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寶新置地集團有限公司
GLORY SUN LAND GROUP LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 299)

**MAJOR TRANSACTION
DISPOSAL OF LAND AND PROPERTY
IN RELATION TO LAND RESUMPTION**

All capitalized terms used in this circular have the meaning set out in the section headed “Definitions” of this circular.

A letter from the Board is set out on pages 6 to 12 of this circular.

The Company has obtained written Shareholders’ approval for the Resumption Compensation Agreement and the transactions contemplated thereunder pursuant to Rule 14.44 of the Listing Rules from a closely allied group of Shareholders together holding more than 50% of the voting rights at a general meeting to approve the Land Resumption. Accordingly, no Shareholders’ meeting will be held to approve the Resumption Compensation Agreement pursuant to Rule 14.44 of the Listing Rules. This circular is being despatched to the Shareholders for information only.

28 January 2022

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DEFINITIONS

In this circular, unless the context otherwise requires, the following words and expressions shall have the meanings ascribed to them below:

“associate(s)”	has the meaning ascribed thereto in the Listing Rules
“Board”	the board of Directors
“Business Day”	means any day (other than a Saturday) on which Company is open for business in Hong Kong and the PRC
“Company”	Glory Sun Land Group Limited, a limited liability Company incorporated in the Cayman Islands and whose shares are listed on the main board of the Stock Exchange (stock code: 299)
“Compensation”	the compensation in a sum of RMB320,496,330 (equivalent to approximately HK\$391,005,523) under the Resumption Compensation Agreement payable by the Local Authority to Shenyang Baoxin
“connected person(s)”	has the meaning ascribed thereto in the Listing Rules and “connected” shall be construed accordingly
“Deemed Disposal”	means the completion of the deemed disposal of 15% equity interest in Shenzhen Baoxin Industrial Group Limited [#] (深圳寶新實業集團有限公司) by the Company through an intermediate company on 26 September 2019, as a result of capital injection by a third party investor, details of which are disclosed in the announcements of the Company dated 24 June 2019 and 26 June 2019, and the circular dated 10 October 2019; and has resulted in a corresponding decrease of Company’s interest in Shenyang Baoxin from 100% to 85%
“Director(s)”	director(s) of the Company
“Distribution Announcements and Circular”	the joint announcements issued by GSFG and the Company on 18 November 2021 and 26 November 2021, the announcements of GSFG dated 17 December 2021 and 28 December 2021 and the circular of the GSFG dated 1 December 2021 in respect of the Distribution in Specie

DEFINITIONS

“Distribution in Specie”	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 Shares held by GSFG in the proportion of 402 Shares for every 4,000 GSFG Shares held on the Record Date (24 December 2021), details of which are set out in the Distribution Announcements and Circular
“Distribution Shares”	means the 3,154,444,976 Shares originally held by GSFG and distributed to the qualifying GSFG Shareholders pursuant to the Distribution in Specie, which took place on 28 December 2021
“Equity Transfer Agreement”	the equity transfer agreement dated 20 July 2021 entered between Shenzhen Baoxin Industrial Group Limited [#] (深圳寶新實業集團有限公司), as vendor and Shenzhen Xinlutong Industrial Company Limited [#] (深圳新路通實業有限公司) as purchaser in respect of the disposal of Shenzhen Xinhengchuang Industrial Company Limited [#] (深圳新恒創實業有限公司) and its subsidiaries holding Nanning Real Estate Development Projects and Shenyang Real Estate Development Project, as amended and supplemented by the supplemental equity transfer agreement dated 2 December 2021 and the second supplemental equity transfer agreement dated 15 December 2021, the details were disclosed in the Company’s announcements dated 20 July 2021, 2 December 2021, 15 December 2021 and 23 December 2021
“Glory Sun Securities”	Glory Sun Securities Limited, a company incorporated in Hong Kong with limited liability and a previous Shareholder prior to the Pre-Distribution Reorganisation, holding 21,129,048 Shares representing approximately 0.39% of the total number of the Shares in issue as at the date of the Joint Announcement
“Group”	the Company 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: 1282)
“GSFG board”	the board of directors of GSFG

DEFINITIONS

“GSFG Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of GSFG
“GSFG Shareholder(s)”	holder(s) of GSFG Share(s)
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Hong Kong Bao Xin”	Hong Kong Bao Xin Asset Management Limited, a company incorporated in Hong Kong with limited liability and a previous Shareholder prior to the Pre-Distribution Reorganization, holding 3,134,805,652 Shares representing approximately 57.41% of the total number of the Shares in issue, as at the date of the Joint Announcement
“Independent Third Party(ies)”	independent third party(ies) who is/are not connected person(s) of the Company and is/are independent of and not connected with any of the directors, chief executive or substantial Shareholders of the Company or any of its subsidiaries or associates
“Independent Valuer”	Valtech Valuation Advisory Limited, an independent valuer engaged by the Company
“Joint Announcement”	the joint announcement dated 26 November 2021 issued by the Company and GSFG in relation to the Land Resumption
“Land Resumption”	the resumption of the Target Land and the Property by the Local Authority from Shenyang Baoxin under the Resumption Compensation Agreement
“Latest Practicable Date”	25 January 2022, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information for inclusion in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

DEFINITIONS

“Local Authority”	the People’s Government of Tiexi District in Shenyang City, (瀋陽市鐵西區人民政府), a PRC government authority under the municipal government of Shenyang, Liaoning Province, the PRC and an Independent Third Party
“Mr. Yao”	means Mr. Yao Jianhui, an executive Director, the chairman and a substantial Shareholder of the Company and an executive director, the chairman, the chief executive officer, and a controlling shareholder of GSFG
“Nanning Real Estate Development Projects”	南寧五象新區環球金融中心 (Nanning Wuxiang New District Development Projects Global Financial Centre [#]) and 南寧五象湖1號 (Nanning Wuxianghu No. 1 [#])
“PRC”	the People’s Republic of China which, for the purpose of this circular, excludes the Hong Kong Special Administrative Region of the PRC, the Macau Special Administrative Region of the PRC and Taiwan
“Pre-Distribution Reorganization”	means the acquisition of the Shares by GSFG from Glory Sun Securities and Hong Kong Bao Xin prior to the completion of the Distribution in Specie
“Property”	富友商業大廈 (Fuyou Commercial Building [#]) located at No. 34, Shenxin East Road, Tiexi District, Shenyang, Liaoning Province, the PRC with a gross floor area of approximately 37,839 square meters
“Property Management Services Framework Agreement”	the property management services framework agreement dated 31 December 2020 entered between Baoxin Holdings Company Limited [#] (寶新控股有限公司), and Shenzhen Jixiang Property Services Group Limited [#] (深圳吉祥服務集團有限公司), in respect of the provision of the property management services; the details were disclosed in the announcements issued jointly by the Company and GSFG on 31 December 2020 and 7 January 2021
“Property Valuation Report”	means the valuation report of the Target Land and the Property prepared by the Independent Valuer, a full text of which is included in Appendix II to this circular
“Public Auction”	the sale of the New Target Land by the Local Authority for new development plans through a tender, auction, or a listing-for-sale

DEFINITIONS

“Resumption Compensation Agreement”	the resumption compensation agreement entered between Shenyang Baoxin and the Local Authority on 26 November 2021 in relation to, among other things, the Land Resumption
“RMB”	Renminbi, the lawful currency of the PRC
“Share(s)”	ordinary share(s) of HK\$0.05 each in the share capital of the Company
“Shareholder(s)”	holder(s) of Share(s)
“Shenyang Baoxin”	瀋陽寶新商業有限公司 (Shenyang Baoxin Commercial Limited Company [#]), a company registered under the laws of the PRC with limited liability and an indirect non-wholly owned subsidiary of the Company
“Shenyang Real Estate Development Project”	瀋陽寶新公館 (Shenyang Baoxin Mansion [#])
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary” or “subsidiaries”	has the meaning ascribed to it under the Listing Rules
“Target Land”	the land situated at No. 34, Shenxin East Road, Tiexi District, Shenyang, Liaoning Province, the PRC [#] (中國遼寧省瀋陽市鐵西區瀋新東路34號), which has a site area of approximately 10,918 square meters
“%”	per cent.

For the purpose of this circular, the exchange rate of RMB1.00 = HK\$1.22 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 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).

LETTER FROM THE BOARD



寶新置地集團有限公司

GLORY SUN LAND GROUP LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 299)

Executive Directors:

Mr. Yao Jianhui (*Chairman*)

Ms. Xia Lingjie

Non-executive Director:

Ms. Zhan Yushan

Independent Non-executive Directors:

Ms. He Suying

Dr. Tang Lai Wah

Mr. Wong Chun Bong

Registered Office:

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P.O. Box 2681

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of Business in Hong Kong:*

Unit 2602, 26/F.

Lippo Centre, Tower One

No. 89 Queensway

Admiralty

Hong Kong

28 January 2022

To the Shareholders

Dear Sir or Madam,

MAJOR TRANSACTION DISPOSAL OF LAND AND PROPERTY IN RELATION TO LAND RESUMPTION

INTRODUCTION

On 26 November 2021 (after trading hours), Shenyang Baoxin, an indirect non-wholly owned subsidiary of the Company, entered into the Resumption Compensation Agreement with the Local Authority, pursuant to which, among other things, the Local Authority agrees to resume, and Shenyang Baoxin agrees to surrender the Target Land together with the Property at the consideration of RMB320,496,330 (equivalent to approximately HK\$391,005,523) payable by the Local Authority, resulting from the government's policy of renewing the old urban area.

The purpose of this circular is to provide the Shareholders with, among other things, further details of the Resumption Compensation Agreement and the transactions contemplated thereunder and other information as required under the Listing Rules.

LETTER FROM THE BOARD

THE RESUMPTION COMPENSATION AGREEMENT

Date

26 November 2021 (after trading hours)

Parties

- (1) the Local Authority; and
- (2) Shenyang Baoxin, an indirect non-wholly owned subsidiary of the Company

To the best knowledge, information and belief of the Directors, having made all reasonable enquires, at the Latest Practicable Date, the Local Authority is a government authority in Tiexi District, Shenyang, Liaoning Province, the PRC, both the Local Authority and its ultimate beneficial owner are Independent Third Parties.

Assets to be resumed

Pursuant to the Resumption Compensation Agreement, among other things, the Local Authority agrees to compensate Shenyang Baoxin an amount of RMB320,496,330 (equivalent to approximately HK\$391,005,523) for resuming the Target Land together with the Property.

The Target Land is for commercial use and situated at No. 34, Shenxin East Road, Tiexi District, Shenyang, Liaoning Province, the PRC[#] (中國遼寧省瀋陽市鐵西區瀋新東路34號), which has a site area of approximately 10,918 square meters. The Property has a gross floor area of approximately 37,839 square meters and is currently vacant.

For the purpose of carrying out the implementation of urban planning in Tiexi District, it is expected that the Local Authority will demolish the Property using the available public funds and the Target Land will be redesigned for future development purposes (the “**New Target Land**”). The Local Authority plans to put up the New Target Land for sale through Public Auction after the completion of the Land Resumption and the leveling works on the Target Land.

Compensation and payment terms

The Compensation in relation to the Land Resumption is RMB320,496,330 (equivalent to approximately HK\$391,005,523), comprising the aggregate amount for (i) the land use rights of the Target Land; and (ii) the construction erected on the Target Land (i.e. the Property).

The Local Authority plans to put up the New Target Land for sale by way of Public Auction after the completion of the Land Resumption and the leveling works on the Target Land. The Compensation will be payable in full in cash by the Local Authority to Shenyang Baoxin after a new owner has acquired the New Target Land through the Public Auction. The payment of the Compensation is subject to the completion of the acquisition of the New Target Land and will be

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made within forty-five (45) Business Days after such new owner has paid the full amount of the consideration in accordance with the terms of the acquisition agreement of the New Target Land to be entered into between such new owner and the Local Authority.

The Compensation for the Land Resumption was agreed between the Local Authority and Shenyang Baoxin after arm's length negotiation with reference to (i) the unaudited carrying value of the Target Land and the Property of approximately RMB292.9 million (equivalent to approximately HK\$357.3 million) as at 30 June 2021; (ii) the appraised market value of the Target Land and the Property of RMB320,496,330 (equivalent to approximately HK\$391,005,523) according to the valuation by an independent PRC valuer appointed by the Local Authority; (iii) the preliminary valuation of the Target Land and the Property of approximately RMB292.3 million as at 31 October 2021 (equivalent to approximately HK\$356.6 million) according to the valuation by the Independent Valuer appointed by the Company, the agreed Property Valuation Report in compliance with the requirements under Chapter 5 of the Listing Rules is set out in Appendix II of this circular; and (iv) the laws, regulations and procedures applicable to resumption of state-owned land in Tiexi District, Shenyang, the PRC.

As the disposal of the New Target Land to any potential new buyer by the Local Authority will be driven by the Local Authority through the Public Auction after the levelling works, the timing of such disposal largely depends on the relevant initiatives and policies of the Local Authority from time to time.

As at the Latest Practicable Date, to the best understanding of the Company and Shenyang Baoxin, the Local Authority has not yet made any public announcement in relation to the tentative time schedule for the redevelopment or the Public Auction of the Target Land. As at the Latest Practicable Date, there was no specific timeline offered by the Local Authority for any of (a) the date of the Public Auction; (b) the completion of acquisition of the New Target Land by a new owner; (c) the payment in full of the consideration of the New Target Land by such new owner; and (d) the payment of the Compensation by the Local Authority to Shenyang Baoxin; and thus the Company does not have a concrete view on the expected time table with respect to the payment of the Compensation under the Land Resumption by the Local Authority.

Pursuant to The Regulation on the Expropriation of Buildings on State-owned Land and Compensation[#] (國有土地上房屋徵收與補償條例) promulgated by the State Council of PRC in 2011 (the "**Regulation**"), the people's government at the city and county level shall make a decision to expropriate the building when it is necessary for the rebuilding of an old urban area where dilapidated buildings concentrate and infrastructure lags behind as organized and implemented by the government according to the relevant provisions of the Urban and Rural Planning Law. Article 13 of the Regulation further provides that where any property has been expropriated according to the law, the state-owned land use rights shall be retracted at the same time.

According to the Resumption Compensation Agreement, the Immovable Property Certificate[#] (不動產權證書) in respect of the Property and the Target Land (the "**Immovable Property Certificate**") was delivered to the Local Authority on 26 November 2021.

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Subsequently, the Local Authority will arrange to file the corresponding application for the cancellation of such Immovable Property Certificate and then proceed to commence the demolition of the Property and the leveling works on the Target Land. Pursuant to the Resumption Compensation Agreement, upon the signing of the Resumption Compensation Agreement and by surrendering the Immovable Property Certificate to the Local Authority, the land use rights in respect of the Property together with the Target Land has been retracted. Subject to the cancellation of such Immovable Property Certificate by the Local Authority, the Company will no longer retain the ownership of the Target Land and the Property. There is no condition precedent attached to the Land Resumption pursuant to the Resumption Compensation Agreement, and the completion of the disposal of the Target Land and the Property under the Land Resumption took place on the date of the Resumption Compensation Agreement (i.e. 26 November 2021).

REASONS AND BENEFITS OF THE LAND RESUMPTION

The Local Authority has advised the Company that the Target Land and the Property were situated within parcels of land that are subject to resumption, following the Local Authority's recent policy of renewing the old urban area.

The Property located at the Target Land was built around 1992 and currently generates no rental revenue. As disclosed in 2019 Interim Report of the Company, on 31 May 2019, the Group completed the acquisition of the entire issued share capital of Karsen International Limited for a cash consideration of HK\$60,000,000 (the "**Cash Consideration**"), which held the entire equity interest in Shenyang Baoxin where Shenyang Baoxin has been the legal and beneficial owner of the Property and for property investment purpose. Subsequently, as a result of the capital injection made by a third-party investor, and upon the completion of the Deemed Disposal as well as at the date of the Latest Practicable Date, the Company has been interested in 85% equity interest of Shenyang Baoxin. Since the completion of the Deemed Disposal, the Company has made no further investment on the Property and the Target Land in addition to the Cash Consideration.

Prior to the Land Resumption, portions of the Property were leased for commercial use. However, due to aging of the Property, the Property has yielded limited rental income for the Group and since July 2021, the Property has being vacant completely. It is considered by the Board that the Resumption Compensation Agreement has offered the Group a fair compensation to unlock the value of its investment in the Target Land and the Property at a reasonable price in order to realize cash resources and to enhance the liquidity and strengthening the financial position of the Group. The Land Resumption will also offer a good business opportunity for the Group to participate in the Public Auction for the future re-development of the New Target Land if the bidding terms are considered commercially viable and attractive by the Company.

As disclosed in the 2021 Interim Report, the Group currently owns multiple real estate development projects in the PRC, engages in the trading of commodity and undertakes cultural development businesses, the Directors are of the view that the disposal of the Target Land and the Property does not have any material adverse effect on the Group's business operation.

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The Directors (including the independent non-executive directors of the Company) consider that the terms of the Resumption Compensation Agreement and the transactions contemplated thereunder are fair and reasonable, on normal commercial terms and in the interests of the Company and the Shareholders as a whole.

FINANCIAL EFFECTS OF THE DISPOSAL AND PROPOSED USE OF PROCEEDS

As at 30 June 2021, the unaudited carrying value of the Target Land and the Property was approximately RMB292.9 million (equivalent to approximately HK\$357.3 million). Based on the Property Valuation Report contained in this circular, valuation of the Target and the Property has been HK\$292.3 million. For the two years ended 31 December 2019 and 2020, the rental income attributable to the Property was approximately RMB5.2 million (equivalent to approximately HK\$6.3 million) and RMB2.6 million (equivalent to approximately HK\$3.2 million) respectively.

The net profits/(losses) (both before and after taxation and extraordinary items) attributable to the Property for the last two financial years are as below:

	For the year ended 31 December 2019 RMB	For the year ended 31 December 2020 RMB
Net Profits/(losses)		
Before taxation and extraordinary items	222,000	(6,848,000)
After taxation and extraordinary items	222,000	(6,848,000)

The Land Resumption is expected to enable the Company to recognize an unaudited gain of approximately RMB27.6 million (equivalent to approximately HK\$33.7 million), being the difference between the Compensation over the above-mentioned carrying value of the Target Land and the Property before any expenses and tax. Actual gain in relation to the Land Resumption is subject to assessment and audit upon completion of the Land Resumption.

In the event that the New Target Land is taken up by a third party in the Public Auction, the net proceeds from the Land Resumption after deducting the relevant costs and expenses (before tax), estimated to be approximately RMB320.1 million (equivalent to approximately HK\$390.5 million), will mainly be utilised to repay the outstanding debts of the Group, so as to enhance the liquidity and working capital of the Group.

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GENERAL INFORMATION

The Company is an investment holding Company. The principal activities of the Group are property development and property investment in the PRC including sales and leasing of properties; trading of commodities and building materials in the PRC; and operation of cultural development business.

Shenyang Baoxin is an indirect non-wholly owned subsidiary of the Company. The principal activities of Shenyang Baoxin, among others, are property development and property investment as well as property management in the PRC.

The Local Authority is a government authority in Tiexi District, Shenyang, Liaoning Province, the PRC, and is an Independent Third Party.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios calculated under Rule 14.07 of the Listing Rules in respect of the Land Resumption is more than 25% but less than 75%, the Land Resumption constitutes a major transaction of the Company and is subject to the notification, announcement, circular and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

To the best of the knowledge, information and belief of the Directors, after having made all reasonable enquiries, no Shareholders or any of their respective associates have any material interest in the Resumption Compensation Agreement and the transaction contemplated thereunder. Thus, no Shareholder is required to abstain from voting in favour of the resolution approving the Resumption Compensation Agreement and the transactions contemplated thereunder.

As at the date of the Joint Announcement, Mr. Yao is directly and indirectly interested in 14,892,511,600 GSFG Shares, representing approximately 47.45% of the total number of GSFG Shares in issue. Further, as at the date of the Joint Announcement, Mr. Yao directly held 1,314,000 Shares, representing approximately 0.02% of the total number of the Shares in issue at the time, and indirectly held 3,134,805,652 and 21,129,048 Shares through Hong Kong Bao Xin, and Glory Sun Securities, which were both subsidiaries of GSFG, representing approximately 57.41% and 0.39% of the total number of the Shares in issue at the time. Thus, as at the date of the Joint Announcement, Mr. Yao, Hong Kong Bao Xin, and Glory Sun Securities were closely allied group of Shareholders.

Pursuant to Rule 14.44 of the Listing Rules, as at the date of the Joint Announcement, written approval for the Resumption Compensation Agreement and the transactions contemplated thereunder had been obtained from the aforesaid closely allied group of the Shareholders, collectively holding an aggregate of 3,157,248,700 Shares, which represented approximately 57.82% of the total number of the Shares in issue. Accordingly, no extraordinary general

LETTER FROM THE BOARD

meeting of the Company will be convened for the purpose of approving the Resumption Compensation Agreement and the transactions contemplated thereunder.

As disclosed in the joint announcements issued by GSFG and the Company on 18 November 2021 and 26 November 2021, the announcement of GSFG dated 17 December 2021 and 28 December 2021 and the circular of the GSFG dated 1 December 2021 (the “**Distribution Announcements and Circular**”), GSFG Board declared an interim dividend in the form of a distribution of 3,154,444,976 Distribution Shares to the qualifying GSFG Shareholders, which took place on 28 December 2021. As at the Latest Practicable Date, Mr. Yao, Hong Kong Bao Xin and Glory Sun Securities no longer constitute a closely allied group of Shareholders holding more than 50% of the voting rights at the general meeting of the Company. For further details in relation to the Distribution in Specie, please refer to the Distribution Announcements and Circular.

However, as the written Shareholders’ approval for the Resumption Compensation Agreement and the transactions contemplated thereunder had already been obtained as at the date of the Joint Announcement, the change in shareholding of the Company resulting from the Distribution in Specie shall not affect the Resumption Compensation Agreement and the transactions contemplated thereunder.

RECOMMENDATION

The Directors (including the independent non-executive Directors) are of the view that the Resumption Compensation Agreement and the transactions contemplated thereunder are on normal commercial terms, which are fair and reasonable and in the interests of the Company and the Shareholders as a whole, and would recommend the Shareholders to vote in favour of the resolution to approve the Resumption Compensation Agreement and the transactions contemplated thereunder if it had been necessary to hold a general meeting for such purpose.

FURTHER INFORMATION

Your attention is drawn to the additional information set out in the Appendices to this circular.

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

1. FINANCIAL INFORMATION OF THE GROUP

By way of reference, the financial information of the Group for the six months ended 30 June 2021 and for each of the three years ended 31 December 2018, 2019 and 2020 are disclosed in the following documents which have been published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (<http://www.hk0299.com/en/FinancialReports.aspx>) respectively:

- (i) the interim report of the Company for the six months ended 30 June 2021 published on 23 September 2021 (page 17 to 62):
<https://www1.hkexnews.hk/listedco/listconews/sehk/2021/0923/2021092300421.pdf>
- (ii) the annual report of the Company for the year ended 31 December 2020 published on 28 April 2021 (pages 129 to 286):
<https://www1.hkexnews.hk/listedco/listconews/sehk/2021/0428/2021042802366.pdf>
- (iii) the annual report of the Company for the year ended 31 December 2019 published on 24 April 2020 (pages 145 to 357):
<https://www1.hkexnews.hk/listedco/listconews/sehk/2020/0424/2020042401797.pdf>
- (iv) the annual report of the Company for the year ended 31 December 2018 published on 25 April 2019 (pages 85 to 215):
<https://www1.hkexnews.hk/listedco/listconews/sehk/2019/0425/ltn201904251728.pdf>

2. INDEBTEDNESS STATEMENT

As at the close of business on 30 November 2021, being the latest practicable date for the purpose of the statement of indebtedness prior to the printing of this circular, the Group had the following indebtedness:

	<i>Notes</i>	As at 30 November 2021 <i>HK\$'000</i> (unaudited)
Bank borrowings – secured	1	4,852,309
Loan from related parties	2	1,244,758
Other borrowing – secured	3	2,056,904
Other borrowings – unsecured	4	1,901,844
Corporate bonds	5	685,000
Note payable	6	62,066
Lease liabilities	7	66,540
		10,869,421

Notes:

1. Bank borrowings of approximately HK\$4,488,110,000 are secured by a pledge of certain investment properties, property, plant and equipment, properties under development and properties held for sales as held by the Group.
 - Approximately HK\$3,422,946,000 of the aforesaid bank borrowings are secured by the entire equity interest of non-wholly owned subsidiary of the Company. Approximately HK\$311,986,000 of which is guaranteed by director of the Company, non-controlling interests, a related party and non-wholly owned subsidiaries of the Company and secured by the entire equity interest of non-wholly owned subsidiary of the Company; approximately HK\$1,455,586,000 of which is guaranteed by non-wholly owned subsidiary of the Company, a director of the company, a related party and an independent third party; approximately HK\$1,655,374,000 of which is guaranteed by non-wholly owned subsidiary of the Company, a director of the Company and an independent third party.
 - Approximately HK\$364,200,000 of the aforesaid bank borrowing is guaranteed by a director of the Company and an independent third party.
 - Approximately HK\$159,277,000 of the aforesaid bank borrowing is guaranteed by an independent third party.
 - Approximately HK\$541,687,000 of the aforesaid bank borrowings are not guaranteed.

Bank borrowings of approximately HK\$364,199,000 are secured by properties owned by an independent third party and are guaranteed by a director of the Company.

2. The balance of approximately HK\$1,184,758,000 is unsecured, not guaranteed and will become mature in 2022. Approximately HK\$1,135,843,000 is interest bearing and approximately HK\$48,915,000 is non-interest bearing. The balance of approximately HK\$60,000,000 is unsecured, guaranteed by a wholly-owned subsidiary of the Company and interest bearing and will become mature in 2022.
3. The balance of approximately HK\$1,357,252,000 is secured by certain investment properties and properties under development. Approximately HK\$932,352,000 of which is guaranteed by a director of the Company and a non-wholly owned subsidiary of the Company; approximately HK\$424,900,000 of which is guaranteed by a related company.

The balance of approximately HK\$54,630,000 is secured by properties owned by an independent third party.

The balance of approximately HK\$645,022,000 is secured by intragroup group receivables of a subsidiary of the Group.

4. The balance of approximately HK\$1,901,844,000 is unsecured, not guaranteed, interest bearing and will become mature in 2022 to 2024.
5. The balances are unsecured, interest bearing and will become mature in 2022. They are guaranteed by a subsidiary of the Company.
6. The balance is secured by a charge over a pledged bill deposit of a subsidiary of the Company, not guaranteed and repayable in June 2022.
7. The lease liabilities are measured at the present value of the remaining lease payments using a discount rate ranged 5.00% to 7.44%.
8. For the purpose of this Appendix I and the indebtedness statement, the exchange rate of RMB1.00 = HK\$1.214 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.

Contingent liabilities or guarantees

As at 30 November 2021, guarantees by the subsidiaries of the Company amounting to approximately RMB585,577,005 (equivalent to approximately HK\$710,890,484) are given to banks with respect to mortgaged loans procured by the purchasers of the Group's properties. Such guarantees will be released by banks upon the issuance of the real estate ownership certificate to the purchasers or the satisfaction of the mortgaged loans by the purchasers, whichever is earlier. Pursuant to the terms of the guarantees, upon default in mortgage payments by such purchasers, the Group will be responsible to repay the outstanding mortgage principals together with accrued interest and penalty owed by the defaulted purchasers to the banks and the Group is entitled to take over the legal title and possession of the related properties.

Save as aforesaid or as otherwise disclosed herein, as at the close of business on 30 November 2021, the Group had no other: (i) debt securities issued and outstanding, and authorised or otherwise created but unissued and term loans; (ii) bank overdrafts and liabilities under acceptances (other than normal trade bills) or acceptance credits or hire purchase commitments or other borrowings; (iii) mortgages and charges; and (iv) contingent liabilities or guarantees.

3. WORKING CAPITAL SUFFICIENCY

In order to reduce the Group's highly indebted position and enhance its liquidity, the Board has made continuous devoted effort to resolve the liquidity issue, including but not limited to realising part of its property projects. The Group entered into the Equity Transfer Agreement and its subsequent supplemental equity transfer agreements and successfully disposed the Nanning Real Estate Development Projects and Shenyang Real Estate Development Project (the "**Disposal**") before the end of 2021, which enhanced the cashflow and gearing position of the Group. As discussed in the Letter from the Board, entering into the Resumption Compensation Agreement also aligned with the overall strategy of the Company to improve the liquidity of the Group.

The Directors have reviewed the Group's cash flow projections which covered a period of at least twelve months from the date of this circular. The Directors, after due and careful enquiry and after taking into account the relief of substantial financial burden as result of the completion of the Disposal and the financial resources available to the Group, including cash and cash equivalents on hand and cash flows to be generated from the operating and financing activities which is dependent on the outcome of the following assumptions (which are subject to multiple uncertainties), are of the opinion that the Group will have sufficient working capital for its present operating requirements and to repay its financial obligations as and when they fall due for at least the next twelve months from the date of this circular, in the absence of unforeseeable circumstances:

- (a) the timing and amount of receipt of the proceeds from the pre-sale of properties as planned; and

- (b) successfully obtaining refinancing and/or new financial resources, including but not limited to the existing facility upon maturity, unutilised and/or new facilities advanced from the existing third-party lenders of the Group and the connected parties of the Company so as to enable the Group to have adequate working capital within 12 months from the date of this circular and to repay its matured and maturing debts and finance the Group's operations from time to time.

In the unlikely event that the Group is unable to successfully accomplish the assumptions as mentioned above, the Group may not have sufficient working capital for the next twelve months from the date of this circular; and under such circumstances, the Board will continue to seek other financing alternatives to finance its working capital, including the loans or advances to be further made by its substantial Shareholders.

4. FINANCIAL AND TRADING PROSPECTS OF THE GROUP

The Group is mainly engaged in real estate development and property investment in the PRC. As mentioned in the Company's 2021 interim results announcement dated 26 August 2021, the overall capital funding trend in the PRC real estate development industry has been becoming more and more tight due to the gradual emergence of adverse impacts from those strict regulatory policies such as "Three Red Lines" and bank credit red lines. In addition, faced with the radical downturn in the PRC real estate market starting from the second half of 2021, both the selling volume and prices in respect of the residential property units have dropped significantly.

The overall property market environment in the PRC is expected to remain extremely challenging in the short to medium term. The adverse impacts to economies brought by the outbreak of the COVID-19 pandemic, the uncertainties arising from the escalating trade tensions between the PRC and the United States of America, and the obstacles attributable to the aforesaid strict regulatory measures on the financing activities with respect to the property development sector by the PRC governing authorities are all expected to continually cause substantial pressure on the Group's businesses. In such turbulent time, the Group will adhere to a fairly prudent approach to manage its business and strategies by closely monitoring the market sentiment, evaluating its business and opportunities on hand, and making appropriate adjustments accordingly.

In order to improve the Group's liquidity and financial position, the Group has been undertaking measures including speeding up the disposal of real estate projects and high-quality assets. Besides, the Group will also continue to actively seek alternative funding sources to manage liquidity as well as to enhance its financial flexibility with a view to mitigate market uncertainties brought on by unexpected changes in operating conditions and external factors.

The following is the text of a valuation report, prepared for the purpose of incorporation in this document received from Valtech Valuation Advisory Limited, an independent valuer, in connection with its valuation as at 31 October 2021 of the Properties of the Company.



Valtech Valuation Advisory Limited
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111–113 How Ming Street, Kwun Tong, Kowloon, Hong Kong
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www.valtech-valuation.com

28 January 2022

**The Board of Directors
Glory Sun Land Group Limited**

Unit 2602, 26/F,
Tower 1, Lippo Centre,
89 Queensway, Admiralty,
Hong Kong

Dear Sirs/Madams,

1. INSTRUCTIONS

In accordance with the instructions of Glory Sun Land Group Limited (the “**Company**”) to value the property interest of a commercial building with gross floor area of approximately 37,839.00 sq.m. (the “**Property**”) erected on a parcel of land with site area of approximately 10,918.61 sq.m. (the “**Target Land**”) located at No. 34, Shenxin East Road, Tiexi District, Liaoning Province, the People’s Republic of China (the “**PRC**”) (the Property and the Target Land are referred together as the “**Properties**”) held by Company, we confirm that we have made relevant enquiries and obtained such further information as we consider necessary for the purpose of providing you with our opinion of the market value of the Properties as at 31 October 2021 (the “**Valuation Date**”).

This letter, which forms part of our valuation report, explains the basis and methodology of valuation, clarifying assumptions and limiting conditions of this valuation.

2. BASIS OF VALUATION

The valuation is our opinion of the market value (“**Market Value**”) which we would define as intended to mean the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm’s-length transaction after proper marketing wherein the parties had each acted knowledgeably prudently and without compulsion.

Market Value is understood as the value of an asset or liability estimated without regard to costs of sale or purchase and without offset for any associated taxes or potential taxes.

The market value is the best price reasonably obtainable in the market by the seller and the most advantageous price reasonably obtainable in the market by the buyer. This estimate specifically excludes an estimated price inflated or deflated by special terms or circumstances such as atypical financing, sale and leaseback arrangements, joint ventures, management agreements, special considerations or concessions granted by anyone associated with the sale, or any element of special value.

3. VALUATION METHODOLOGY

Direct comparison method is adopted based on the principle of substitution, where comparison is made based on prices realized on actual sales and/or asking prices of comparable properties. Comparable properties of similar size, scale, nature, character and location are analysed and carefully weighed against all the respective advantages and disadvantages of each property in order to arrive at a fair comparison of market value.

In valuing the Properties, we have complied with all the requirements contained in Chapter 5 and Practice Note 12 to the Rules Governing the Listing of Securities issued by The Stock Exchange of Hong Kong Limited and the International Valuation Standards 2020.

4. VALUATION ASSUMPTIONS

In our valuation, unless otherwise stated, we have assumed that:

- i. all necessary statutory approvals for the Properties or the subject building of which the Properties forms part of its use have been obtained;
- ii. transferable land use rights in respect of the Properties for specific terms at nominal annual land use fees have been granted and that any premium payable has already been fully paid;
- iii. the owner of the Properties has enforceable title to the Properties and has free and uninterrupted right to use, occupy or assign the Properties for the whole of the respective unexpired terms as granted;

- iv. no deleterious or hazardous materials or techniques have been used in the construction of the Properties;
- v. the Properties is not subject to any unusual or especially onerous restrictions, encumbrances or outgoing and that good title can be shown; and
- vi. the Properties is connected to main services and sewers which are available on normal terms.

5. TITLE INVESTIGATION

We have been shown copies of various documents relating to the Properties. However, we have not examined the original documents to verify the existing titles to the Properties or any amendment which does not appear on the copies handed to us. We have relied considerably on the information given by the Company's PRC legal advisers, Guangdong Tai Nuo Law Firm, concerning the validity of the titles to the Properties.

6. LIMITING CONDITIONS

We have conducted on-site inspections to the Properties in December 2021 by Mr. Fan Chuanpeng (范傳鵬先生) with over 5-year experience in property valuation in PRC.

We have not carried out detailed on-site measurement to verify the correctness of the areas in respect of the property but have assumed that the areas shown on the documents handed to us are correct. All dimensions, measurements and areas are approximate.

Should it be discovered that contamination, subsidence or other latent defects exists in the Property or on adjoining or neighboring land or that the Properties had been or are being put to contaminated use, we reserve right to revise our opinion of value.

We have relied to a very considerable extent on the information provided by the Group and have accepted advices given to us on such matters, in particular, but not limited to tenure, planning approvals, statutory notices, easements, particulars of occupancy, size and floor areas and all other relevant matters in the identification of the Properties. The plans including but not limited to location plan, site plan, lot index plan, outline zoning plan, building plan if any, in the report are included to assist the reader to identify the Property for reference only and we assume no responsibility for their accuracy.

We have had no reason to doubt the truth and accuracy of the information provided to us by the Group. We have also been advised by the Company that no material fact has been omitted from the information supplied. We consider that we have been provided with sufficient information to reach an informed view, and we have no reason to suspect that any material information has been withheld.

We do not accept a liability for any interpretation which we have placed on such information which is more properly the sphere of the legal advisers of the Company, nor have we verified the correctness of any information supplied to us concerning the Properties.

7. REMARKS

We have valued the Properties in Renminbi (RMB).

We enclose herewith the “Valuation Details”.

Yours faithfully,
For and on behalf of
Valtech Valuation Advisory Limited
Peggy Y. Y. Lai
MHKIS, MRICS, RPS(GP), BSC
Senior Associate Director

Ms. Peggy Y.Y. Lai is a Registered Professional Surveyor (GP) with over 18 years' experience in valuation of properties in HKSAR, Macau SAR, United Kingdom, Canada, mainland China and the Asia Pacific Region. Ms. Lai is a Professional Member of The Royal Institution of Chartered Surveyors, a Member of The Hong Kong Institute of Surveyors as well as a Member of China Institute of Real Estate Appraisers and Agents in the PRC.

Encl.

VALUATION DETAILS

Property	Description and tenure	Particulars of occupancy	Market Value as at 31 October 2021 RMB
Fuyou Commercial Building (the “Property”) erected on the land (the “Target Land”) situated at No. 34, Shenxin East Road, Tiexi District, Shenyang, Liaoning Province, the PRC.	<p>The Properties comprise one six-storey commercial building erected on a site with site area of approximately 10,918.61 sq.m. which was completed in about 1992 as advised.</p> <p>The property has a total gross floor area of approximately 37,839.00 sq.m.</p> <p>The land use right of the Target Land has been granted for a term of 40 years expiring on 8 August 2052 for commercial use.</p>	The Property is vacant.	292,300,000 (RENMINBI TWO HUNDRED NINETY TWO MILLION AND THREE HUNDRED THOUSAND ONLY)

Notes:

- i. Pursuant to Immovable Property Certificate – Liao (2019) Shenyang City Real Estate No. 0056672, the ownerships of the property with a total gross floor area of approximately 37,839.00 sq.m. erected on a site with site area of 10,918.61 sq.m. were vested in Shenyang Baoxin Commercial Company Limited (瀋陽寶新商業有限公司) (“Shenyang Baoxin”) for commercial use. Pursuant to a state-owned land use right certificate – Tiexi Guo Yong (2013) No. 11, the land use right of a land has been granted for a term expiring on 8 August 2052 for commercial use.
- ii. We have been provided with a legal opinion by the Group’s PRC legal adviser, Guangdong Tai Nuo Law Firm, regarding the legal title of the Properties, which contains, *inter alia*, the followings:
 - (a) The registered owner of the Immovable Property Certificate is Shenyang Baoxin;
 - (b) The ownership of the Properties is now being taken back by Shenyang government; and
 - (c) the Properties are free from any mortgage or third parties’ encumbrance.

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Group. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

2. DISCLOSURE OF INTERESTS

(a) Directors and chief executive of the Company

As at the Latest Practicable Date, the interests and short positions, if any, of each Director and chief executive of the Company in the Shares, underlying Shares and debentures of the Company and any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which the Directors and chief executive were deemed or taken to have under such provisions of the SFO), or which were required to be and are recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies adopted by the Company (the “**Model Code**”) were as follows:

(i) Long positions in the Shares and underlying Shares

Name of Director	Capacity in which interests are held	Number of Shares/ underlying Shares	% of the issued share capital of the Company as at the Latest Practicable Date
Mr. Yao	Beneficial Owner	5,783,034	0.11
	Corporate Interest	1,493,718,105	27.36
	<i>(Note)</i>		

Note: As at the Latest Practicable Date, the total issued share capital of the Company amounted to 5,460,124,797 Shares. Mr. Yao through Tinmark Development Limited (“**Tinmark**”), a company wholly-owned by him, indirectly held Bao Xin Development Limited (“**Bao Xin Development**”), which beneficially owned 1,486,891,831 Shares. Further, GSFSG beneficially owned 1,489,724 Shares and Bao Xin Development directly held 13,294,943,600 GSFSG Shares, representing a total of approximately 42.36% of the total number of issued GSFSG Shares. Thus, Bao Xin Development was deemed to be interested in the 1,489,724 Shares held

by GSFG. Mr. Yao also through Shenzhen Lai Hua Industrial Limited Company[#] (深圳萊華實業有限公司), a company owned as to 99.50% by him, held 100% equity interest in Lai Hua Holding Group Limited Company[#] (萊華控股集團有限公司) (“**Lai Hua Holding Group**”), which beneficially owned 5,336,550 Shares. Therefore, Mr. Yao was deemed to be interested in the 1,486,891,831 Shares, 1,489,724 Shares and 5,336,550 Shares held by Bao Xin Development, GSFG and Lai Hua Holding Group respectively.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors nor the chief executive of the Company had any interests or short positions in any Shares, underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which would have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which the Directors and chief executive were deemed or taken to have under such provisions of the SFO, or which were required to be and are recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

(b) Substantial Shareholders

So far as is known to the Directors or the chief executive of the Company, as at the Latest Practicable Date, the following persons (other than the Directors and chief executive of the Company) had interests or short positions in the Shares and underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or was, directly or indirectly, interested in 10% or more of the issued voting shares of any other member of the Group:

Long positions in the Shares and underlying Shares

Name of Shareholder	Capacity in which interests are held	Number of Shares/ underlying Shares	% of the issued share capital of the Company as at the Latest Practicable Date
Tinmark	Corporate Interest (Note)	1,488,381,555	27.26
Bao Xin International Group Limited	Corporate Interest (Note)	1,488,381,555	27.26
Bao Xin Development	Beneficial Corporate Interest (Note)	1,486,891,831 1,489,724	27.23 0.03

Note: As at the Latest Practicable Date, Tinmark was the direct holding company of Bao Xin International Group Limited, which was in turn the direct holding company of Bao Xin Development. Bao Xin Development beneficially held approximately 42.36% of the total number of the issued shares in GSFG. As such, Bao Xin Development was deemed to be interested in 1,489,724 Shares held by GSFG, and Tinmark was deemed to be interested in 1,488,381,555 Shares held by Bao Xin Development.

Save as disclosed above, so far as is known to the Directors or chief executive of the Company, as at the Latest Practicable Date, no other person (other than a Director or chief executive of the Company) had, or was deemed or taken to have, an interest or short position in the Shares or underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO.

Save as disclosed in this circular, as at the Latest Practicable Date, none of the Directors or proposed Director was a director or employee of a company which had an interest in the Shares and underlying Shares which would fall to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO.

3. DIRECTORS' SERVICE CONTRACT

As at the Latest Practicable Date, none of the Directors had entered into any service agreement with any member of the Group nor were there any proposed service agreements which would not expire or be determinable by the member of the Group within one year without payment of compensation (other than statutory compensation).

4. DIRECTOR'S INTERESTS IN ASSETS/CONTRACTS AND OTHER INTERESTS

(a) Interests in assets

As at the Latest Practicable Date, none of the Directors or proposed Directors had any direct or indirect interest in any assets which have been, since 31 December 2020 (the date up to which the latest published audited consolidated financial statements of the Group was made), acquired or disposed of by, or lease to any member of the Group, or which were proposed to be acquired or disposed of by, or leased to any member of the Group.

(b) Interests in contracts of significance

Save for the Property Management Services Framework Agreement, as at the Latest Practicable Date, none of the Directors was materially interested in any contract or arrangement subsisting and which was significant in relation to the business of the Group.

(c) Interests in competing business

As at the Latest Practicable Date, none of the Directors nor their respective close associates had any interest in any business which competes or is likely to compete, either directly or indirectly, with the businesses of the Group.

5. LITIGATION

As at the Latest Practicable Date, no member of the Group was engaged in any litigation or claims of material importance and, insofar as the Directors were aware, no litigation or claims of material importance was pending or threatened against any member of the Group.

6. MATERIAL CONTRACTS

The following material contracts, not being contracts entered into in the ordinary course of business of the Group, have been entered into by members of the Group within two years immediately preceding the date of this circular:

- (a) the Property Management Services Framework Agreement entered into between Baoxin Holdings Company Limited[#] (寶新控股有限公司), an indirect wholly-owned subsidiary of the Company, as service receiver and Shenzhen Jixiang Property Services Group Limited[#] (深圳吉祥服務集團有限公司), a company indirectly wholly-owned by Mr. Yao, as service provider in respect of the provision of the property management services for a term of three years for the period from 1 January 2021 to 31 December 2023 with the maximum contract sums of RMB20 million, RMB45 million and RMB50 million respectively, which constitutes a continuing connected transaction, the details were disclosed in the announcements issued jointly by the Company and GSFSG on 31 December 2020 and 7 January 2021;
- (b) the placing agreement (the “**Placing Agreement**”) dated 18 March 2021 entered into between the Company and Glory Sun Securities Limited as placing agent in respect of placing up to 910,020,959 placing Shares at the placing price of HK\$0.3 per Share to not fewer than six places, the details were disclosed in the Company’s announcement dated 18 March 2021 and 7 April 2021;
- (c) the Equity Transfer Agreement dated 23 June 2021 entered into between Shenzhen Baoxin Logistics Limited[#] (深圳寶新物流有限公司), an indirect wholly-owned subsidiary of the Company as vendor and Shenzhen Xinfu Investment Limited[#] (深圳欣福投資有限公司) as purchaser in respect of the transfer of 51% equity interest of Shenzhen Xinpeng Fresh Food Industry Company Limited[#] (深圳新鵬生鮮產業有限公司) for a consideration of RMB15 million;
- (d) the Equity Transfer Agreement (as amended and supplemented by the supplemental equity transfer agreement dated 2 December 2021 and the second supplemental equity transfer agreement dated 15 December 2021) entered into between Shenzhen Baoxin Industrial Group Limited[#] (深圳寶新實業集團有限公司), an indirect non-wholly owned subsidiary of the Company as vendor and Shenzhen Xinlutong Industrial Company Limited[#] (深圳新路通實業有限公司) as purchaser in respect of the disposal of Shenzhen Xinhengchuang Industrial Company Limited[#] (深圳新恒創實業有限公司) and its subsidiaries holding Nanjing Real Estate Development Projects and Shenyang Real Estate Development Project, for a consideration of RMB300 million (equivalent

to approximately HK\$360 million), the details were disclosed in the Company's announcements dated 20 July 2021, 2 December 2021, 15 December 2021 and 23 December 2021; and

- (e) the Resumption Compensation Agreement.

7. EXPERT AND CONSENT

The following is the qualification of the expert who has given opinion or advice which is contained in this circular:

Name	Qualification
Valtech Valuation Advisory Limited	Independent property valuer and chartered professional surveyors

The above expert has given and has not withdrawn its written consent to the issue of this circular with the inclusion herein of its letter(s), report(s), opinion and/or references to its name in the form and context in which it appears.

As at the Latest Practicable Date, the above expert has confirmed that it did not have any shareholding in any member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for any securities in any member of the Group.

As at the Latest Practicable Date, the above expert has confirmed that it did not have any interest, either directly or indirectly, in any assets which have been, since 31 December 2020 (being the date up to which the latest published audited consolidated financial statements of the Group were made), acquired or disposed of by or leased to any member of the Group, or were proposed to be acquired or disposed of by or leased to any member of the Group.

8. DOCUMENTS ON DISPLAY

Copies of the following documents are available on the website of the Stock Exchange (<http://www.hkexnews.hk>) and on the website of the Company (hk0299.com/en/Home.aspx) for a period of 14 days from the date of this circular:

- (a) the material contracts referred to in the paragraph headed "6. Material Contracts" in this appendix;
- (b) the Property Valuation Report, the text of which is set out on Appendix II of this circular;
- (c) the annual reports of the Company for the financial years ended 31 December 2018, 2019 and 2020 and the interim report of the Company for the six months ended 31 June 2021 respectively;

- (d) the written consents referred to in the paragraph headed “7. Expert and Consent” in this appendix; and
- (e) this circular.

9. MISCELLANEOUS

- (a) The company secretary of the Company is Mr. Fong Ching Kong. He is an associate member of the Hong Kong Institute of Certified Public Accountants and a fellow member of each of the Association of Chartered Certified Accountants, the Hong Kong Chartered Governance Institute (formerly known as the Hong Kong Institute of Chartered Secretaries), the Chartered Governance Institute, and the Taxation Institute of Hong Kong.
- (b) The registered office of the Company is at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands, and the principal place of business in Hong Kong is at Unit 2602, 26/F., Lippo Centre, Tower 1, No. 89 Queensway, Admiralty, Hong Kong.
- (c) The Hong Kong branch share registrar of the Company is Tricor Investor Services Limited at Level 54, Hopewell Centre, 183 Queen’s Road East, Hong Kong.
- (d) The English texts of this circular shall prevail over the Chinese texts.