARD



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)

*Executive Directors:*

Mr. Yao Jianhui (*Chairman*)  
Mr. Lau Wan Po (*Vice Chairman*)  
Mr. Li Minbin  
Mr. Huang Wei

*Registered Office:*

Cricket Square, Hutchins Drive  
P.O. Box 2681  
Grand Cayman KY1-1111  
Cayman Islands

*Non-executive Director:*

Mr. Zhang Chi

*Head office and principal place*

*of business in Hong Kong:*

18/F., Wing On Centre  
111 Connaught Road Central  
Hong Kong

*Independent Non-executive Directors:*

Mr. Wong Chun Bong  
Professor Lee Kwok On, Matthew  
Mr. Lee Kwan Hung, Eddie

1 December 2021

*To the Shareholders*

Dear Sir or Madam,

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

**AND**

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

**AND**

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

**AND**

**(4) NOTICE OF EXTRAORDINARY GENERAL MEETING**

**INTRODUCTION**

Reference is made to the Joint Announcements in relation to, among other things, the Company's proposal to Shareholders for the declaration of an interim dividend in the form of a distribution of 3,154,444,976 Distribution GSLG Shares to the Shareholders whose names appear on the register of members of the Company on the Record Date, on a pro-rata basis of 402 GSLG Shares for every 4,000 Shares held by the Shareholders.

The purpose of this circular is to provide you with, among other things, further details of (i) the proposed payment of the interim dividend out of the share premium account of the Company by way of the Distribution in Specie and (ii) the notice of the EGM.

**LETTER FROM THE BOARD**

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

**Basis of entitlement**

On 18 November 2021, the Board announced that the Company is considering putting to the 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 Shareholders whose names appear on the register of members of the Company on the Record Date, on a pro-rata basis in proportion to their respective shareholdings in the Company on the following basis:

**for every 4,000 Shares held ..... 402 GSLG Shares**

A Qualifying Shareholder holding less than an integral multiple of 4,000 Shares (for the avoidance of doubt, including a 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. The Company will distribute the Distribution GSLG Shares to the 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 the Company.

The Distribution in Specie is intended to be declared out of the share premium account of the Company. The actual amount standing to the debit of the share premium account of the Company 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 the Company 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 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 Overseas Shareholder(s) as set out in the section headed “Qualifying Shareholders and Non-Qualifying 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 the Company. If any calculation of a Qualifying 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.

## LETTER FROM THE BOARD

### **The Distribution GSLG Shares**

As at the Latest Practicable Date, the Company held 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 the Company directly. The 3,154,444,976 Distribution GSLG Shares to be distributed represent approximately 99.95% of the GSLG Shares to be held by the Company and approximately 57.77% of the total number of issued GSLG Shares as at the Latest Practicable Date. 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 the Company 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 the Company.

### **Record Date and closure of register of members**

For determining entitlements to the Distribution in Specie, the register of members of the Company will be closed from Thursday, 23 December 2021 to Friday, 24 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 the Company'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 Wednesday, 22 December 2021. The last day for trading of Shares on the Stock Exchange with entitlements to the Distribution in Specie is expected to be on Monday, 20 December 2021.

A Shareholder's entitlements to the Distribution in Specie will be determined at 5:30 p.m. on the Record Date, i.e. Friday, 24 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 Tuesday, 4 January 2022 by ordinary post at the risk of the Qualifying Shareholders to their respective addresses shown on the register of members of the Company on the Record Date. No action is required to be taken by the Qualifying Shareholders to receive the certificates for the Distribution GSLG Shares as a result of the Distribution in Specie. 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 the Company 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.

## LETTER FROM THE BOARD

### **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. The Company 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 Shareholders 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 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, 10 January 2022 to 4:00 p.m. on Friday, 4 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 Shareholders and Non-Qualifying Shareholders**

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

### ***Shareholders with registered addresses outside of Hong Kong***

Based on the register of members of the Company as at the Latest Practicable Date, there were a total of eight Shareholders whose addresses as shown on the register of members of the Company 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 the Latest Practicable Date.

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

## LETTER FROM THE BOARD

Notwithstanding the above, the Board reserves the right to exclude any other Shareholder whose address as shown on the register of members of the Company on the Record Date is located in any other overseas jurisdiction from the Distribution in Specie, if the 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, the Company will separately notify any such Shareholder of the arrangement regarding the Distribution in Specie.

### *Arrangements for Non-Qualifying Overseas Shareholders*

As the Distribution in Specie will not be extended to any Non-Qualifying Overseas Shareholders, arrangements will be made for the GSLG Shares which would otherwise have been transferred to such Non-Qualifying 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 Tuesday, 4 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 Overseas Shareholders at their own risk, except that net proceeds less than HK\$100 will be retained for the benefit of the Company.

### *Distribution arrangements for PRC Stock Connect Investors*

According to the “Stock Connect Shareholding Search” available on the Stock Exchange’s website ([www.hkexnews.hk](http://www.hkexnews.hk)), as at the Latest Practicable Date, ChinaClear held 4,827,600,000 Shares, representing approximately 15.38% 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 the Company and the Shareholders will directly hold the Distribution GSLG Shares, and the Company 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 Company’s share of GSLG’s consolidated loss for that period was approximately HK\$87.3 million. On the assumption that the Distribution in

## LETTER FROM THE BOARD

Specie had taken place at the beginning of the said financial period, the consolidated net profit of the Company for that period would have been increased by approximately HK\$87.3 million.

The profit and loss implications on the Company 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 the Company nor does it involve any reduction in the nominal value of the Shares or the trading arrangements concerning the Shares.

### REASONS FOR AND BENEFITS OF THE DISTRIBUTION IN SPECIE

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

- (i) The Distribution in Specie will relieve the Company and its subsidiaries from having to account for the operating loss of GSLG in the consolidated financial statements of the Company as a subsidiary and to unlock the value of the GSLG Shares in the Company's accounts and return the same to the Shareholders. Specifically, as at 30 June 2021, the total liabilities of GSLG and the Company 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 the Company. It is expected that the liabilities of the Company will decrease substantially after completion of the Distribution in Specie.
- (ii) the Company has alternatively considered disposing of the Distribution GSLG Shares. However, there is no assurance that the Company 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 the Company as compared to the Distribution in Specie.
- (iii) The Distribution in Specie will immediately benefit the Qualifying 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 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 the Company followed by a special cash dividend.

## LETTER FROM THE BOARD

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

### **WAIVER FROM COMPLIANCE WITH RULE 26 OF THE TAKEOVERS CODE**

#### **Pre-Distribution Reorganisation**

As at the Latest Practicable Date, the Company held 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 the Company prior to the completion of the Distribution in Specie. In this regard, the Company 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 the Company 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 Latest Practicable Date, Mr. Yao Jianhui was directly and indirectly interested in (i) 14,892,511,600 Shares, representing approximately 47.45% of the entire issued share capital of the Company and (ii) 1,314,000 GSLG Shares, representing approximately 0.02% of the entire issued share capital of GSLG; and the Company was indirectly interested in 3,155,934,700 GSLG Shares, representing approximately 57.80% of the entire issued share capital of GSLG. As at the Latest Practicable Date, 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 the Company, but no interests in the entire issued share capital of GSLG. As a result of the Distribution in Specie, the shareholding structure of GSLG will be changed, the details of which are set out in the table in the section “Shareholding Structure of the Company and GSLG before and after the Distribution in Specie” in this letter. Mr. Yao Jianhui has applied for, and the Executive has granted a waiver of, the obligation of Mr. Yao Jianhui and Mr. Yao Zhenhua 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.

## LETTER FROM THE BOARD

### SHAREHOLDING STRUCTURE OF THE COMPANY AND GSLG BEFORE AND AFTER THE DISTRIBUTION IN SPECIE

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

	Shareholding structure of the Company before the completion of the Distribution in Specie		Shareholding structure of GSLG before the completion of 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 (Note 6)	
	No. of Shares held	%	No. of GSLG Shares held	%	No. of GSLG Shares held	%	No. of GSLG Shares held	%
<b>Substantial shareholders</b>								
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
The Company (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	—	—	—	—
<b>Other Directors save for Mr. Yao Jianhui</b>								
Mr. Li Minbin	—	—	306,500	0.01	306,500	0.01	306,500	0.01
<b>Other GSLG</b>								
<b>Directors save for Mr. Yao Jianhui</b>								
NIL	—	—	—	—	—	—	—	—
<b>Other public</b>								
Shareholders (Note 4)	12,275,440,611	39.11	—	—	—	—	1,233,681,781	22.59
<b>Other public GSLG</b>								
Shareholders (Note 4)	—	—	2,302,569,597	42.17	2,302,569,597	42.17	2,304,059,321	42.19
<b>Total</b>	<b>31,387,512,211</b>	<b>100</b>	<b>5,460,124,797</b>	<b>100</b>	<b>5,460,124,797</b>	<b>100</b>	<b>5,460,124,797</b>	<b>100</b>

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 Board and the chief executive officer of the Company 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 the Company.

## LETTER FROM THE BOARD

*Note 4:* Save for Mr. Yao Jianhui and Mr. Li Minbin, no other Directors or GSLG Directors held any Share or GSLG Share as at the Latest Practicable Date.

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

*Note 6:* It is assumed that the Company will dispose of the 1,489,724 GSLG Shares not being distributed under the Distribution in Specie upon the completion of the Distribution in Specie.

### CONTINUATION OF FINANCIAL ASSISTANCE AFTER DISTRIBUTION IN SPECIE

The 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. The Company and GSLG intend that the Loans will remain outstanding after GSLG ceases to be a subsidiary of the Company 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 the Company and (ii) an executive director of GSLG, Mr. Yao Jianhui is a connected person of both the Company and GSLG. After the Distribution in Specie, as Mr. Yao Jianhui and Mr. Yao Zhenhua will directly and indirectly hold over 50% of all Shares, the Company 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 the Company and the Loans will not become connected transactions of the Company under Chapter 14A of the Listing Rules.

The Company 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 THE COMPANY

The Company 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.

## **LETTER FROM THE BOARD**

### **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**

The Company will hold the EGM at 18/F., Wing On Centre, 111 Connaught Road Central, Hong Kong on Friday, 17 December 2021 at 10:00 a.m., at which resolution will be proposed for the purpose of considering and if thought fit, approving the Distribution in Specie. The notice to convene the EGM is set out on pages EGM-1 to EGM-2 of this circular.

No Director was required to abstain from voting on the Board resolutions approving the payment of the interim dividend out of the share premium account of the Company by way of the Distribution in Specie. To the best of the 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.

A form of proxy for use by the Shareholders at the EGM is enclosed with this circular. Whether or not you are able to attend the EGM, you are requested to complete the accompanying form of proxy, in accordance with the instructions printed on the form and deposit the form at the office of the Company's branch share registrar, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible and in any event not later than 48 hours before the time scheduled for the holding of the EGM or any adjournment of EGM (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjournment of the EGM (as the case may be).

### **VOTING BY POLL**

In accordance with Rule 13.39(4) of the Listing Rules, any vote of shareholders at a general meeting must be taken by poll. Accordingly, the voting on the ordinary resolution(s) at the EGM will be conducted by way of poll.

### **RECOMMENDATION**

The Directors are of the opinion that, having considered the factors and reasons set out in the sub-section headed "Reasons for and benefits of the Distribution in Specie", the Distribution in Specie is in the interests of the Company and the Shareholders as a whole and that the terms of the Distribution in Specie are fair and reasonable so far as the Company and the Shareholders are concerned. The Board would recommend the Shareholders to vote in favour of the proposed resolution approving the Distribution in Specie at the EGM.

## LETTER FROM THE BOARD

### ADDITIONAL INFORMATION

Your attention is drawn to the additional information set out in appendices to this circular and the Notice of the EGM.

**Shareholders should note that the Distribution in Specie is subject to the approval by 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 circular. Shareholders and/or potential investors in the Company 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 Shareholders and prospective investors are advised to exercise caution in dealing in the Shares.**

Yours faithfully  
For and on behalf of the Board  
**Glory Sun Financial Group Limited**  
**Yao Jianhui**  
*Chairman and Chief Executive Officer*

## NOTICE OF THE EGM



# 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)

## NOTICE OF EXTRAORDINARY GENERAL MEETING

**NOTICE IS HEREBY GIVEN THAT** an extraordinary general meeting (the “EGM”) of Glory Sun Financial Group Limited (the “**Company**”) will be held at 18/F., Wing On Centre, 111 Connaught Road Central, Hong Kong on Friday, 17 December 2021 at 10:00 a.m. for the purpose of considering and, if thought fit, passing with or without amendment(s), the following resolution as an ordinary resolution of the Company. Unless the context otherwise requires, capitalized terms used in this notice shall have the same meanings as defined in the circular of the Company dated 1 December 2021.

### ORDINARY RESOLUTION

1. “**THAT**

- (a) the declaration and payment of interim dividend entirely out of the share premium account to the Qualifying Shareholders by way of distribution in specie of 3,154,444,976 Distribution GSLG Shares in the proportion of 402 GSLG Shares for every 4,000 Shares held to the Qualifying Shareholders whose names appear on the register of members of the Company at the close of business of 24 December 2021, being the record date for determination of entitlement to the Distribution in Specie, and on the terms and subject to the exclusions and/or arrangements as described in the circular of the Company dated 1 December 2021 (a copy of which is produced to the EGM marked “A” and initialled by the Chairman of the EGM for the purpose of identification), be and is hereby approved;
- (b) the Directors be and are hereby authorised and instructed to apply an amount, representing the carrying amount of dividend payable as at the date of settlement which will be subject to the net assets of GSLG attributable to the Company at the date of the Distribution in Specie, out of the share premium account of the Company to pay the foregoing interim dividend to the Qualifying Shareholders; and
- (c) any Director be, and each of them hereby is, authorised and directed to execute and deliver such documents and take such additional actions and do all such other acts and things as such Director deems necessary, appropriate or advisable in the name of and on behalf of the Company as he or she may deem necessary or appropriate in connection with and in the best interests of the

## NOTICE OF THE EGM

Company to carry out the purpose of this resolution, the implementation of the payment of the interim dividend and the Distribution in Specie and all matters in furtherance thereof.”

Yours faithfully,  
For and on behalf of the Board  
**Glory Sun Financial Group Limited**  
**Yao Jianhui**  
*Chairman and Chief Executive Officer*

Hong Kong, 1 December 2021

*Registered Office:*

Cricket Square, Hutchins Drive  
P.O. Box 2681  
Grand Cayman KY1-1111  
Cayman Islands

*Principal Place of Business in Hong Kong:*

18/F., Wing On Centre,  
111 Connaught Road Central,  
Hong Kong

*Notes:*

1. Any member of the Company entitled to attend and vote at the above meeting (or any adjournment of the meeting) is entitled to appoint one, or if he/she is a holder of more than one share, or more proxies to attend and vote in his/her stead. A proxy need not be a member of the Company.
2. To be valid, the completed form of proxy together with the power of attorney or other authority, if any, under which it is signed or a certified copy of such power or authority, must be lodged with the Company's branch share registrar, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong, not less than 48 hours before the time appointed for holding the EGM or any adjournment of the meeting (as the case may be).
3. Completion and delivery of the form of proxy will not preclude you from attending and voting at the EGM and any adjournment of the meeting if you so wish, and in such event, the form of proxy will be deemed to be revoked.
4. In the case of joint registered holders of any share in the Company, any one of such persons may vote at the above meeting, either personally or by proxy, in respect of such share as if he/she was solely entitled to vote; but if more than one of such joint holders are present at the above meeting personally or by proxy, that one so present whose name stands first in the register of members of the Company in respect of such shares shall alone be entitled to vote to the exclusion of other joint holders.
5. For determining the entitlement to attend and vote at the EGM, the register of members of the Company will be closed from Thursday, 16 December 2021, to Friday, 17 December 2021 (both days inclusive) and during such period no transfer of shares will be registered. In order to be entitled to attend and vote at the EGM, all transfers accompanied by the relevant share certificates must be lodged with the Company's branch share registrar and transfer office in Hong Kong, 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 Wednesday, 15 December 2021.

## NOTICE OF THE EGM

6. Pursuant to Rule 13.39(4) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, the resolution set out in this notice will be decided by poll at the EGM. Where the Chairman in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted, such resolution will be decided by a show of hands.
7. If there is a “black” rainstorm warning or a tropical cyclone warning signal number 8 or above and/or “extreme conditions” caused by super typhoon is/are in force at or after 7:00 a.m. on date of the EGM and/or the Hong Kong Observatory or the Government of Hong Kong has announced at or before 7:00 a.m. on date of the EGM that either of the above mentioned warnings is to be issued within the next two hours, the EGM shall be postponed. The Company will post an announcement on the websites of the Company and The Stock Exchange of Hong Kong Limited to notify the Shareholders of the date, time and place of the rescheduled meeting.
8. The EGM will be held as scheduled when an amber or red rainstorm warning signal is in force. Members should make their own decision as to whether they would attend the EGM under bad weather conditions bearing in mind their own situations and if they choose to do so, they are advised to exercise care and caution.

*As at the date of this notice, the 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.*