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)

2019 FINAL RESULTS ANNOUNCEMENT

The directors (the "Directors") of Glory Sun Land Group Limited (the "Company") are pleased to announce the consolidated financial results of the Company and its subsidiaries (the "Group") for the year ended 31 December 2019 (the "Year") as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2019

	Notes	2019 HK$'000	2018 HK$'000 (re-presented)
Continuing operations			
Revenue	5	**9,767,512**	1,873,968
Cost of sales		**(8,022,911)**	(1,751,568)
Gross profit		**1,744,601**	122,400
Selling expenses		**(47,912)**	(12,886)
Administrative expenses		**(107,614)**	(75,586)
Gain on disposal of subsidiaries		**–**	34
Gain on bargain purchase		**31,485**	108,658
Loss on disposal of financial assets at fair value through profit or loss ("FVTPL")		**–**	(19,294)
Fair value (loss)/gain on investment properties		**(22,338)**	203,290
Fair value (loss)/gain on contingent consideration payable		**(605)**	37,145
Fair value gain/(loss) on derivative financial assets		**10,615**	(3,697)
Impairment losses on goodwill		**(177,347)**	–
Impairment losses on other intangible assets		**(138,873)**	–
Impairment losses on property, plant and equipment		**(54,611)**	–
Impairment losses on financial and contract assets — net		**(45,664)**	(1,235)
Other income, gains/(losses)	6	**40,786**	38,699
Profit from operations		**1,232,523**	397,528
Finance costs	7	**(231,783)**	(111,109)

* *For identification purposes only*

	Notes	2019 HK$'000	2018 HK$'000 (re-presented)
Profit before income tax expense	*9*	**1,000,740**	286,419
Income tax expense	*8*	**(532,545)**	(106,344)
Profit for the year from continuing operations		**468,195**	180,075
Discontinued operation			
Profit/(loss) for the year from discontinued operation	*10*	**30,830**	(18,238)
Profit for the year		**499,025**	161,837
Other comprehensive income, net of tax			
Items that will not be reclassified to profit or loss:			
Fair value changes of equity instruments at fair value through other comprehensive income ("FVTOCI")		**(131,299)**	(67,030)
		(131,299)	(67,030)
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translating foreign operations		**(51,668)**	(27,604)
Exchange differences reclassified to profit or loss on disposal of subsidiaries		**18,514**	1
		(33,154)	(27,603)
Other comprehensive income for the year, net of tax		**(164,453)**	(94,633)
Total comprehensive income for the year		**334,572**	67,204

	Notes	**2019**	2018
		HK$'000	*HK$'000*
			(re-presented)
Profit/(loss) for the year attributable to:			
Owners of the Company			
— Continuing operations		**355,020**	121,376
— Discontinued operation		**30,830**	(18,238)
Profit for the year attributable to owners of the Company		**385,850**	103,138
Non-controlling interests			
— Continuing operations		**113,175**	58,699
Profit for the year attributable to non–controlling interests		**113,175**	58,699
		499,025	161,837
Total comprehensive income for the year attributable to:			
Owners of the Company		**198,339**	(4,280)
Non-controlling interests		**136,233**	71,484
		334,572	67,204
Earnings/(loss) per share — basic and diluted (HK$ cents)			
— Continuing operations	*12*	**8.19**	3.33
— Discontinued operation	*12*	**0.71**	(0.50)
	12	**8.90**	2.83

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2019

	Notes	2019 HK$'000	2018 HK$'000
Non-current assets			
Property, plant and equipment		**151,626**	76,665
Investment properties		**5,377,641**	2,830,073
Goodwill		**18,175**	196,258
Other intangible assets		**547,465**	743,200
Prepaid lease payments		**–**	104,717
Financial assets at FVTOCI		**179,893**	311,192
Derivative financial assets		**13,753**	3,138
Deferred tax assets		**28,146**	47,897
		6,316,699	4,313,140
Current assets			
Inventories		**7,894,958**	6,412,766
Contract assets		**214,201**	276,872
Trade and other receivables	*13*	**4,269,533**	622,087
Tax recoverable		**20,260**	–
Pledged and restricted bank deposits		**825,802**	253,481
Bank and cash balances		**634,120**	758,316
		13,858,874	8,323,522
Current liabilities			
Borrowings		**4,544,953**	4,455,282
Trade and other payables	*14*	**4,614,160**	2,054,672
Consideration payable		**300,620**	10,000
Contingent consideration payable		**–**	56,855
Contract liabilities		**736,885**	690,939
Lease liabilities		**1,744**	–
Financial guarantee		**33,180**	–
Current tax liabilities		**369,464**	48,318
		10,601,006	7,316,066
Net current assets		**3,257,868**	1,007,456
Total assets less current liabilities		**9,574,567**	5,320,596

	Notes	**2019** *HK$'000*	2018 *HK$'000*
Non-current liabilities			
Borrowings		**3,924,642**	372,453
Consideration payable		**136,019**	120,474
Financial guarantees		**–**	60,831
Lease liabilities		**28,570**	–
Deferred tax liabilities		**836,781**	777,076
		4,926,012	1,330,834
NET ASSETS		**4,648,555**	3,989,762
Capital and reserves			
Share capital		**227,505**	202,978
Reserves		**2,680,293**	2,557,625
Equity attributable to owners of the Company		**2,907,798**	2,760,603
Non-controlling interests		**1,740,757**	1,229,159
TOTAL EQUITY		**4,648,555**	3,989,762

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL INFORMATION

The name of the Company was changed from "New Sports Group Limited" to "Glory Sun Land Group Limited" with effect from 4 June 2019.

The Company was incorporated in the Cayman Islands with limited liability. The address of its registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands. The address of its principal place of business in Hong Kong is Unit 2602, 26/F., Lippo Centre, Tower 1, No. 89 Queensway, Admiralty, Hong Kong. The Company's shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

The Company is an investment holding company. The principal activities of its subsidiaries are engaged in property development and property investment, trading of commodities, operation of a yacht club, provision of education and training services, operation of golf practise court and trading of seafood in The People's Republic of China ("PRC").

2. BASIS OF PREPARATION

(a) Statement of compliance

The consolidated financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards ("HKFRSs"), Hong Kong Accounting Standards ("HKASs") and Interpretations (hereinafter collectively referred to as the "HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and the disclosure requirements of the Hong Kong Companies Ordinance. In addition, the financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange.

(b) Common control combinations

On 19 September 2019, an indirect non-wholly owned subsidiary of the Company entered into the sale and purchase agreement with Baoneng Real Estate Company Limited, a company controlled by Mr. Yao Jianhui ("JH Yao") and Mr. Yao Zhenhua, the elder brother of JH Yao, as concert parties (the "Controlling Parties"), to acquire the entire equity interest of Shenzhen Baoneng Hengchuang Industrial Limited ("Nanning Project Company") and its subsidiaries (collectively "Nanning Project Group") at a total cash consideration of RMB300 million (equivalent to approximately HK$333 million) (the "Nanning Project Acquisition"). Since the Group and Nanning Project Group are controlled by the Controlling Parties as concert parties together before and after the Nanning Project Acquisition, the Nanning Project Acquisition is considered as a combination of businesses under common control. Further details about the Nanning Project Acquisition have been set out in the circular of the Company dated 29 November 2019.

The Nanning Project Acquisition was completed on 24 December 2019. Upon the completion of the Nanning Project Acquisition, Nanning Project Company became an indirect non-wholly owned subsidiary of the Company. As the Nanning Project Acquisition was regarded as business combinations under common control, the Nanning Project Acquisition have been accounted for based on the principles of merger accounting in accordance with Accounting Guideline 5 Merger Accounting for Common Control Combinations ("AG 5") issued by the HKICPA.

Under merger accounting, the results of acquisition have been combined from the date when they first came under the control of controlling party. The assets and liabilities of acquisition have been reflected at their existing carrying values at the date of combination. No amount has been recognised in respect of goodwill or excess of the acquirer's interest in the net fair value of acquiree's identifiable assets, liabilities and contingent liabilities over cost at the time of common control combination, which, instead, has been recorded in merger reserve in equity.

On 23 April 2019 (the "Step Acquisition Completion Date"), Glory Sun Financial Group Limited (formerly known as "China Goldjoy Group Limited") ("GS Financial") completed the acquisition of 37.16% equity interest in the Company (the "Step Acquisition"). As at the Step Acquisition Completion Date, after taking into the pre-existing equity interest in the Company held by GS Financial and the additional equity interest in the Company acquired by GS Financial in the course of the Step Acquisition, the Company became the non-wholly owned subsidiary of GS Financial. GS Financial is company incorporated in the Cayman Islands with limited liability and its shares are listed on the Main Board of the Stock Exchange. The substantial shareholders of GS Financial are the Controlling Parties acting in concert; and the Controlling Parties and their associates together hold more than 51% equity interests in GS Financial.

In this respect, upon the completion of the Step Acquisition, the Directors considered that the Step Acquisition Completion date was regarded as the effective date when both the Nanning Project Group and the Group first came under common control.

Consequently, the assets and liabilities acquired in the common control combinations are stated at their carrying amounts as if they had been held or incurred by the Group from the later of the date on which the combining entities first came under the control of the Controlling Parties or the relevant transactions giving rise to the assets or liabilities arose, which is on the Step Acquisition Completion Date.

(c) Basis of measurement

The consolidated financial statements have been prepared under the historical cost basis except for certain investment properties and financial instruments, which are measured at fair values.

(d) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in Hong Kong dollars ("HK$"), which is the Company's presentation and functional currency.

3. ADOPTION OF HKFRSs

(a) Adoption of new/revised HKFRSs — effective 1 January 2019

The HKICPA has issued a number of new or amended HKFRSs that are first effective for the current accounting period of the Group:

- HKFRS 16, Leases
- HK(IFRIC)-Int 23, Uncertainty over Income Tax Treatments
- Amendments to HKFRS 9, Prepayment Features and Negative Compensation
- Amendments to HKAS 19, Plan Amendment, Curtailment or Settlement
- Amendments to HKAS 28, Long-term Interests in Associates and Joint Ventures
- Amendments to HKFRS 3, HKFRS 11, HKAS 12 and HKAS 23 included in Annual Improvements to HKFRSs 2015–2017 Cycle

The impact of the adoption of HKFRS 16 Leases have been summarised in below. The other new or amended HKFRSs that are effective from 1 January 2019 did not have any significant impact on the group's accounting policies.

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

(i) Impact of the adoption of HKFRS 16

HKFRS 16 brings significant changes in accounting treatment for lease accounting, primarily for accounting for lessees. It replaces HKAS 17 Leases ("HKAS 17"), HK(IFRIC)-Int 4 Determining whether an Arrangement contains a Lease, HK(SIC)-Int 15 Operating Leases-Incentives and HK(SIC)-Int 27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. From a lessee's perspective, almost all leases are recognised in the consolidated statement of financial position as a right-of-use assets and a lease liabilities, with the narrow exception to this principle for leases which the underlying assets are of low-value or are determined as short-term leases. From a lessor's perspective, the accounting treatment is substantially unchanged from HKAS 17. For details of HKFRS 16 regarding its new definition of a lease, its impact on the Group's accounting policies and the transition method adopted by the Group as allowed under HKFRS 16, please refer to section (ii) to (v) of this note.

The Group has applied HKFRS 16 using the cumulative effect approach and recognised all the cumulative effect of initially applying HKFRS 16 as an adjustment to the opening balance of retained earnings at the date of initial application. The comparative information presented in 2018 has not been restated and continues to be reported under HKAS 17 and related interpretations as allowed by the transition provision in HKFRS 16.

The following tables summarised the impact of transition to HKFRS 16 on consolidated statement of financial position as of 31 December 2018 to that of 1 January 2019 as follows (increase/(decrease)):

	HK$'000
Consolidated statement of financial position as at 1 January 2019	
Right-of-use assets presented in property, plant and equipment	121,647
Prepaid lease payments	(104,717)
Lease liabilities (non-current)	10,558
Lease liabilities (current)	6,372

	HK$'000
Reconciliation of operating lease commitment to lease liabilities	
Operating lease commitment as of 31 December 2018	17,793
Less: short term leases for which lease terms end within 31 December 2019	(79)
Gross lease liabilities at 1 January 2019	17,714
Less: total future interest expenses	(784)
Total lease liabilities as of 1 January 2019	16,930

The weighted average lessee's incremental borrowing rates applied to lease liabilities recognised in the consolidated statement of financial position as at 1 January 2019 is 6.44%.

(b) New/revised HKFRSs that have been issued but are not yet effective

The following new/revised HKFRSs, potentially relevant to the Group's financial statements, have been issued, but are not yet effective and have not been early adopted by the Group. The Group's current intention is to apply these changes on the date they become effective.

Amendments to HKFRS 3	Definition of a business[1]
Amendments to HKAS 1 and HKAS 8	Definition of material[1]
Amendments to HKFRS 9, HKAS 39 and HKFRS 7	Interest Rate Benchmark Reform[1]
HKFRS 17	Insurance Contracts[2]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[3]

1 Effective for annual periods beginning on or after 1 January 2020
2 Effective for annual periods beginning on or after 1 January 2021
3 The amendments were originally intended to be effective for periods beginning on or after 1 January 2018. The effective date has now been deferred/removed. Early application of the amendments continue to be permitted.

4. SEGMENT REPORTING

The Group determines its operating segments based on the reports reviewed by the chief operating decision-maker that are used to make strategic decisions.

The Group has seven operating segments as follows:

Yacht club	—	operation of a yacht club
Education	—	provision of education and training services
Real estate and property investment	—	property development and property investment
Trading of commodities	—	trading of commodities
Construction	—	provision of construction works
Provision of online game services	—	design, development and operation of mobile and web games and platform services
Others	—	operation of golf practise court;
	—	trading of seafood

The Group's reportable segments are strategic business units that offer different products and services. They are managed separately because each business requires different technology and marketing strategies.

For the year ended 31 December 2019, the operating segment of provision of online game services and platform services was discontinued.

For the year ended 31 December 2019, others included operation of golf practise court and trading of seafood which is new business component for the year (For the year ended 31 December 2018, others included only operation of golf practise court).

Revenue reported below represents revenue generated from external customers. There were no inter-segment sales in both years.

Segment revenue and results

The following is an analysis of revenue and results by operating segment of the Group:

For the year ended 31 December 2019

	Continuing operation							Discontinued operation	
Year ended 31 December 2019	Yacht club	Education	Real estate and property investment	Trading of commodities	Construction	Others	Sub-total	Provision of online game services	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Revenue	**68,820**	**49,089**	**4,380,350**	**5,231,585**	**12,280**	**25,388**	**9,767,512**	**355**	**9,767,867**
Segment results	**(200,058)**	**(130,146)**	**1,583,151**	**177**	**(57,668)**	**488**	**1,195,944**	**30,830**	**1,226,774**
Gain on bargain purchase									**31,485**
Fair value loss on investment properties									**(22,338)**
Fair value loss on contingent consideration payable									**(605)**
Fair value gain on derivative financial assets									**10,615**
Other income, gains/(losses)									**40,786**
Finance costs									**(231,783)**
Unallocated corporate expenses									**(23,364)**
Profit before income tax									**1,031,570**

For the year ended 31 December 2018

	Continuing operation							Discontinued operation	
Year ended 31 December 2018	Yacht club	Education	Real estate and property investment	Trading of commodities	Construction	Others	Sub-total	Provision of online game services	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000* (re-presented)
Revenue	111,255	64,101	1,062,727	547,976	84,279	3,630	1,873,968	18,428	1,892,396
Segment results	57,745	31,141	(22,837)	(1,928)	11,291	(4,712)	70,700	(18,238)	52,462
Gain on bargain purchase									108,658
Fair value gain on investment properties									203,290
Fair value gain on contingent consideration payable									37,145
Fair value loss on derivative financial assets									(3,697)
Other income, gains/(losses)									21,051
Finance costs									(111,109)
Unallocated corporate expenses									(39,619)
Profit before income tax									268,181

5. REVENUE

Disaggregation of revenue from contracts with customers by major products or service line for the year from continuing operations is as follows:

	2019	2018
	HK$'000	*HK$'000*
		(re-presented)
Continuing operations:		
Revenue from contracts with customers within the scope of HKFRS 15		
Sales of properties	**4,365,965**	1,052,091
Revenue from construction contracts	**12,280**	84,279
Trading of commodities	**5,231,585**	547,976
Training service	**49,089**	64,101
Yacht club services	**60,055**	111,255
Others	**25,388**	3,630
	9,744,362	1,863,332
Revenue from other sources		
Rental income	**23,150**	10,636
	9,767,512	1,873,968
Discontinued operation:		
Revenue from contracts with customers within the scope of HKFRS 15		
Online game operation	**355**	18,367
Advertising income	**–**	57
Publication of magazines	**–**	4
	355	18,428
	9,767,867	1,892,396

In the following table, revenue is disaggregated by primary geographical market and timing of revenue recognition. The table also includes a reconciliation of the disaggregated revenue with the Group's reportable segment.

For the year ended 31 December 2019	Continuing operations							Discontinued operation	
	Yacht club	Education	Real estate and property investment	Trading of commodities	Construction	Others	Sub-total	Provision of online game services	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Primary geographical market									
PRC	**68,820**	**49,089**	**4,380,350**	**5,231,585**	**12,280**	**25,388**	**9,767,512**	**355**	**9,767,867**
Revenue from other sources	**8,765**	**–**	**14,385**	**–**	**–**	**–**	**23,150**	**–**	**23,150**
Timing of revenue recognition									
At a point in time	**–**	**–**	**4,365,965**	**5,231,585**	**–**	**25,388**	**9,622,938**	**–**	**9,622,938**
Transferred over time	**60,055**	**49,089**	**–**	**–**	**12,280**	**–**	**121,424**	**355**	**121,779**
	60,055	**49,089**	**4,365,965**	**5,231,585**	**12,280**	**25,388**	**9,744,362**	**355**	**9,744,717**
	68,820	**49,089**	**4,380,350**	**5,231,585**	**12,280**	**25,388**	**9,767,512**	**355**	**9,767,867**

For the year ended 31 December 2018	Continuing operations							Discontinued operation	
	Yacht club	Education	Real estate and property investment	Trading of commodities	Construction	Others	Sub-total	Provision of online game services	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000* (re-presented)
Primary geographical market									
PRC	111,255	64,101	1,062,727	547,976	84,279	3,630	1,873,968	18,428	1,892,396
Revenue from other sources	–	–	10,636	–	–	–	10,636	–	10,636
Timing of revenue recognition									
At a point in time	139	–	1,052,091	547,976	–	3,630	1,603,836	61	1,603,897
Transferred over time	111,116	64,101	–	–	84,279	–	259,496	18,367	277,863
	111,255	64,101	1,052,091	547,976	84,279	3,630	1,863,332	18,428	1,881,760
	111,255	64,101	1,062,727	547,976	84,279	3,630	1,873,968	18,428	1,892,396

6. OTHER INCOME, GAINS/(LOSSES)

	2019 *HK$'000*	2018 *HK$'000* (re-presented)
Continuing operations:		
Interest income from bank balances	**13,530**	1,960
Interest income from bond receivable	**516**	–
Interest income from loan receivables	**–**	35,560
Gain from derecognition of financial guarantee contract	**27,348**	71,366
Recovery of bad debt written off	**6,212**	–
Government grants	**1,063**	262
Dividend income	**5,370**	2,377
Rental income	**–**	3,241
Foreign exchange loss — net	**(31,903)**	(75,876)
Loss on disposal of property, plant and equipment	**(2)**	–
Others	**18,652**	(191)
	40,786	38,699
Discontinued operation:		
Others	**(22)**	1,612
	40,764	40,311

7. FINANCE COSTS

	2019 *HK$'000*	2018 *HK$'000* (re-presented)
Continuing operations:		
Interest on bank borrowings	**150,092**	40,915
Interest on other borrowings	**288,214**	275,905
Interest on corporate bonds	**86,753**	37,254
Interest on PRC corporate bonds	**2,598**	–
Interest on loans from related parties	**22,462**	1,188
Imputed interest on consideration payable	**18,688**	14,409
Interest on lease liabilities	**1,600**	–
	570,407	369,671
Amount capitalised	**(338,624)**	(258,562)
	231,783	111,109

8. INCOME TAX EXPENSE

The amount of taxation in the consolidated statement of comprehensive income represents:

	2019	2018
	HK$'000	*HK$'000*
		(re-presented)
Continuing operations:		
Current tax:		
— PRC Enterprise Income Tax ("EIT")	**153,070**	30,349
— PRC Land Appreciation tax	**408,299**	23,897
	561,369	54,246
Deferred tax:		
— Current year	**(28,824)**	52,098
	532,545	106,344

9. PROFIT BEFORE INCOME TAX EXPENSE

Profit before income tax expense is arrived at after charging/(crediting):

	2019	2018
	HK$'000	*HK$'000*
		(re-presented)
Continuing operations:		
Amortisation of other intangible assets (included in cost of sale)	**46,015**	47,894
Amortisation of prepaid lease payments	**–**	3,904
Acquisition-related costs (included in administrative expenses)	**518**	392
Auditor's remuneration		
— Annual audit	**3,680**	3,080
— Other audit and non-audit services	**2,095**	1,300
Depreciation		
— Owned property, plant and equipment	**12,666**	7,449
— Leasehold land for own use	**6,433**	–
— Properties leased for own use	**4,571**	–
Loss on disposal of property, plant and equipment	**2**	189
Operating lease charges under HKAS 17		
— Office premises	**–**	6,117
— Motor vehicles	**–**	145
— Office equipment	**–**	9
Impairment losses on goodwill	**177,347**	–
Impairment losses on other intangible assets	**138,873**	–
Impairment losses on property, plant and equipment	**54,611**	–
Impairment losses on financial and contract assets — net	**45,664**	1,235
Short-term leases expenses	**79**	–
Discontinued operation:		
Depreciation		
— Owned property, plant and equipment	**132**	515
Impairment losses on financial and contract assets — net	**–**	16,601
Research and development expenses	**–**	2,361

10. DISCONTINUED OPERATION

On 29 June 2019, the Company entered into a sale and purchase agreement to dispose of the entire equity interest of Kingworld Holdings Limited ("Kingworld Holdings") which carried out the Group's provision of online game services at a cash consideration of HK$1. The disposal was completed on 29 June 2019.

The revenue, results and cash flows of Kingworld Holdings were as follows:

	1 January to 29 June 2019	**1 January to 31 December 2018**
	HK$'000	*HK$'000*
Revenue	**355**	18,428
Cost of sales	**(6,157)**	(6,710)
Selling expenses	**(9)**	(378)
Administrative expenses	**(4,748)**	(12,228)
Research and development expenses	**–**	(2,361)
Impairment losses on financial and contract assets	**–**	(16,601)
Other income, gains/(losses)	**(22)**	1,612
Loss before operation	**(10,581)**	(18,238)
Finance costs	**–**	–
Loss before income tax expense	**(10,581)**	(18,238)
Income tax expense	**–**	–
Loss after tax from discontinued operation	**(10,581)**	(18,238)
Gain on disposal of subsidiaries	**41,411**	–
Profit/(loss) for the year from discontinued operation	**30,830**	(18,238)

11. DIVIDENDS

The directors of the Company did not recommend payment of any final dividend for the year ended 31 December 2019 (2018: Nil).

12. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share attributable to the ordinary equity holders of the Company is based on the following data:

	2019	2018
	'000	*'000*
Number of shares		
Weighted average number of ordinary shares for the purposes of basic and diluted earnings per share	**4,333,369**	3,646,786

(a) For continuing and discontinued operations

	2019	2018
	HK$'000	*HK$'000*
		(re-presented)
Profit for the purpose of calculating basic earnings per share	**385,850**	103,138

(b) For continuing operations

	2019	2018
	HK$'000	*HK$'000*
		(re-presented)
Profit for the year attributable to owners of the Company	**385,850**	103,138
Less: (Profit)/loss for the year from discontinued operation	**(30,830)**	18,238
Profit for the purpose of calculating basic earnings per share from continuing operations	**355,020**	121,376

(c) From discontinued operation

	2019	2018
	HK$'000	*HK$'000*
		(re-presented)
Profit/(loss) for the purpose of calculating basic earnings/(loss) per share from discontinued operation	**30,830**	(18,238)

There were no dilutive potential ordinary shares outstanding for the years ended 31 December 2018 and 2019.

13. TRADE AND OTHER RECEIVABLES

	2019	2018
	HK$'000	*HK$'000*
Trade receivables	**194,777**	230,109
Less: loss allowance for ECL	**(535)**	(3,117)
	194,242	226,992
Other receivables	**180,325**	120,791
Bond receivable	**166,950**	–
Interest receivable	**2,870**	2,937
Compensation receivable	**–**	36,448
Consideration receivable	**3,438**	3,518
Prepayments and other deposits	**3,562,672**	133,970
Other tax assets	**159,036**	97,431
Total trade and other receivables	**4,269,533**	622,087

The Group generally allows an average credit period of 2 days (2018: 2 days) for sales of properties, 30 days (2018: 30 days) for its advertising customers, 30 days (2018: 30 days) for operation of a yacht club and 30 days (2018: 30 days) for provision of education and training services, 30 days (2018: 30 days) for its tenants, and 10 days (2018: 10 days) for its customers of trading of commodities.

Included in trade and other receivables are trade receivables (net of impairment losses) with the following ageing analysis, based on invoice dates, as of the end of reporting period.

	2019	2018
	HK$'000	*HK$'000*
0–30 days	**79,348**	175,027
31–60 days	**7,572**	38,769
61–90 days	**10,867**	995
91–180 days	**22**	7,809
Over 180 days	**96,433**	4,392
	194,242	226,992

14. TRADE AND OTHER PAYABLES

	2019	2018
	HK$'000	*HK$'000*
Trade payables	**3,387,530**	1,242,553
Trade payable to a related party	**–**	5,695
	3,387,530	1,248,248
Wages and salaries payables	**20,380**	47,745
Accruals	**8,641**	5,504
Other tax liabilities	**16,104**	21,020
Interest payables	**472,046**	302,480
Interest payables to a related party	**29**	29
Secured deposits from contractors	**316,253**	302,104
Other payables	**270,531**	127,313
Other payable to a non-controlling interest	**44,558**	–
Other payables to related parties	**78,088**	229
	4,614,160	2,054,672

The credit period of trade payables in relation to trading of commodities is ranged from 10–180 days; the credit period of trade payables in relation to provision of real estate and property investment is ranged from 7–30 days.

Included in trade and other payables are trade creditors with the following ageing analysis, based on invoice dates, as of the end of reporting period:

	2019	2018
	HK$'000	*HK$'000*
0–30 days	**2,880,428**	1,007,890
31–60 days	**96,275**	13,408
61–90 days	**23,787**	647
91–180 days	**21,498**	8,103
Over 180 days	**365,542**	218,200
	3,387,530	1,248,248

15. BUSINESS COMBINATION

Acquisition of Karsen International Limited ("Karsen International")

On 31 May 2019, an indirectly wholly owned subsidiary of the Company completed the acquisition of entire equity interests in Karsen International for a cash consideration of HK$60,000,000. Karsen International is principally engaged in property investment in the PRC. The acquisition aims to expand the business of the Company.

The fair value of the identifiable assets and liabilities of Karsen International acquired as at its date of acquisition is as follows:

	HK$'000
Property, plant and equipment	51
Investment properties	408,672
Trade and other receivables	1,790
Bank and cash balances	3,300
Borrowings	(174,750)
Trade and other payables	(91,193)
Deferred tax liabilities	(56,385)
Net identifiable assets and liabilities acquired	91,485
Gain on bargain purchase	(31,485)
Total consideration satisfied by cash	60,000

Net cash outflow arising on acquisition:

Cash consideration paid	(60,000)
Cash and cash equivalents acquired	3,300
	(56,700)

INDUSTRY AND MARKET OVERVIEW

The global economy experienced a slowdown and escalating trade dispute in 2019. The continuing trade policy uncertainties and structural challenges in developed economies are weighing on global economy. The world is experiencing tremendous and rapid changes, and there have been more and more sources of instability and risk points in the external environment. Against such backdrop, the domestic environment of the PRC is also challenging. In the past year, the PRC adopted the economic policies of promoting a transition from rapid growth to "quality-oriented" growth. The real estate regulatory rationale of "never using real estate as the short-term economic stimulus" was concreted into the policies such as "real estate for residential purpose rather than speculation" and "Three Stability (三穩)". Restrictions on home purchase and prices were implemented everywhere. Real estate financial regulation policies were implemented throughout the year stimultaneously. Over 620 regulatory policies were introduced under the main principles of "real estate for residential purpose rather than speculation" and "differentiated policies for different cities". Domestic real estate market remained resilient and stable despite the downward pressure. In 2019, total investments into real estate development activities across the country amounted to RMB13,219.4 billion, up 9.9% year on year. Total floor area of sales of commercial housing sold in the year reached 1,715.58 million square meters, down 0.1% year on year. Total sales value of commercial housing sold in the year reached RMB15,972.5 billion, up 6.5% year on year.

In 2019, the Group started to optimize a national presence. Since 2017, we decided to focus our business on real estate investment and development. After two years' business adjustment and resource consolidation, our national strategic development presence was further strengthened in 2019, and we have grown into a sizable real estate development company focusing on integrated property development and services. After our strategic transformation, we have formulated a new brand philosophy of "creating the beauty of life". As a rapidly growing company, we are committed to expanding our operations and innovate our services. We have managed our operations and performed our duties in a diligent manner. Our team members have worked together to continuously create and boost value for all shareholders and respective stakeholders.

Sports industry in the PRC was also growing quickly, thanks to the introduction of numerous favorable industrial policies. In January 2019, the General Administration of Sports and the Development and Reform Commission issued the Action Plan for Further Promoting Sports Consumption (2019–2020) (進一步促進體育消費的行動計劃(2019–2020年)), according to which the total sports consumption is expected to reach RMB1.5 trillion by 2020. In September of the same year, the General Office of the State Council issued the Outlines of Building A Strong Sports Country ("Outlines") and the Opinions on Promoting the National Fitness and Sports Consumption, and the Quality-Oriented Development of Sports Industry ("Opinions"), in order to enhance building up a strong sports country. The Outlines and Opinions clearly proposed the strategic goal of "Developing sports industry into a pillar industry of the national economy", and giving full play to sports in the process of building a modern and powerful socialist country. The Outlines deem "sports industry upgrading" as one of the nine major projects, and clearly define the goal of "accelerating the development of sports industry to create new economic drivers”. The Opinions stated that more guarantees should be given to key sports industry elements, and measures should be taken to stimulate market vitality and consumer sentiments, in order to build sports industry into a pillar industry of national economy. It is estimated that by 2022, the added value of sports service industry will account for 60% of the total added value of sports industry. In addition, the PRC will also vigorously cultivate fitness and leisure, sports performance, venue services, sports brokerage, sports training and other service industries. The PRC is in a strong push to develop the sports industry and stimulate sports consumption and the potential of sports consumption is expected to be further unleashed. Sports culture has been one of the fields that our Group specializes in. It is expected that the strong management team, good market relation and pragmatic and stable development model of our sports culture business will provide strong impetus to our Group’s overall business development.

BUSINESS REVIEW

2019 was the “year of optimizing our presence” for the Group. The Group horizontally started quality projects across the country, and entered into cooperation with more investors to expand our business scale and strengthen our brand influence. Vertical business structure was optimized and in-depth exploration was made into each business segment. We have focused on and boosted value of our core businesses.

Property investment and development

Since the Group started its strategic transformation in 2017, its operational scale and quality both accomplished great development. In order to better facilitate business growth, the Company officially changed its name to “Glory Sun Land Group Limited” in 2019 and confirmed its strategic focus on real estate investment and development via the platform of cultural sports industry. Over the past two years, the Company’s business operation and form expanded rapidly. Our real estate and property investment segment has built presences in 8 key domestic cities, including Shenzhen, Changchun, Shenyang, Weinan, Changsha, Shantou, Yunfu and Nanning. In these cities, we have 11 property projects in total under development, which included office buildings, commercial malls, multi-story and high-rise residences, hotels, commercial apartments, villas, and garden houses, with a gross construction area of approximately 4.6 million square meters and a total investment of approximately RMB37 billion.

In 2019, the Group strived to promote fast turnover while ensuring high-quality project construction. When ensuring quality products and services, the Group greatly improved operating efficiency. The real estate and property investment segment recorded a revenue of approximately HK$4.38 billion, an increase of approximately 3.1 times compared to last year. The segment’s result reached about HK$1.58 billion, a major contribution to the Group’s strong total net profit growth in 2019. The Group continued to pursue excellence in details and deliver diversified products and quality services to customers by constantly solidifying existing domestic real estate projects. It continued to integrate resources and actively developed and secured high-quality projects, in order to create new growth engine.

In 2019, the Group completed project acquisitions and open sale in various locations as follow:

On 30 May 2019, the Group acquired the entire equity interest in Karsen International Limited for a consideration of HK$60,000,000, thereby obtaining a commercial land with construction area of approximately 38,000 square meters located on Shenxin East Road, Tiexi District, Shenyang. The project building had a total of six floors. The first to third floors are commercial malls used for commercial purposes, and the fourth to sixth floors are partially used for hotels and office purposes. There are 159 parking spaces in the ground parking lot. At present, many well-known merchants have settled in the building.

On 7 June 2019, Shantou Times Bay (汕頭時代灣) project was officially launched for sale to the public. With ample previous customer reserves, the premises were in high demand after the launch and an ideal sales result was achieved. With an investment of over RMB10 billion and a gross construction area of over 1 million square meters, Shantou Times Bay project was positioned as a technology, creativity and leisure center in the global context and aimed at creating a vibrant modern metropolitan office park with a supporting apartment area for high-end talents.

On 16 November 2019, the open sale of Weinan project debuted. Thanks to our full preparation and strong products, the project achieved excellent sales within a short period. The project is located near local municipal government core area. The area of its location is the administrative and economic center planned and built by the municipal government. It is positioned to become a leading high-end residential project in the area, and an exemplary community for urban life.

On 24 December 2019, the Group acquired 100% equity interests of Nanning Project Company, thereby securing two major real estate projects, namely: Nanning Global Financial Center (南寧環球金融中心) and Nanning Wuxianghu No. 1 (南寧五象湖一號). Nanning Global Financial Center is located in the core area of Headquarters Base of Wuxiang New District in Nanning. It will become a commercial and office complex with a total space of 850,000 square meters, and serve as a leading financial and commercial headquarter in Wuxiang New District. Nanning Wuxianghu No. 1 project is located in the core residential area of Wuxiang New District, with complete transportation, education and medical facilities. It will become a landmark in Nanning's new downtown area that aligns with the international standards. As the Group's first project in Guangxi Province, Nanning Wuxianghu No. 1 project will be a benchmark project for the Group's in-depth development activities in South China zone. The project has great potential and can provide new profit growth engine for the Group.

Sports Culture

In 2019, the Group continued to optimize its core business and explored emerging business models. Our core operations include New Sports Marine Sports Center ("Sports Center") and the New Sports Marine Training Center ("Training Center"). Our business is also supported by the Shenzhen Bihai Bay Golf Practise Court ("Baoxin Golf"). We have strengthened our core businesses of sport tourism and sport training. Our project returns and social values were boosted through enhanced business planning and professional operation.

The Sports Center carried out nearly 60 events and activities in 2019 relying on the main businesses such as docking and rental services and event operations in the form of hosting, co-hosting and venue provision. We organized the 13th China Cup International Regatta, 2019 Youth OP Regatta International City League and Monaco OP-Class Regatta China Open, and other international events. In addition to various events and activities, the Sports Center took part in 2019 Community Day organized by ACCA Hong Kong, Eskimo Canoe Clean Ocean ("愛斯基摩獨木舟清潔海洋行動"), and many other charitable activities. We held the Second Youth OP Regatta International City League, the Friendly Regatta Match for HK, Macau, Shenzhen and Zhuhai, and other charitable activities for the young people.

The Training Center mainly serves enterprises, institutions and camp teaching teams, providing services such as camp education, team building and training. As at December 2019, the Training Center provided support and services for over 50,000 youngsters in activities including summer camp, winter camp, navigation culture training, navigation sports training, among others. We actively held charitable activities in an innovative manner to create positive impact on the community.

Baoxin Golf is a high-end leisure club that primarily offers golf practise and training services. With a total space of approximately 25,000 square meters, it is located in a natural environment. It also provides other integrated services such as fitness, entertainment, leisure and dining. Baoxin Golf has a stable customer base, sound management team and operation model. In 2019, Baoxin Golf delivered solid operating results. It served customers for over 50,000 person times throughout the year, and organized nearly one hundred member activities in various forms, which helped create a good golf culture in peripheral areas.

Overall, the market popularity of the yacht sports and golf sports, as middle and high-end consumer industry in the PRC, is far from enough. Development of the two sports was slower than expected under the gloom of the overall economic situation in 2019. The outbreak of novel coronavirus (COVID-19) epidemic (the "Epidemic") in early 2020 is expected to deal a heavy blow to sports culture business. The Group will take emergent responsive actions and adjust our operating strategies for the sports culture business under the guidance of national and provincial anti-epidemic authorities, in order to mitigate the blow from the Epidemic.

Structural Change

Based on our strategic development needs, our Group introduced strategic investors in 2019 to optimize our shareholding structure and further support our strategic transformation and expansion. In the meanwhile, the Group disposed and restructured non-core operations to focus on its principal businesses, thereby optimizing its business structure and enhancing return on assets.

On 24 June 2019, the Group's PRC subsidiary Shenzhen Baoxin Industrial Group Limited (深圳寶新實業集團有限公司) ("Baoxin Industrial") introduced a new investor, namely Shenzhen Ke Xin Shi Dai Industrial Investment Company Limited (深圳市科信時代實業投資有限公司) (the "Investor"). According to the capital injection agreement, the Investor agreed to invest RMB1,235,500,000 into Baoxin Industrial. Upon completion of the capital injection, the total registered capital of Baoxin Industrial increased to RMB1,764,800,000 from RMB1,500,000,000, and the remaining RMB970,700,000 was credited to the capital reserve. The Group's equity interest in Baoxin Industrial dropped from 100% to 85%, whereas the remaining 15% of equity interest in Baoxin Industrial was held by the Investor. The injected capital will be primarily used to repay external borrowings owned by related real estate project companies for existing and future land development projects, where the remaining fund shall be used for funding the working capital of Baoxin Industrial to meet future capital needs.

In addition, the Group sold its 100% of equity interest in Kingworld Holdings Limited on 29 June 2019. Upon completion of the disposal, the Group officially ended all its non-core business in online gaming services and related platform services. The disposal allows the Group to better focus its resources and efforts on real estate and property investment businesses, thereby delivering better results in the future. In addition, the Group's debt relationship with the two ultimate beneficial owners of the former shareholder of Kingworld Holdings Limited will remain valid. Therefore, the Company and its related subsidiaries still have the right to legally recover all outstanding arrears from these two individuals, and no negative impact will arise from the disposal of the abovementioned equity interest.

PROSPECTS

As mentioned above, the outbreak of the Epidemic that took place amid the Chinese Spring Festival in 2020 has seriously disrupted the life of Chinese people as well as production and economic activities in the country. Chinese cultural, sports and real estate markets have been hard hit. In respect of real estate, some provinces and cities have suspended land trading. The shutdown of property sale offices has stalled the offline sales. Construction activities were delayed due to the lockdown of transportation. Businesses still need to bear the high finance costs during the work suspension. All these headwinds are hitting real estate companies. It is foreseeable that Chinese real estate market will experience a major setback in the first quarter of 2020. The Epidemic also had profound impact on the sports industry. Indoor and outdoor fitness facilities, stadiums and sports training institutions were closed, which will seriously impact the fitness and leisure, sports training and venue services industries.

At the beginning of the Epidemic, the Group held many internal management meetings and set up an epidemic emergent response leadership team. Detailed anti-epidemic systems and measures were formulated. While ensuring fulfillment of national and local anti-epidemic requirements, we also made overall arrangements on the groupwide manpower, assets and materials. For customers, we expressed our concern at the earliest opportunity, while changing sales strategy by moving our services online. We launched live broadcast on-site display of sample units, online sales offices, and other responsive solutions. For business partners, we reduced or waived rents. For employees, we delayed the work resumption time, and recorded health status of those working at offices everyday. We also hired external specialists to disinfect our workplace, sales offices and construction sites, thereby ensuring work safety of the Group and each city unit. We participated and supported anti-epidemic works through adopting a series of measures, and it will allow us to accelerate production and operation after the Epidemic is over. While providing strong safeguard in workplace and to employees' work schedule, we will strive to realize our annual operating goals for this year.

Facing the severe challenges from the Epidemic, we see both challenges and opportunities ahead. As to the property industry, the Epidemic will hit real estate sales, and business operations will be suspended and construction activities will be disrupted in the near term. In the medium to long term, there will be lots of profound impact through the industrial chain and related economic activities. Against such backdrop, the central government and each provinces and cities have rolled out various relief measures to promote economic growth and to stabilize economy and secure livelihood. Real estate development is a process that possesses longer time span. Therefore, short delay in project and sales progress will have a relatively limited impact on overall development of the market. Factoring into the national regulatory policies, the PRC real estate market may remain stable and resilient in 2020, and will continue to benefit from the sustainable market opportunity of China's transition from rapid growth to "quality-oriented" growth. As to the sports industry, we believe the Epidemic will increase people's health awareness. The public will pay more attention to their health status. We expect a strong consumption demand recovery after the Epidemic is over, which will present great opportunities to quality-oriented development of China's sports industry.

Looking ahead into 2020, the Group's management and team members will calmly handle new situations and changes arising from the Epidemic, seize opportunities of the proactive and flexible currency policy for hedging the economic impact. We will optimize cost diversification and increase quality land reserves in various ways. In property investment, we will further deepen our presence in the Guangdong-Hong Kong-Macao Greater Bay Area and expand the high quality projects in the first-tier and strong second-tier cities. In sports culture business, we will use our self-owned property resources to expand our presence across the industrial chain and further develop our main consumption industries including cultural and leisure tourism, sports health and education businesses.

This year will be full of challenges and opportunities. The Group will uphold the philosophy of creating more income for shareholders and creating more value for the society. We will implement the "dual-growth engine" strategy of "Property investment and development + Sports Culture". Risk control will be further strengthened, and prudence will be exercised in our investments. We will focus on sound capital operation and strike a balance between scale, profit and risks. We will adhere to the philosophy of "creating the beauty of life", and bring benefits to each customer, employee and investor. With concerted efforts, we are committed to becoming an excellent real estate developer. We will continue to enhance our market competitiveness and penetration, further enhance the Group's overall competitiveness, and elevate the Company's position.

REVIEW OF RESULTS AND OPERATIONS

The revenue of the Group mainly arose from four major business segments, namely real estates and properties investment, trading of commodities, operation of yacht club and education and training. During the Year, the Group achieved approximately HK$9,767,512,000 in revenue, increase by approximately 421.2% from that of approximately HK$1,873,968,000 for 2018.

This was mainly due to an increase in recognized property sales revenue and trading income from commodities. Specifically, property sales revenue was approximately HK$4,380,350,000 for the Year, increase by 312.2% year-on-year, accounting for 44.8% of the total revenue. It was contributed by sales from Nanning Project Group, Shantou Chaoyang project as well as Changsha project. Revenue from trading of commodities was approximately HK$5,231,585,000 for the Year, increase by 854.7% year-on-year, accounting for 53.6% of total revenue. It was mainly attributable to the increase in trading volume of commodities.

In 2019, the cost of sales of the Group was approximately HK$8,022,911,000, increase by 358% from approximately HK$1,751,568,000 in 2018. The increase in the cost of sales was mainly due to the increase in properties delivered and hence increase related cost recognized.

Along with the revenue growth, the gross profit was approximately HK$1,744,601,000 for the Year, comparing to approximately HK$122,400,000 for 2018, while the corresponding gross profit margin increased from 6.5% to 17.9%. The substantial increase in gross profit margin was mainly due to the contributions from the sales of properties in Nanning Wuxianghu No. 1 project and Nanning Wuxiang Global Financial Center project.

With the sustainable business development and expansion of the Group, for the Year, selling expenses were increased by approximately 271.8% when compared with last year which amounted to approximately HK$47,912,000 (2018: approximately HK$12,886,000); administrative expenses were increased by approximately 42.4% when compared with the last year which amounted to approximately HK$107,614,000 (2018: approximately HK$75,586,000).

Following the outbreak of the Epidemic, the Directors considered that the anticipated cash flows to be generated from the future use of the asset in relation to the operation of Yacht Club and Education business in the PRC would be uncertain. Hence, based on valuation of fair value changes in relevant businesses, impairment for relevant goodwill, property, plant and equipment and other intangible assets of operation of Yacht Club and Education business in the PRC amounted to approximately HK$177,347,000, HK$54,611,000 and HK$138,873,000 respectively were made (2018: Nil).

The properties portfolio of the Group comprised residential and commercial properties in Shenyang, Hefei, Shenzhen and Hunan, as well as certain properties under construction in Shantou and Nanning, which were held for investment purpose. As at 31 December 2019, the loss resulted from the fair value change of those investment properties amounted to approximately HK$22,338,000 (2018: gain approximately HK$203,290,000) was recognized.

The Group recognised a gain on bargain purchase from business combination of approximately HK$31,485,000 for the Year (2018: HK$108,658,000). It was contributed by the acquisition of Shenyang Project Company.

Besides, a fair value loss of approximately HK$605,000 for the Year (2018: gain approximately HK$37,145,000) was resulted from the adjustment on contingent consideration payable in relation to the acquisition of Yue Jin Asia Limited. A fair value gain of approximately HK$10,615,000 for the Year (2018: loss approximately HK$3,697,000) was resulted from the adjustment on derivative financial assets in relation to the put option as part of the consideration for the acquisition of Yue Jin Asia Limited in 2016.

Finance costs represent mainly interest expenses and other borrowing costs in relation to bank and other borrowings as well as imputed interest expense on non-current accounts payable which calculated using the effective interest method. During the Year, finance costs amounted to approximately HK$231,783,000 (2018: approximately HK$111,109,000), representing an increase by approximately 108.6% compared to 2018. The increase was mainly due to the increase in bank and other borrowings and bonds issued during the Year.

Income tax expense, which consisted of the Enterprise Income Tax ("EIT") and the Land Appreciation Tax ("LAT") levied in the PRC as well as their deferred tax effect, was approximately HK$532,545,000 for the Year as compared with the last year of approximately HK$106,344,000, representing an increase in approximately 400.8% compared to 2018. The increase was mainly attributable to the provision of PRC EIT and LAT related to Nanning Project Group which was newly acquired in the Year and the increase in deferred tax credit along with the reversal of temporary differences arising on fair value adjustments on investment properties, goodwill and intangible assets.

Given the foregoing factors, the Group recorded a net profit of approximately HK$499,025,000 for the Year, as compared with the net profit of approximately HK$161,837,000 for 2018.

LIQUIDITY AND FINANCIAL RESOURCES

As at 31 December 2019, the Group had bank and cash balances of approximately HK$634,120,000 (31 December 2018: approximately HK$758,316,000), while the pledged and restricted bank deposits amounted to approximately HK$825,802,000 (31 December 2018: approximately HK$253,481,000).

Total borrowings of the Group amounted to approximately HK$8,469,595,000 as at 31 December 2019 (31 December 2018: approximately HK$4,827,735,000), of which equivalents of approximately HK$1,499,500,000 (31 December 2018: approximately HK$557,500,000) and approximately HK$6,970,095,000 (31 December 2018: approximately HK$4,270,235,000) were denominated in Hong Kong dollar and Renminbi respectively.

Total borrowings included bank and other loans of approximately HK$6,372,962,000 (31 December 2018: approximately HK$4,113,825,000), and corporate bond of approximately HK$1,539,400,000 (31 December 2018: approximately HK$497,500,000), and notes payable of approximately HK$557,233,000 (31 December 2018: approximately HK$216,410,000). Except for interest-free for note payables, all loans bore fixed interest rates and exposed the Group to fair value interest rate risk.

As at 31 December 2019, the Group had a net current asset of approximately HK$3,257,868,000, as compared with an amount of approximately HK$1,007,456,000 as at 31 December 2018. As at 31 December 2019, the gearing ratio of the Group was approximately 1.508 (31 December 2018: approximately 0.956), which was calculated on the basis of the total borrowings less bank and cash balances and pledged and restricted bank deposits divided by total equity as at the respective reporting date.

CAPITAL EXPENDITURE

The total spending on the acquisition of property, plant and equipment and investment properties amounted to approximately HK$2,775,659,000 for the Year (2018: approximately HK$14,634,000), of which approximately HK$2,059,548,000 was acquired through acquisition of subsidiaries.

CHARGE OF ASSETS

As at 31 December 2019, properties for sale under development, properties held for sale and investment properties with the carrying amount of approximately HK$4,966,568,000 (2018: approximately HK$1,760,400,000), HK$85,923,000 (2018: Nil) and HK$2,065,728,000 (2018: approximately HK$288,167,000) respectively are pledged as security for bank loans and other borrowing granted in relation to the Group's real estate business.

The properties for sale under development with carrying amount of approximately HK$397,037,000 (2018: approximately HK$170,868,000) are pledged for provision of financial guarantees to associated party of a former equity holder of a subsidiary.

The pledged and restricted bank deposit amounted of approximately HK$825,802,000 (2018: approximate: HK$253,481,000) was pledged to banks to secure bank borrowings and notes payable granted to the Group for the real estate business.

As at 31 December 2018, certain equity investments at fair value through other comprehensive income with a carrying amount of approximately HK$122,156,000 were pledged to secure the relevant loan from a related party amounting HK$60,000,000 which granted to a subsidiary of the Group.

EMPLOYEE AND REMUNERATION POLICIES

The Group had 555 employees as at 31 December 2019 (31 December 2018: 438) in Hong Kong and the PRC. The Group reviews remuneration and benefits of its employees annually according to the relevant market practice and individual performance of the employees. Save for the social security insurance in the PRC and the mandatory provident fund scheme in Hong Kong, the Group has not set aside or accrued any significant funds to provide for retirement or similar benefits for its employees.

FOREIGN EXCHANGE AND CURRENCY RISKS

Most of the Group's revenue and expenses were generated from the PRC and were denominated in Renminbi. During the Year, the Group had not hedged its foreign exchange risk because the exposure was considered insignificant. Our management will continue to monitor our foreign exchange exposure and will consider hedging the foreign currency exposure when it is necessary.

SHARE CAPITAL

Retained Consideration Shares for the Sale and Purchase Agreement dated 19 September 2016

On 19 September 2016, the Company entered into the sale and purchase agreement in relation to purchase the entire issued share capital in Yue Jin Asia Limited. The initial consideration of HK$850,000,000 was settled whereas the retained consideration of HK$150,000,000 was subject to the retained consideration adjustment on the retained consideration release date. Pursuant to the written confirmation dated 29 April 2019 issued to the Company by RSM Hong Kong, the auditors of the Company at the time, based on the annual report of the Company for the year ended 31 December 2018 published on 25 April 2019 (the "2018 Annual Report"), each of the 2018 Yacht Club profit and the 2018 Education profit has reached the profit guarantee of HK$60,000,000 and HK$17,500,000 respectively. Therefore, no retained consideration adjustment shall become applicable. On 14 May 2019, 111,548,585 retained consideration shares (the "Retained Consideration Shares") were allotted and issued by the Company to Yue Jin International Limited at the issue price of HK$1.24 (after the issue price adjustment) per Retained Consideration Share under specific mandate granted to the Directors at the extraordinary general meeting on 19 December 2016. The closing market price per Retained Consideration Share on the issued date was HK$0.475. Details of which were disclosed in the announcements of the Company dated 19 September 2016, 28 December 2016 and 14 May 2019 and the circular of the Company dated 30 November 2016.

Subscription Agreements dated 18 June 2019 in relation to the Subscription of 379,000,000 Subscription Shares

On 18 June 2019, the Company entered into the subscription agreements with Hongkun Limited and Smart Omen Limited in relation to the subscription (the "Subscription") of 379,000,000 subscription shares (the "Subscription Shares"). The Subscription was completed on 24 June 2019 and according to the subscription agreements, 277,600,000 Subscription Shares and 101,400,000 Subscription Shares were allotted and issued by the Company to Hongkun Limited and Smart Omen Limited respectively at the subscription price of HK$0.45 per Subscription Share under general mandate granted to the Directors at the annual general meeting on 30 May 2019. The net proceeds, after deduction of relevant expenses, from the Subscription were approximately HK$170,500,000. The Company used the net proceeds from the Subscription for financing the general working capital of the Company. The Directors considered that the Subscription offered a good opportunity to raise additional funds to strengthen the financial position and provide the Group with working capital to meet future development and obligations, whilst broadening its shareholder base and capital base. The Directors considered that the terms of the subscription agreements were fair and reasonable and were in the interests of the Company and the shareholders of the Company (the "Shareholders") as a whole. The closing market price per ordinary share of the Company (the "Share") on the issued date was HK$0.62 and the net price of each Subscription Share was approximately HK$0.4499. Details of which were disclosed in the announcements of the Company dated 18 June 2019 and 24 June 2019.

Public Float

Reference is made to the Company's announcement dated 25 May 2019 in relation to the close of mandatory unconditional cash offer (the "Offer") as disclosed therein. Upon the close of the Offer, on 24 May 2019, there were 1,023,044,597 Shares in the hands of the public (as defined under the Rules (the "Listing Rules") Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Stock Exchange")), representing approximately 24.53% of the entire issued share capital of the Company. The Company therefore could not fulfill the minimum public float requirement under Rule 8.08(1)(a) of the Listing Rules. The Stock Exchange granted a waiver from strict compliance with Rule 8.08(1)(a) of the Listing Rules for a period from 24 May 2019 to 28 June 2019. Reference is made to the Company's announcements dated 18 June 2019 and 24 June 2019 respectively in relation to the restoration of public float of the Company as disclosed therein. On 24 June 2019, immediately following the completion of the Subscription and as at 24 June 2019, 1,402,044,597 Shares were held by the public, representing approximately 30.82% of the total issued share capital of the Company as at the date of 24 June 2019. Accordingly, the minimum public float of the Company has been restored and the Company is in compliance with Rule 8.08(1)(a) of the Listing Rules. Details of which were disclosed in the announcements of the Company dated 24 May 2019, 18 June 2019 and 24 June 2019.

CONTINGENT LIABILITIES

As at 31 December 2019, the Group had no material contingent liabilities (2018: Nil).

CAPITAL COMMITMENTS

As at 31 December 2019, the Group's capital commitment was approximately HK$10,992,359,000 (2018: approximately HK$8,242,045,000) in respect of contracted but not provided for capital expenditures on properties under development and the acquisition of property, plant and equipment.

SIGNIFICANT INVESTMENT, MATERIAL ACQUISITIONS OR DISPOSALS OF SUBSIDIARIES AND AFFILIATED COMPANIES

Apart from (i) the acquisition of Nanning Project Company, (ii) deemed disposal of 15% of equity interest in Baoxin Industrial, a subsidiary of the Company, and (iii) the completion of disposal of the entire equity interest in Kingworld Holdings Limited, a subsidiary of the Company, on 29 June 2019, as disclosed in the business review above, and save for those disclosed in this announcement, there were no other significant investments held as at 31 December 2019 nor other material acquisitions and disposals of subsidiaries or affiliated companies made by the Group during the Year.

EVENTS AFTER THE REPORTING PERIOD

The outbreak of the Epidemic has caused disruptions to many industries, including the operating segment of the Group, in the PRC as well as other countries and regions. Despite the challenges, governments and international organisations have implemented a series of measures to contain the Epidemic. The Group will closely monitor the development of the Epidemic and assess its impact on its operations.

Other than disclosed above and elsewhere in this announcement, up to the date of this announcement, there is no other significant event identified by the management subsequent to the reporting period.

SHARE OPTIONS

2014 Share Option Scheme was adopted on 26 March 2014. As at 31 December 2019, the number of shares in respect of which options had been granted and remained outstanding was nil (2018: Nil).

FINAL DIVIDEND

The Directors do not recommend payment of any final dividend for the year ended 31 December 2019 (2018: Nil).

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted a code of conduct for securities transactions and dealing (the "Code of Conduct") by Directors on terms no less exacting than the required standard of the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Listing Rules. Having made specific enquiry of all Directors, they confirmed that they have complied with the required standards set out in the Model Code and the Code of Conduct during the year ended 31 December 2019.

CORPORATE GOVERNANCE

The Company emphasizes on corporate governance and committed to maintaining high standard of corporate governance which is reviewed and strengthened from time to time.

During the year under review, the Company has applied and complied with the applicable provisions as set out in the Corporate Governance Code ("CG Code") contained in Appendix 14 of the Listing Rules, except the deviation disclosed herein.

According to the CG Code provision E.1.2, chairman of the board should attend the annual general meeting. The Chairman of the Board, Mr. Yao Jianhui, was unable to attend the Company's annual general meeting held on 30 May 2019 due to fixed business travel schedule. He had arranged Mr. Zhang Xiaodong, the Vice Chairman and executive Director of the Company, who is very familiar with the Group's business and operations, to attend and chair the meeting. Other Directors, including four independent non-executive Directors at the time, being the chairman/members of the Audit Committee, Salary Review Committee and Nomination Committee, together with the external independent auditor attended the annual general meeting and answered questions from the attending shareholders and investors. All resolutions proposed were duly passed by shareholders' voting at the meeting.

PURCHASE, SALES OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

None of the Company or any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the Year.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed above, at no time during the Year was the Company, any of its holding companies, subsidiaries or fellow subsidiaries a party to any arrangements to enable the directors or the chief executive of the Company or any of their respective spouses or children under 18 years of age to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

CLOSURE OF REGISTER OF MEMBERS

For the purpose of determining the shareholders who are entitled to attend and vote at the annual general meeting of the Company to be held on 2 June 2020 (the "2020 Annual General Meeting"), the register of members of the Company will be closed from Thursday, 28 May 2020 to Tuesday, 2 June 2020, both days inclusive. During this period, no transfer of shares will be registered. In order to qualify for attending and voting at the 2020 Annual General Meeting, all transfers of shares 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, Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong no later than 4:30 p.m. on Wednesday, 27 May 2020.

AUDIT COMMITTEE

The Company has established an audit committee (the "Audit Committee") with written terms of reference in compliance with the Listing Rules. The primary duties of the Audit Committee are to review and supervise the financial reporting process, risk management and internal control system of the Group, and to review the Company's annual report and to provide advice and comments thereon to the Board. The Audit Committee comprises of Mr. Wong Chun Bong (Chairman), Ms. He Suying and Dr. Tang Lai Wah.

The Audit Committee has reviewed and approved the Group's annual results for the year ended 31 December 2019.

SCOPE OF WORK OF INDEPENDENT AUDITOR

The figures in respect of the preliminary announcement of the Group's results for the year ended 31 December 2019 have been agreed by the Company's auditors, BDO Limited, to the amounts set out in the Group's audited consolidated financial statements for the year ended 31 December 2019. The work performed by BDO Limited in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by BDO Limited on the preliminary announcement.

PUBLICATION OF FINAL RESULTS AND ANNUAL REPORT

This final results announcement is published on the websites of the Company (www.hk0299.com) and The Hong Kong Exchanges and Clearing Limited (www.hkexnews.hk).

The annual report of the Company for the year ended 31 December 2019 containing all the information required by the Listing Rules shall be despatched to the Shareholders and made available on the abovementioned websites in due course.

By order of the board
Glory Sun Land Group Limited
Yao Jianhui
Chairman

Hong Kong, 25 March 2020

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

The announcement has been printed in English and Chinese. In the event of any inconsistency, the English text of this announcement shall prevail over the Chinese text.