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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)**

**DISCLOSEABLE TRANSACTION  
IN RELATION TO THE DISPOSAL OF  
ENTIRE EQUITY INTEREST IN A PRC SUBSIDIARY**

**THE DISPOSAL**

On 26 June 2023 (after trading hours), the Vendor, an indirect non-wholly owned subsidiary of the Company, and the Purchaser entered into the Equity Transfer Agreement, pursuant to which, the Vendor has conditionally agreed to sell, and the Purchaser has conditionally agreed to acquire, the Sale Equity Interest, representing the entire equity interest in the Disposal Company, for a consideration of RMB10,000. Upon Completion, the Disposal Company will cease to be a subsidiary of the Company and the financial results of the Disposal Group will no longer be consolidated into the financial statements of the Company.

**IMPLICATIONS UNDER THE LISTING RULES**

As one or more of the applicable percentage ratio(s) calculated in accordance with the Listing Rules in respect of the Disposal are more than 5% but are all less than 25%, the Disposal constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules and is subject to the reporting and announcement requirements under the Listing Rules.

**THE DISPOSAL**

On 26 June 2023 (after trading hours), the Vendor, an indirect non-wholly owned subsidiary of the Company, and the Purchaser entered into the Equity Transfer Agreement, pursuant to which, the Vendor has conditionally agreed to sell, and the Purchaser has conditionally agreed to acquire, the Sale Equity Interest, representing the entire equity interest in the Disposal Company, for a consideration of RMB10,000. Upon Completion, the Disposal Company will cease to be a subsidiary of the Company and the financial results of the Disposal Group will no longer be consolidated into the financial statements of the Company.

## THE EQUITY TRANSFER AGREEMENT

The principal terms of the Equity Transfer Agreement are set out as follows: –

Date : 26 June 2023 (after trading hours)

Parties : (1) the Vendor, an indirect non-wholly owned subsidiary of the Company;  
and

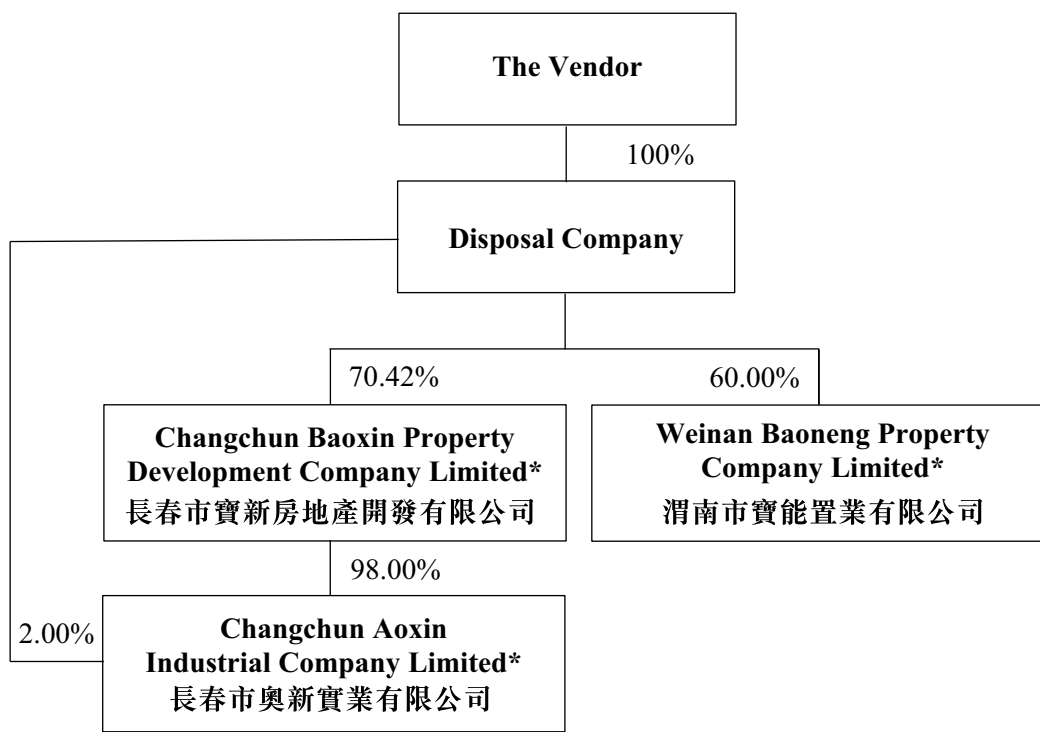
(2) the Purchaser

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Purchaser and its ultimate beneficial owner are Independent Third Parties under the Listing Rules.

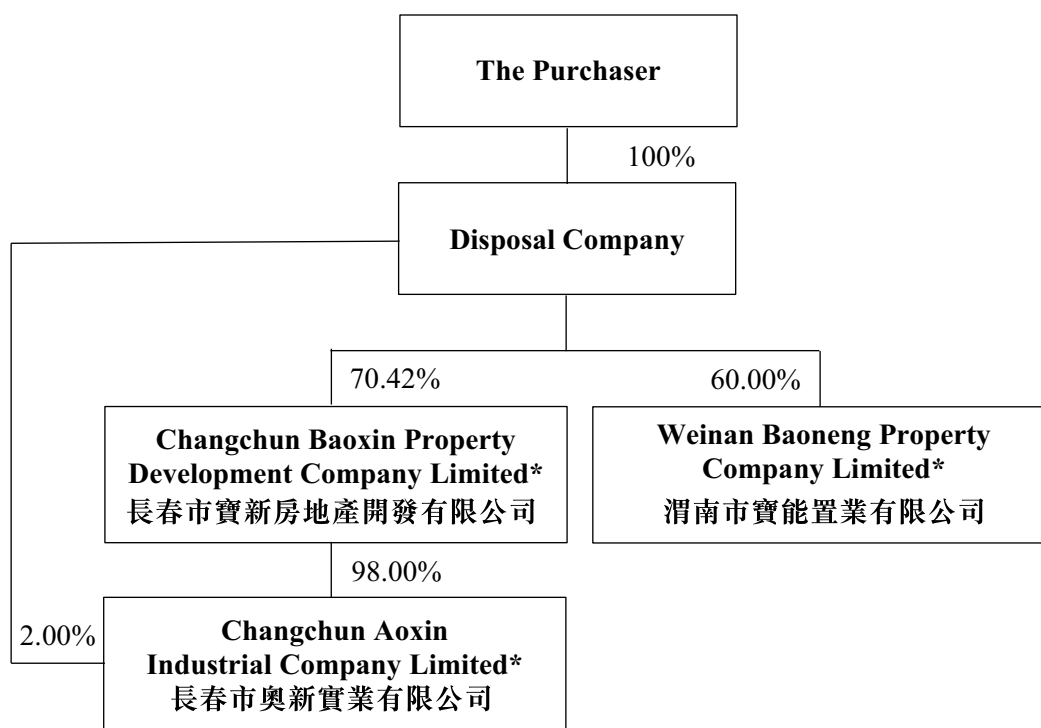
### Assets to be disposed of

Pursuant to the Equity Transfer Agreement, the Vendor has conditionally agreed to sell, and the Purchaser has conditionally agreed to acquire, the Sale Equity Interest, representing the entire equity interest in the Disposal Company, for a consideration of RMB10,000.

The following chart sets forth the shareholding and corporate structure of the Disposal Group before Completion:



The following chart sets forth the shareholding and corporate structure of the Disposal Group upon Completion:



### Consideration and payment terms

The Consideration for the Disposal is RMB10,000 which shall be payable by the Purchaser in cash to the bank account designated by the Vendor within seven (7) Business Days from the fulfilment of all the conditions precedent for the Disposal.

The Consideration was arrived at after arm's length negotiations between the Vendor and the Purchaser with reference to (i) the valuation of the Sale Equity Interest of approximately negative RMB82.55 million as at 31 May 2023 pursuant to the valuation report issued by an independent professional valuer as instructed by the Vendor and agreed by the Purchaser; (ii) the business prospects of the Disposal Group; and (iii) the prevailing market conditions of the PRC real estate industry.

### Conditions precedent

Completion of the Disposal is conditional upon the satisfaction of the following conditions precedent:

- (1) the Company having complied with all applicable requirements under the Listing Rules in relation to the Equity Transfer Agreement and the transactions contemplated thereunder; and
- (2) the Purchaser having obtained necessary approval(s) from its shareholders and/or regulatory authority(ies), where applicable, in accordance with relevant laws and regulations for the acquisition of the Sale Equity Interest.

If any of the conditions precedent is not fulfilled by the Long Stop Date (or such other date as the Vendor and the Purchaser may agree), the Purchaser shall not be required to proceed with the acquisition of the Sale Equity Interest.

## **Completion**

Completion shall take place within fifteen (15) Business Days from the settlement of the Consideration by the Purchaser to the Vendor. Upon Completion, the Vendor and the Purchaser shall arrange for the change in business registration in relation to the transfer of the Sale Equity Interest from the Vendor to the Purchaser and the replacement of legal representatives, directors, supervisors and senior management team of the Disposal Company by personnel designated by the Purchaser.

## **INFORMATION OF THE PARTIES TO THE EQUITY TRANSFER AGREEMENT**

### **The Purchaser**

The Purchaser is a company established in the PRC with limited liability. The Purchaser is principally engaged in business information consulting, supply chain management services, landscaping engineering construction, and earthwork engineering construction in the PRC. The ultimate beneficial owner of the Purchaser is Mr. Zhang Jianxin (張建新).

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Purchaser and its ultimate beneficial owner are Independent Third Parties under the Listing Rules.

### **The Vendor**

The Vendor is a company established in the PRC with limited liability and an indirect non-wholly owned subsidiary of the Company. The Vendor is principally engaged in domestic trade agency, enterprise management consulting, information consulting services, advertising design and agency services in the PRC.

## **INFORMATION OF THE DISPOSAL GROUP**

The Disposal Company is a limited company established in the PRC and is principally engaged in enterprise management consulting and planning, information consulting, computer information technology consulting, technical services, and real estate consulting services in the PRC. As at the date of this announcement, the Disposal Company owns approximately 70.42% and 60.00% of the equity interest in Changchun Baoxin and Weinan Baoneng, respectively. Further, Changchun Baoxin and the Disposal Company jointly own the entire equity interest in Changchun Aoxin.

## **Changchun Baoxin**

Changchun Baoxin is a limited liability company established in the PRC, the principal business activities of which include real estate development and operations, real estate marketing planning, real estate agency services, property services and economic information consulting. Changchun Baoxin owns the Changchun Baoxin Fortune Center Project, being a real estate development project located in Chaoyang District, Changchun, the PRC, and its corresponding land use rights.

Changchun Baoxin Fortune Center Project is located at the junction between Jiefang Avenue and Renmin Avenue, Chaoyang District, Changchun, the PRC. Changchun Baoxin Fortune Center Project comprises two 200-meters high-rise buildings, which include first class office buildings, luxury apartments, shop premises, public facilities and car parking spaces, with site area of approximately 12,000 sq.m. and permitted gross floor area of approximately 184,000 sq.m.

## **Weinan Baoneng**

Weinan Baoneng is a limited liability company established in the PRC, the principal business activities of which include real estate development and sales, property leasing, property management services, business management, corporate management planning and marketing planning. Weinan Baoneng owns the Weinan Baoneng Huafu Project, being a real estate development project located in Linwei District, Weinan, the PRC, and its corresponding land use rights.

The Weinan Baoneng Huafu Project is located at the southwest corner of the junction between Liuquan Road and Shuangwang Avenue in Linwei District, Weinan, the PRC. The Weinan Baoneng Huafu Project is a residential development project equipped with a kindergarten and a community store, with site area of approximately 86,667 sq.m. and permitted gross floor area of approximately 256,700 sq.m.

## **Changchun Aoxin**

Changchun Aoxin is a limited liability company incorporated in the PRC, the principal business activities of which include business management consulting, information consulting services, information technology consulting services, real estate agency, market planning, property management and real estate consulting in the PRC.

The unaudited financial information of the Disposal Group for the financial years ended 31 December 2021 and 2022, is set out as follows:

	<b>For the year ended 31 December 2021</b>	<b>For the year ended 31 December 2022</b>
	<i>HK\$'000</i>	<i>HK\$'000</i>
Revenue	838,320	114,758
Profit/(loss) before taxation	157,985	(57,079)
Profit/(loss) after taxation	114,323	(85,307)

As at 31 December 2022, the audited consolidated net asset value of the Disposal Group was approximately HK\$186,553,000.

## **REASONS AND BENEFITS FOR THE DISPOSAL**

The Group is substantially focused and principally engaged in property development and investment in the PRC. Over the past year, the PRC's economy was challenged by multiple unforeseen factors such as the COVID-19 pandemic and the Russian-Ukrainian war crisis. The PRC's real estate industry experienced a period of unprecedented intensive adjustment and unstable market expectations throughout the year. In 2022, the real estate development and investment in the PRC decreased by 10% on a year-on-year basis, registering the first decline in nearly a decade. The annual sales volume and development scale of commercial housing decreased dramatically in 2022, with the sales area and sales amount of commercial housing fell to 1.358 billion square meters and RMB13.5 trillion, respectively, representing the lowest in nearly six years.

A number of real estate enterprises recorded a sharp decline in sales performance and encountered extraordinary challenges in sales, delivery, investment and debt repayment in 2022. Coupled with narrowing channel of financing and deterioration in asset liability structure, debt risk continues to accumulate. Project suspension and/or delay in delivery is becoming more prevalent, and a number of real estate enterprises are even encountering the difficult situation of accelerated disposal of properties as well as bankruptcy and dissolution.

Amid the challenging operating environments and to preserve the financial strength, the Group has proactively optimised its projects portfolio, strategically focused its resources in selected projects and adhered to a stringent approach on risk management. Through active communication with stakeholders such as creditors, financial institutions and the government, the Group aims to use its best endeavours to preserve the interests of all stakeholders.

In view of the prevailing development stage and property market conditions in the PRC and the financial position of the Group, the Board believes that the Disposal provides a good opportunity for the Group to realize the value of the Changchun Baoxin Fortune Center Project as well as Weinan Baoneng Huafu Project at a reasonable price and the Group intends to apply the proceeds from the Disposal for replenishing its working capital.

Based on the above, the Directors (including the independent non-executive Directors) consider that the Equity Transfer Agreement and the Disposal are fair and reasonable and are on normal commercial terms, and that the Disposal is in the interests of the Company and the Shareholders as a whole.

## **FINANCIAL EFFECTS OF THE DISPOSAL**

It is estimated that the Company will record a preliminary gain on the Disposal in the amount of approximately HK\$47.4 million, being the difference between (i) the Consideration net of the estimated expenses in connection with the Disposal; and (ii) the net assets of the Disposal Group after making adjustments for releasing its non-controlling interest and foreign currency translation reserve. The actual gain arising from the Disposal will be subject to audit by the Company's auditors and may be different from the abovementioned amount.

Upon Completion, the Disposal Company will cease to be a subsidiary of the Company and the financial results of the Disposal Group will no longer be consolidated into the financial statements of the Company.

## **IMPLICATIONS UNDER THE LISTING RULES**

As one or more of the applicable percentage ratio(s) calculated in accordance with the Listing Rules in respect of the Disposal are more than 5% but are all less than 25%, the Disposal constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules and is subject to the reporting and announcement requirements under the Listing Rules.

## **DEFINITIONS**

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

“Board”	the board of Directors
“Business Day(s)”	a day on which licensed banks in the PRC are open for general commercial business, other than a Saturday, Sunday or public holiday in the PRC
“Changchun Aoxin”	長春市奧新實業有限公司 (Changchun Aoxin Industrial Company Limited*), a company established in the PRC with limited liability and a non-wholly owned subsidiary of the Disposal Company

“Changchun Baoxin”	長春市寶新房地產開發有限公司 (Changchun Baoxin Property Development Company Limited*), a company established in the PRC with limited liability and a non-wholly owned subsidiary of the Disposal Company
“Changchun Baoxin Fortune Center Project”	長春寶新財富中心項目 (Changchun Baoxin Fortune Center Project*), a real estate development project owned by Changchun Baoxin located in Chaoyang District, Changchun, the PRC
“Company”	Glory Sun Land Group Limited (寶新置地集團有限公司), a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Stock Exchange (stock code: 299)
“Completion”	completion of the Disposal
“connected person(s)”	has the same meaning ascribed to it under the Listing Rules
“Consideration”	the consideration for the Disposal in the amount of RMB10,000
“Director(s)”	the director(s) of the Company
“Disposal”	the transfer of the Sale Equity Interest from the Vendor to the Purchaser as contemplated under the Equity Transfer Agreement
“Disposal Company”	深圳賽奧企業管理有限公司 (Shenzhen Saiao Enterprise Management Co., Ltd.*), a company established in the PRC with limited liability and an indirect non-wholly owned subsidiary of the Company prior to Completion
“Disposal Group”	the Disposal Company and its subsidiaries
“Equity Transfer Agreement”	the equity transfer agreement dated 26 June 2023 entered into between the Purchaser and the Vendor in relation to the Disposal
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the PRC



“Independent Third Party(ies)”	any person(s) or company(ies) and their respective ultimate beneficial owner(s), to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, are not core connected persons of the Company and are third parties independent of the Company and its connected persons in accordance with the Listing Rules
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Long Stop Date”	31 December 2023 (or such other date as the Purchaser and the Vendor may agree in writing)
“PRC”	the People’s Republic of China, which for the purpose of this announcement excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Purchaser”	深圳新恆創建設集團有限公司 (Shenzhen Xinhengchuang Construction Group Co., Ltd.*), a company established in the PRC with limited liability
“RMB”	Renminbi, the lawful currency of the PRC
“Sale Equity Interest”	the entire equity interest in the Disposal Company
“Share(s)”	ordinary share(s) of HK\$0.05 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“sq.m.”	square metre
“Vendor”	深圳耀振實業有限公司 (Shenzhen Yaozhen Industrial Co., Ltd.*), a company established in the PRC with limited liability and an indirect non-wholly owned subsidiary of the Company
“Weinan Baoneng”	渭南市寶能置業有限公司 (Weinan Baoneng Property Company Limited*), a company established in the PRC with limited liability and a non-wholly owned subsidiary of the Disposal Company

“Weinan Baoneng Huafu Project”

渭南寶能華府項目 (Weinan Baoneng Huafu Project\*), a real estate development project owned by Weinan Baoneng located in Linwei District, Weinan, the PRC

“%”

per cent.

\* *For identification only*

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

Hong Kong, 26 June 2023

*As at the date of this announcement, the Company’s executive directors are Mr. Yao Jianhui and Ms. Xia Lingjie; the non-executive director is Ms. Zhan Yushan; and the independent non-executive directors are Ms. He Suying, Dr. Tang Lai Wah and Mr. Wong Chun Bong.*