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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)**

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

Reference is made to the announcement of Glory Sun Land Group Limited (the “**Company**”) dated 26 June 2023 (the “**Announcement**”) in relation to the disposal of the entire equity interest in Shenzhen Saiao Enterprise Management Co., Ltd.\* (深圳賽奧企業管理有限公司) (the “**Disposal Company**”), an indirect non-wholly owned subsidiary of the Company. Unless otherwise defined, capitalised terms used in this announcement shall have the same meanings as those defined in the Announcement.

**SUPPLEMENTAL INFORMATION IN RELATION TO THE DISPOSAL**

**Basis of the valuation**

The valuation (the “**Valuation**”) of the Sale Equity Interest of approximately negative RMB82.55 million as at 31 May 2023 was determined based on (i) the net asset value of the subsidiaries held by the Disposal Company (the “**Subsidiaries**”) of approximately RMB397.9 million in aggregate after taking into account the percentage of shareholding interest held by the Disposal Company in each of the Subsidiaries and the other assets value of the Disposal Company of approximately RMB12,000; (ii) less the total liabilities (the “**Liabilities**”) of approximately RMB480.4 million incurred by the Disposal Company.

The Liabilities of approximately RMB480.4 million incurred by the Disposal Company as at 31 May 2023 comprised (a) a current account due to Weinan Baoneng of approximately RMB405.7 million; and (b) loans due to three (3) Independent Third Parties of approximately RMB74.7 million in aggregate.

In comparison to the Valuation as mentioned above, the audited consolidated net asset value of the Disposal Group as at 31 December 2022 was approximately HK\$186.6 million which represented the total net asset value of the Disposal Group on the consolidation level as a whole without deducting the corresponding portion directly attributable to the non-controlling interest in the Subsidiaries.

## **Basis of the Consideration**

The Consideration of RMB10,000 for the Disposal was a nominal consideration agreed by the Purchaser and the Vendor taking into consideration it is a general commercial practice in the PRC for parties to agree on a nominal consideration for the sale and purchase of equity interest with negative valuation.

## **Financial effects of the Disposal**

The preliminary gain on the Disposal of approximately HK\$47.4 million was derived from (1) the Consideration of RMB10,000 (equivalent to approximately HK\$11,000); (2) less (a) the unaudited carrying net asset value of the Disposal Group of approximately HK\$171.5 million as at 31 May 2023 with (i) negative adjustment for releasing its non-controlling interest of approximately HK\$256.6 million in the Subsidiaries; and (ii) positive adjustment for releasing its foreign currency translation reserve of approximately HK\$37.6 million based on its unaudited management account as at 31 May 2023; and (b) the estimated expenses of approximately HK\$0.1 million incurred by the Company in connection with the Disposal. 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.

## **Directors' views of the Disposal**

The Directors consider that the terms of the Disposal are fair and reasonable and in the interests of the Company and the Shareholders as a whole taking into consideration the followings:

- (i) the Disposal provides a good opportunity for the Group to realise the value of the Changchun Baoxin Fortune Center Project as well as the Weinan Baoneng Huaifu Project whilst the proceeds from the Disposal can be used for replenishing the Group's working capital;
- (ii) the Disposal alleviates burden on the Group from having to make further capital injection into the Disposal Group for paying off its liabilities; and
- (iii) the Company has recorded a gain from the Disposal as illustrated above.

*\* For identification purpose only*

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

Hong Kong, 4 August 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. Shi Fazhen.*