寶新金融集團有限公司
GLORY SUN FINANCIAL GROUP LIMITED
(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 01282)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2019

The board of directors (the "**Board**" or the "**Director(s)**") of Glory Sun Financial Group Limited (the "**Company**") would like to announce the unaudited condensed consolidated interim results of the Company and its subsidiaries (collectively, the "**Group**") for the six months ended 30 June 2019, together with the comparative figures for the corresponding period in 2018.

FINANCIAL HIGHLIGHTS

	For the six months ended 30 June		
	2019 (Unaudited)	2018 (Unaudited)	Change
Revenue *(HK$' million)*	**2,012.6**	914.0	120.2%
EBITDA *(HK$' million)* *(Note 1)*	**626.9**	359.4	74.4%
EBIT *(HK$' million)* *(Note 2)*	**609.2**	348.9	74.6%
Profit attributable to owners of the Company *(HK$' million)*	**373.3**	243.7	53.2%
EPS *(HK cents)*			
— Basic	**1.42**	0.94	51.1%
— Diluted	**1.42**	0.94	51.1%

	As at 30 June 2019 (Unaudited)	As at 31 December 2018 (Audited)	Change
Net asset value *(HK$' million)*	**11,023.2**	6,964.8	58.3%
Net asset value per share *(HK$)*	**0.42**	0.27	55.6%
Cash and cash equivalents *(HK$' million)*	**2,345.8**	907.1	158.6%
Borrowings *(HK$' million)*	**9,891.7**	1,686.4	486.6%
Gearing ratio (%) *(Note 3)*	**89.7%**	24.2%	270.7%

Notes:

(1) EBITDA is calculated as profit before income tax subtracted by finance cost — net (excluding adjustment of put option liability in relation to acquisition of subsidiaries) and adding back depreciation of property, plant and equipment, amortisation of intangible assets and amortisation of land use right.

(2) EBIT is calculated as profit before income tax subtracted by finance cost — net (excluding adjustment of put option liability in relation to acquisition of subsidiaries).

(3) Gearing ratio is calculated as borrowings divided by net asset value.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2019

	Notes	For the six months ended 30 June 2019 HK$'000 (Unaudited)	2018 HK$'000 (Unaudited)
Continuing operations			
Revenue	5	**2,012,607**	914,021
Cost of sales		**(1,958,241)**	(591,634)
Gross profit		**54,366**	322,387
Other gains/(losses) — net	6	**27,350**	(4,987)
Other income	6	**24,044**	21,956
Gain on bargain purchase	17	**696,412**	44,042
Loss on remeasurement of pre-existing interest in an associate	17	**(176,869)**	–
Fair value gain on investment properties		**138,358**	126,078
Distribution costs		**(23,478)**	(13,514)
Administrative expenses		**(205,133)**	(146,168)
Profit from operations		**535,050**	349,794
Finance costs — net	8	**(49,386)**	(14,178)
Share of results of associates		**14,717**	3,562
Profit before income tax from continuing operations		**500,381**	339,178
Income tax expense	9	**(101,636)**	(75,708)
Profit for the period from continuing operations		**398,745**	263,470
Discontinued operation			
Profit for the period from discontinued operation		**59,429**	–
Profit for the period	7	**458,174**	263,470
Profit attributable to:			
Owners of the Company			
— Continuing operations		**332,260**	243,673
— Discontinued operation		**41,071**	–
		373,331	243,673
Non-controlling interests			
— Continuing operations		**66,485**	19,797
— Discontinued operation		**18,358**	–
		84,843	19,797
		458,174	263,470

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (CONTINUED)
For the six months ended 30 June 2019

	Notes	For the six months ended 30 June 2019 HK$'000 (Unaudited)	2018 HK$'000 (Unaudited)
Profit for the period		**458,174**	263,470
Other comprehensive income:			
Items that may be reclassified to profit or loss:			
Currency translation differences		**(146,041)**	(58,155)
Release of exchange reserve on disposal of subsidiaries		**(2,438)**	–
Share of other comprehensive income of associates		**(61,200)**	–
Items that will not be reclassified to profit or loss:			
Net changes in the fair value of equity instruments designated at fair value through other comprehensive income		**(218,969)**	(1,542,643)
Other comprehensive income for the period		**(428,648)**	(1,600,798)
Total comprehensive income for the period		**29,526**	(1,337,328)
Total comprehensive income for the period attributable to:			
— Owners of the Company		**(37,254)**	(1,353,897)
— Non-controlling interests		**66,780**	16,569
		29,526	(1,337,328)
Earnings per share from continuing and discontinued operations			
— Basic *(HK cents)*	*10*	**1.42**	0.94
— Diluted *(HK cents)*	*10*	**1.42**	0.94
Earnings per share from continuing operations			
— Basic *(HK cents)*	*10*	**1.26**	0.94
— Diluted *(HK cents)*	*10*	**1.26**	0.94
Earnings per share from discontinued operations			
— Basic *(HK cents)*	*10*	**0.16**	N/A
— Diluted *(HK cents)*	*10*	**0.16**	N/A

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2019

	Notes	As at 30 June 2019 HK$'000 (Unaudited)	As at 31 December 2018 HK$'000 (Audited)
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment		**627,981**	409,910
Prepaid land lease payments		**–**	4,839
Investment properties		**6,827,111**	3,082,784
Intangible assets		**901,517**	189,087
Investments in associates		**326,779**	1,154,558
Financial assets at fair value through other comprehensive income	*12*	**851,356**	903,857
Finance lease receivables		**79,806**	91,394
Deposits and other receivables		**217,285**	24,275
Derivative financial assets		**6,830**	–
Deferred tax assets		**43,115**	–
		9,881,780	5,860,704
Current assets			
Inventories		**42,072**	42,081
Properties under development		**7,121,273**	863,272
Completed properties held for sale		**1,017,661**	353,118
Loans and advances	*13*	**901,673**	960,394
Trade receivables	*14*	**265,107**	154,417
Contract assets		**331,327**	37,224
Finance lease receivables		**52,100**	44,244
Prepayments, deposits and other receivables		**4,472,825**	207,684
Financial assets at fair value through profit or loss	*15*	**345,282**	982,589
Client trust bank balances		**548,231**	261,084
Restricted cash		**40,226**	67,893
Pledged bank deposits		**268,416**	–
Time deposits with original maturity over three months		**29,113**	39,350
Cash and cash equivalents		**2,345,799**	907,123
		17,781,105	4,920,473
Total assets		**27,662,885**	10,781,177

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)
As at 30 June 2019

	Notes	As at 30 June 2019 HK$'000 (Unaudited)	As at 31 December 2018 HK$'000 (Audited)
Current liabilities			
Trade and bills payables	*16*	**2,655,040**	779,925
Contract liabilities		**611,183**	291,438
Accruals and other payables		**1,681,706**	637,512
Consideration payable		**123,193**	–
Borrowings		**7,264,424**	1,654,504
Lease liabilities		**9,264**	–
Current tax liabilities		**205,462**	100,654
		12,550,272	3,464,033
Net current assets		**5,230,833**	1,456,440
Total assets less current liabilities		**15,112,613**	7,317,144
Non-current liabilities			
Borrowings		**2,627,310**	31,847
Lease liabilities		**30,573**	–
Consideration payable		**130,065**	–
Financial guarantees		**33,836**	–
Deferred tax liabilities		**1,267,594**	320,543
		4,089,378	352,390
Total liabilities		**16,639,650**	3,816,423
NET ASSETS		**11,023,235**	6,964,754
EQUITY			
Share capital		**2,738,751**	2,586,981
Reserves		**4,811,348**	3,715,486
Equity attributable to owners of the Company		**7,550,099**	6,302,467
Non-controlling interests		**3,473,136**	662,287
TOTAL EQUITY		**11,023,235**	6,964,754

NOTES

1 GENERAL INFORMATION

Glory Sun Financial Group Limited (the "**Company**") was incorporated in the Cayman Islands as an exempted company with limited liability under Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The address of its registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands and its principal place of business is Units 1908 to 1909, 19/F, Tower 2, Lippo Centre, No. 89 Queensway, Hong Kong.

Pursuant to the passing of a special resolution at the extraordinary general meeting held on 30 April 2019, the English name of the Company was changed from "China Goldjoy Group Limited" to "Glory Sun Financial Group Limited" and the Chinese name of the Company was changed from "中國金洋集團有限公司" to "寶新金融集團有限公司". The Certificate of Incorporation on Change of Name was issued by the Registrar of Companies of the Cayman Islands on 2 May 2019 and the Certificate of Registration of Alteration of Name of Registered Non-Hong Kong Company was issued by the Hong Kong Companies Registry on 22 May 2019.

The Company's shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**").

This interim condensed consolidated financial information is presented in thousands of units of Hong Kong dollars, unless otherwise stated. This interim condensed consolidated financial information has been reviewed by audit committee of the Company and approved by the board of directors for issue on 29 August 2019.

This interim condensed consolidated financial information has been reviewed, not audited.

2 BASIS OF PREPARATION

This interim condensed consolidated financial information for the six months ended 30 June 2019 has been prepared in accordance with Hong Kong Accounting Standard ("**HKAS**") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**") and the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange. The interim condensed consolidated financial information do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements for the year ended 31 December 2018.

3 ACCOUNTING POLICIES

The accounting policies applied that have been used in the preparation of the interim condensed consolidated financial information are consistent with those used in the Group's financial statements for the year ended 31 December 2018, except for the adoption of the new and amended Hong Kong Financial Reporting Standards ("**HKFRSs**"), which collective term includes all applicable HKFRSs, HKASs and Interpretations effective for the first time for annual period beginning on 1 January 2019.

3.1 New and amended standards adopted by the Group

In the current period, the Group has applied for the first time the following new standards, amendments and interpretations ("**the new HKFRSs**") issued by the HKICPA, which are relevant to and effective for the Group's financial year beginning on 1 January 2019:

HKFRS 16	Leases
HK(IFRIC) — Int 23	Uncertainty over Income Tax Treatments
Amendments to HKFRS 9	Prepayment Features with 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 HKFRSs	Annual Improvements to HKFRSs 2015–2017 Cycle

Other than as noted below, the adoption of the new HKFRSs has no material impact on the interim condensed consolidated financial information.

The HKICPA has issued a number of new or revised standards, interpretations and amendments to standards which are not effective for accounting period beginning on 1 January 2019 and the Group has not early adopted the rules.

HKFRS 16 — Leases ("HKFRS 16")

The Group has initially applied HKFRS 16 on 1 January 2019. HKFRS 16 replaces HKAS 17 Leases, and the related interpretations, HK(IFRIC) 4 Determining whether an arrangement contains a lease, HK(SIC) 15 Operating leases — incentives, and HK(SIC) 27 Evaluating the substance of transactions involving the legal form of a lease. It introduces a single accounting model for lessees, which requires a lessee to recognise a right-of-use asset and a lease liability for all leases, except for leases that have a lease term of 12 months or less ("**short-term leases**") and leases of low value assets. The lessor accounting requirements are brought forward from HKAS 17 substantially unchanged.

The Group has initially applied HKFRS 16 on 1 January 2019.

Further details of the nature and effect of the changes to previous accounting policies and the transition options applied are set out below:

(a) New definition of a lease

The change in the definition of a lease mainly relates to the concept of control. HKFRS 16 defines a lease on the basis of whether a customer controls the use of an identified asset for a period of time, which may be determined by a defined amount of use. Control is conveyed where the customer has both the right to direct the use of the identified asset and to obtain substantially all of the economic benefits from that use.

The Group applies the new definition of a lease in HKFRS 16 only to contracts that were entered into or changed on or after 1 January 2019. For contracts entered into before 1 January 2019, the Group has used the transitional practical expedient to grandfather the previous assessment of which existing arrangements are or contain leases.

Accordingly, contracts that were previously assessed as leases under HKAS 17 continue to be accounted for as leases under HKFRS 16 and contracts previously assessed as non-lease service arrangements continue to be accounted for as executory contracts.

(b) Lessee accounting

HKFRS 16 eliminates the requirement for a lessee to classify leases as either operating leases or finance leases, as was previously required by HKAS 17. Instead, the Group is required to capitalise all leases when it is the lessee, including leases previously classified as operating leases under HKAS 17, other than those short-term leases and leases of low-value assets.

Where the contract contains lease component and non-lease component, the Group has elected not to separate non-lease components and accounts for each lease component and any associated non-lease components as a single lease component for all leases.

(i) Lease liabilities

At the commencement date of a lease, the Group recognises and measures the lease liability at the present value of lease payments that are unpaid at that date. In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable.

The lease payments include:

- fixed payments (including in-substance fixed payments) less any lease incentives receivable;
- variable lease payments that depend on an index or a rate;
- amounts expected to be paid under residual value guarantees;
- the exercise price of a purchase option reasonably certain to be exercised by the Group; and
- payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate.

After the commencement date, lease liabilities are adjusted by interest accretion and lease payments.

The lease liability is remeasured when there is a change in future lease payments arising from a change in an index or rate, or there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or there is a change arising from the reassessment of whether the Group will be reasonably certain to exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

(ii) Right-of-use assets

Except for short-term leases and leases of low value assets, the Group recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

The cost of right-of-use asset includes:

- the amount of the initial measurement of the lease liability;
- any lease payments made at or before the commencement date, less any lease incentives received;
- any initial direct costs incurred by the Group; and
- an estimate of costs to be incurred by the Group in dismantling and removing the underlying assets, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories.

Right-of-use assets in which the Group is reasonably certain to obtain ownership of the underlying leased assets at the end of the lease term is depreciated from commencement date to the end of the useful life. Otherwise, right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

(c) *Lessor accounting*

HKFRS 16 substantially carries forward the lessor accounting requirements of the superseded HKAS 17. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently.

(d) *Critical accounting judgements and sources of estimation uncertainty in applying HKFRS 16*

Determining the lease term

As explained in the above accounting policies, the lease liability is initially recognised at the present value of the lease payments payable over the lease term. In determining the lease term at the commencement date for leases that include renewal options exercisable by the Group, the Group evaluates the likelihood of exercising the renewal options taking into account all relevant facts and circumstances that create an economic incentive for the Group to exercise the option, including favourable terms, leasehold improvements undertaken and the importance of that underlying asset to the group's operation. The lease term is reassessed when there is a significant event or significant change in circumstance that is within the Group's control. Any increase or decrease in the lease term would affect the amount of lease liabilities and right-of-use assets recognised in future years.

(e) *Transitional impact and practical expedients applied*

The Group has elected to use the modified retrospective approach and has therefore recognised the cumulative effect of initial application as an adjustment to the opening balance of equity at 1 January 2019. Comparative information has not been restated and continues to be reported under HKAS 17.

At the date of transition to HKFRS 16 (i.e. 1 January 2019), the Group determined the length of the remaining lease terms and measured the lease liabilities for the leases previously classified as operating leases at the present value of the remaining lease payments, discounted using the relevant incremental borrowing rates at 1 January 2019. The weighted average of the incremental borrowing rate used for determination of the present value of the remaining lease payments was 6.30%.

To ease the transition to HKFRS 16, the Group applied the following recognition exemption and practical expedients at the date of initial application of HKFRS 16:

(i) the Group elected not to apply the requirements of HKFRS 16 in respect of the recognition of lease liabilities and right-of-use assets to leases for which the remaining lease term ends within 12 months from the date of initial application of HKFRS 16, i.e. where the lease term ending on or before 31 December 2019; and

(ii) when measuring the lease liabilities at the date of initial application of HKFRS 16, the Group applied a single discount rate to a portfolio of leases with reasonably similar characteristics (such as leases with a similar remaining lease term for a similar class of underlying asset in a similar economic environment).

The following table reconciles the operating lease commitments as at 31 December 2018 to the opening balance for lease liabilities recognised as at 1 January 2019:

	HK$'000
Operating lease commitments at 31 December 2018	12,995
Less: commitments relating to leases with remaining lease term ending on or before 31 December 2019	(1,065)
Add: lease payments for the additional periods where the Group considers it reasonably certain that it will exercise the extension options	1,195
	13,125
Less: total future interest expenses	(596)
Lease liabilities at 1 January 2019	12,529
Of which are:	
— current lease liabilities	8,928
— non-current lease liabilities	3,601
	12,529

The following adjustments were made to the amounts recognised in the condensed consolidated statement of financial position at 1 January 2019. Line items that were not affected by the changes have not been included.

	Carrying amounts at 31 December 2018	**Impacts on adoption of HKFRS 16**	**Carrying amounts at 1 January 2019**
	HK$'000	*HK$'000*	*HK$'000*
Assets:			
Prepaid land lease payments	4,839	(4,839)	–
Property, plant and equipment	409,910	17,368	427,278
Liabilities:			
Lease liabilities	–	12,529	12,529

Right-of-use assets relating to operating leases and prepaid land lease payments in respect of the land use right in the People's Republic of China (the "**PRC**") is currently recognised as right-of-use assets upon application of HKFRS 16 and are included in the same line item as property, plant and equipment as that within which the corresponding assets.

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

In preparing the interim financial information, the management requires to make significant judgements, estimates and assumptions in applying the accounting policies and key sources of estimation uncertainty.

Except than the critical accounting estimate and judgements mentioned in note 3.1(d), in preparing the interim condensed consolidated financial information, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 31 December 2018.

5 SEGMENT INFORMATION

Management has determined the operating segments based on the reports reviewed by the Chief Executive Officer of the Company (the "**CEO**") that are used to make strategic decisions. The reportable segments of the Group are as follows:

Automation	trading of automated production related equipment and provision of related services business
Financial Services	regulated business activities in respect to financial services under the Securities and Futures Ordinance in Hong Kong
Manufacturing	manufacturing of a range of high-technology and new energy products
Property Investment and Development	property investment activities and property development projects in Hong Kong and the PRC and provision of construction works
Securities Investment	investment activities through direct investments in listed and unlisted securities
Trading of commodities	trading of commodities
Provision of online game services and platform services	design, development and operation of the mobile and web games and platform services
Others	operation of a golf practise court, a yacht club and provision of international education services

The revenue from external parties is measured in a manner consistent with that in the interim condensed consolidated financial information.

Certain other gains-net, other income, central administrative expenses and directors' emoluments are not allocated to segments, as they are inseparable and not attributable to particular reportable segments. Finance costs-net, fair value loss on contingent consideration payable, fair value gain on derivative financial assets, share of results of associates, loss on remeasurement on pre-existing interest in an associate, gain from derecognition of financial guarantee and gain on bargain purchase are not allocated to segments, as these type of activities are managed by central finance and accounting function, which manages the working capital of the Group. The Chief Executive Officer assesses the performance of the operating segments based on a measure of operating results, which is in a manner consistent with that of the interim condensed consolidated financial statements.

The Group's revenue by segment and the reportable segment information is reconciled to profit before income tax as follows:

	Discontinued operation	Continuing operations								
	Provision of Online Game Services	Automation	Financial Services	Manufacturing	Property Investment and Development	Securities Investment	Trading of commodities	Others	Inter-segment elimination	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Six months ended 30 June 2019 (unaudited)										
Revenue	37	336,644	103,079	13,654	672,972	(178,047)	1,057,742	18,812	(12,249)	2,012,644
Operating profit/(loss)	59,429	24,795	54,771	(28,813)	265,931	(207,195)	2,159	(16,319)	–	154,758
Unallocated:										
Other gains-net										14,151
Other income										8,936
Loss on remeasurement on pre-existing interest in an associate										(176,869)
Administrative expenses										(131,073)
Finance costs — net										(49,937)
Share of results of associates										14,717
Gain on bargain purchase										696,412
Fair value loss on contingent consideration payable										(605)
Gain from derecognition of financial guarantee										27,348
Fair value gain on derivative financial assets										1,972
Profit before income tax										**559,810**

	Automation	Financial Services	Manufacturing	Property Investment and Development	Securities Investment	Inter-segment elimination	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Six months ended 30 June 2018 (unaudited)							
Revenue	266,941	97,136	39,508	359,114	159,102	(7,780)	914,021
Operating profit/(loss)	11,270	38,646	(10,577)	194,206	133,543	–	367,088
Unallocated							
Other losses — net							(5,137)
Other income							9,404
Administrative expenses							(21,561)
Finance costs — net							(14,178)
Share of results of associates							3,562
Profit before income tax							339,178

Reportable segment assets are reconciled to total assets as follows:

	As at 30 June 2019 *HK$'000* **(Unaudited)**	As at 31 December 2018 *HK$'000* (Audited)
Segment assets		
Automation	**459,165**	472,818
Financial Services	**1,929,347**	1,484,548
Manufacturing	**117,055**	144,107
Property Investment and Development	**21,001,548**	4,938,722
Securities Investment	**562,205**	1,927,674
Trading of commodities	**2,488**	–
Others	**887,916**	–
Segment assets for reportable segments	**24,959,724**	8,967,869
Unallocated:		
Property, plant and equipment	**395,685**	258,861
Financial assets at fair value through other comprehensive income (“**FVOCI**”)	**343,539**	148,126
Investments in associates	**326,779**	1,154,558
Prepayments, deposits and other receivables	**55,117**	41,180
Financial assets at fair value through profit or loss (“**FVTPL**”)	**23,111**	155,191
Cash and cash equivalents	**1,353,289**	55,392
Others	**205,641**	–
Total assets	**27,662,885**	10,781,177

Reportable segment liabilities are reconciled to total liabilities as follows:

	As at 30 June 2019 *HK$'000* **(Unaudited)**	As at 31 December 2018 *HK$'000* (Audited)
Segment liabilities		
Automation	**150,081**	175,051
Financial Services	**553,049**	745,807
Manufacturing	**52,315**	49,840
Property Investment and Development	**12,920,428**	1,880,175
Securities Investment	**274,731**	336,371
Trading of commodities	**2,140**	–
Others	**306,466**	–
Segment liabilities for reportable segments	**14,259,210**	3,187,244
Unallocated:		
Accruals and other payables	**258,807**	12,720
Borrowings	**1,731,838**	436,202
Lease liabilities	**8,243**	–
Current tax liabilities	**59,246**	100,654
Deferred tax liabilities	**33,273**	79,603
Others	**289,033**	–
Total liabilities	**16,639,650**	3,816,423

Disaggregation of the Group's revenue from major products or service lines:

	For the six months ended 30 June	
	2019	2018
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Continuing operations:		
Revenue from contracts with customers within the scope of HKFRS 15		
— Sale of goods	**346,235**	295,781
— Sale of properties	**624,391**	338,671
— Installation and maintenance income	**1,335**	10,668
— Commission and brokerage income	**29,622**	26,056
— Management fee and performance fee income	**3,729**	5,225
— Trading of commodities	**1,057,742**	–
— Education services	**6,294**	–
— Yacht club services	**6,026**	–
— Construction	**12,517**	–
— Others	**2,068**	–
	2,089,959	676,401
Revenue from other sources		
— Securities investment (loss)/income	**(157,961)**	161,183
— Interest income from money lending	**46,877**	60,160
— Rental income	**33,732**	16,277
	(77,352)	237,620
Total revenue	**2,012,607**	914,021
Discontinued operation:		
Revenue from contracts with customers within the scope of HKFRS 15		
— Online game operation	**37**	–
Timing of revenue recognition		
— At a point in time	**2,061,430**	671,176
— Transferred over time	**28,566**	5,225
	2,089,996	676,401

6 OTHER GAINS/(LOSSES) — NET AND OTHER INCOME

	For the six months ended 30 June	
	2019	2018
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Continuing and discontinued operations:		
Other gains/(losses) — net		
Loss on conversion of a financial asset at FVTPL from preferred shares to ordinary shares	**–**	(7,156)
Reversal of provision	**–**	1,968
Loss on disposal of property, plant and equipment	**(1,461)**	–
Fair value loss on contingent consideration payable	**(605)**	–
Gain from derecognition of financial guarantee	**27,348**	–
Fair value gain on derivative financial assets	**1,972**	–
Others	**96**	201
	27,350	(4,987)
Other income		
Dividend income	**567**	752
Patents' licence income	**–**	1,742
Consultancy income	**3,463**	9,197
Refund of income tax fee	**2,083**	–
Government subsidy	**7,200**	4,145
Rental income	**3,153**	–
Others	**7,578**	6,120
	24,044	21,956

7 PROFIT FOR THE PERIOD

Profit for the period is arrived at after charging/(crediting):

	For the six months ended 30 June	
	2019	2018
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Continuing operations:		
Amortisation of intangible assets	**3,231**	3,368
Amortisation of prepaid land lease payments	**–**	57
Acquisition-related costs (included in administrative expenses)	**7,629**	1,436
Depreciation of property, plant and equipment	**14,474**	7,067
Directors' and chief executive's emoluments	**6,970**	3,188
Employee benefit expenses	**75,550**	77,216
Fair value loss on contingent consideration payable	**605**	–
Fair value gain on derivative financial assets	**(1,972)**	–
Loss/(gain) on disposal of property, plant and equipment	**1,461**	(2,619)
Gain on bargain purchase	**(696,412)**	(44,042)
Loss on remeasurement of pre-existing interest in an associate	**176,869**	–
Net foreign exchange losses	**46,311**	4,213
Provision for impairment on trade receivables	**1,444**	–
Provision for impairment of other receivables	**1,342**	–
(Reversal of)/provision for impairment on loans and advance and margin loans	**(3,559)**	2,865
Provision for impairment on contract assets	**164**	–
Written down on inventories	**19,699**	–
Research and development expenses	**2,582**	1,636
Discontinued operation:		
Gain on disposal of subsidiaries	**(62,363)**	–

8 FINANCE COSTS — NET

	For the six months ended 30 June	
	2019	2018
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Continuing and discontinued operations:		
Finance income		
— Interest income on bank deposits	**3,040**	2,961
— Interest income on financial assets at amortised costs	**–**	1,617
— Interest income from finance leases	**–**	9,794
	3,040	14,372
Finance costs		
— Bank loans	**(17,233)**	(21,617)
— Lease liabilities	**(494)**	–
— Trust receipt loans	**(268)**	(1,181)
— Corporate bonds	**(15,698)**	(1,339)
— Other loans	**(13,068)**	–
— Adjustment on put option liability in relation to acquisition of subsidiaries	**–**	(4,413)
— Imputed interest on consideration payable	**(5,665)**	–
	(52,426)	(28,550)
	(49,386)	(14,178)

9 INCOME TAX EXPENSE

	For the six months ended 30 June	
	2019	2018
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Current income tax		
— Hong Kong Profits Tax	**5,900**	61,666
— PRC enterprise income tax	**24,618**	41,314
— PRC land appreciation tax ("**LAT**")	**7,960**	8,731
	38,478	111,711
Deferred income tax	**63,158**	(36,003)
	101,636	75,708

Hong Kong Profits Tax has been provided at the rate of 16.5% on the estimated assessable profit for the six months ended 30 June 2019 (for the six months ended 30 June 2018: 16.5%).

The statutory income tax rate applicable to entities operating in the PRC is 25% (for the six months ended 30 June 2018: 25%).

PRC LAT is levied at progressive rates ranging from 30% to 60% on the appreciation of land value, being the proceeds of sales of properties less deductible expenditures including lease charges of land use rights and all property development expenditures, which is included in the interim condensed consolidated statement of comprehensive income as income tax. The Group has estimated the tax provision for LAT according to the requirements set forth in the relevant PRC tax laws and regulations. The actual LAT liabilities are subject to the determination by the tax authorities upon completion of the property development projects and the tax authorities might disagree with the basis on which the provision for LAT is calculated.

10 EARNINGS PER SHARE

The basic earnings per share for the period is calculated by dividing the profit attributable to owners of the Company by the weighted average number of ordinary shares in issue less treasury shares held by the Group of 26,359,819,000 (2018: 25,810,611,000) during the period. There were no potential dilutive ordinary share outstanding for both periods and therefore the dilutive earnings per share is the same as basic earnings per share.

The calculation of the basic earnings per share attributable to owners of the Company is based on the following data:

	For the six months ended 30 June	
	2019	2018
	'000	*'000*
	(Unaudited)	(Unaudited)
Weighted average number of ordinary shares in issue less treasury shares held by the Group during the period for basic earnings per share	**26,359,819**	25,810,611

(a) From continuing and discontinued operations

The calculation of the basic earnings per share attributable to owners of the Company is based on the following:

	For the six months ended 30 June	
	2019	2018
	(Unaudited)	(Unaudited)
Profit attributable to owners of the Company *(HK$'000)*	**373,331**	243,673
Basic earnings per share (expressed in Hong Kong cents per share)	**1.42**	0.94

(b) From continuing operations

The calculation of the basic earnings per share attributable to owners of the Company from continuing operations is based on the following:

	For the six months ended 30 June	
	2019	2018
	(Unaudited)	(Unaudited)
Profit attributable to owners of the Company *(HK$'000)*	**332,260**	243,673
Basic earnings per share (expressed in Hong Kong cents per share)	**1.26**	0.94

(c) From discontinued operation

The calculation of the basic earnings per share attributable to owners of the Company from discontinued operation is based on the following:

	For the six months ended 30 June	
	2019	2018
	(Unaudited)	(Unaudited)
Profit attributable to owners of the Company *(HK$'000)*	**41,071**	–
Basic earnings per share (expressed in Hong Kong cents per share)	**0.16**	N/A

11 DIVIDEND

	For the six months ended 30 June	
	2019	2018
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Final dividend paid — HK0.20 (2017: HK0.51) cents per share	**54,775**	131,936

No interim dividend was declared by the board of directors for the six months ended 30 June 2019 (for the six months ended 30 June 2018: Nil).

12 FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	As at 30 June 2019 HK$'000 (Unaudited)	As at 31 December 2018 HK$'000 (Audited)
Listed shares		
— Equity securities — Norway	**20,487**	37,649
— Equity securities — the USA	**30,198**	5,628
— Equity securities — Hong Kong	**279,576**	340,177
— Equity securities — the PRC	**416,247**	415,555
	746,508	799,009
Unlisted shares	**104,848**	104,848
	851,356	903,857

The above equity investments were irrevocably designated at FVOCI as the Group considers these investments to be strategic in nature.

Changes in fair value of the above equity securities are recognised in other comprehensive income and accumulated within the financial assets at FVOCI reserve within equity. The Group transfers amounts from this reserve to retained earnings when the relevant equity securities are derecognised.

13 LOANS AND ADVANCES

	As at 30 June 2019 HK$'000 (Unaudited)	As at 31 December 2018 HK$'000 (Audited)
Loans and advances *(Note (a))*	**582,927**	437,780
Margin loans receivables *(Note (b))*	**347,549**	554,976
	930,476	992,756
Less: Loss allowance	**(28,803)**	(32,362)
Loans and advances — net	**901,673**	960,394

Notes:

(a) The loans and advances are secured and/or backed by guarantee. Credit limits are set for borrowers based on the quality of collateral held and the financial background of the borrower. Collateral values and overdue balances are reviewed and monitored regularly.

The carrying amounts of loans and advances are interest bearing and denominated in Hong Kong dollars.

(b) The credit facility limits granted to margin clients are determined by the discounted market value of the collateral securities accepted by the Group.

The loans to margin clients are secured by the underlying pledged securities and are interest bearing. The Group maintains a list of approved stocks for margin lending at a specified loan to collateral ratio. Any excess in the lending ratio will trigger a margin call and the clients have to make good the shortfall.

As at 30 June 2019, margin loan receivables were secured by securities pledged by the clients to the Group as collateral with undiscounted market value of HK$1,606,891,000 (2018: HK$3,315,160,000).

14 TRADE RECEIVABLES

	As at 30 June 2019 ***HK$'000*** **(Unaudited)**	As at 31 December 2018 *HK$'000* (Audited)
Trade receivables	**278,553**	166,419
Less: Provision for impairment on receivables	**(13,446)**	(12,002)
	265,107	154,417

For customers of Manufacturing, the Group generally grants a credit period of 30 to 90 days to its customers. For customers of Automation products, a credit period ranging from 30 days to 60 days after acceptance is generally granted with exception of some trade customers where the credit period of 12 to 18 months are granted. For customers of Property Investment and Development, the balances are due upon issuance of invoices or within 2 days. Therefore, the entire balance falls within the ageing group of 0 to 30 days. For customers of game distribution platforms, the Group generally allows an average credit period of 120 days. For customers of game development, credit period of 90 days is granted for its customers. For customers of advertising and provision of education services, the Group granted a credit period of 3 days.

The ageing analysis of gross trade receivables based on invoice date is as follows:

	As at 30 June 2019 *HK$'000* **(Unaudited)**	As at 31 December 2018 *HK$'000* (Audited)
0 to 30 days	**143,864**	82,218
31 to 60 days	**5,954**	15,614
61 to 90 days	**4,434**	26,571
91 to 120 days	**2,957**	27,275
Over 120 days	**121,344**	14,741
	278,553	166,419

15 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	As at 30 June 2019 *HK$'000* **(Unaudited)**	As at 31 December 2018 *HK$'000* (Audited)
Listed securities		
— Equity securities — the PRC	**15,714**	10,698
— Equity securities — Hong Kong	**316,387**	827,398
	332,101	838,096
Other securities	**–**	551
Debt instrument at FVTPL	**13,181**	143,942
	345,282	982,589

16 TRADE AND BILLS PAYABLES

	As at 30 June 2019 *HK$'000* **(Unaudited)**	As at 31 December 2018 *HK$'000* (Audited)
Trade payables	**2,642,525**	764,447
Bills payables	**12,515**	15,478
	2,655,040	779,925

The ageing analysis of the trade and bills payables based on invoice date is as follows:

	As at 30 June 2019 *HK$'000* (Unaudited)	As at 31 December 2018 *HK$'000* (Audited)
0 to 30 days	**2,278,033**	711,507
31 to 60 days	**4,844**	11,994
61 to 90 days	**1,018**	5,785
91 to 120 days	**18,567**	5,337
Over 120 days	**352,578**	45,302
	2,655,040	779,925

17 BUSINESS COMBINATION

(a) Step acquisition from an associate to a subsidiary

On 17 January 2019, the Group entered into a sale and purchase agreement with three shareholders (the "**Vendors**") of Glory Sun Land Group Limited (formerly known as New Sports Group Limited) ("**Glory Sun Land**") for the acquisition of 37.18% equity interest in Glory Sun Land. Further to the Company's announcement on 18 March 2019, the equity interest in Glory Sun Land acquired was adjusted to 37.16% (the "**Step Acquisition**"). The consideration was settled on the basis of one new Company's share (the "**Consideration Shares**") for every Glory Sun Land's share acquired. Glory Sun Land is a company incorporated in the Cayman Islands with limited liability and its shares are listed on the Main Board of the Stock Exchange. Glory Sun Land and its subsidiaries are principally engaged in property development and investment, development of cultural sports, trading of commodities and securities investment.

The Step Acquisition was completed on 23 April 2019 (the "**Completion Date**"). As at the Completion Date, Glory Sun Land has become a subsidiary of the Company. The results of Glory Sun Land and its subsidiaries (the "**Glory Sun Land Group**") is consolidated into the Group's financial statements commencing for the Completion Date.

The Group remeasured the fair value of the equity interest in Glory Sun Land its previously held at the Completion Date and recognised a loss of HK$176,869,000 on the remeasurement of the Group's pre-existing interest in Glory Sun Land and has been recognised to the profit or loss and presented as "Loss on remeasurement of pre-existing interest in an associate" in the condensed consolidated statement of comprehensive income.

Details of the carrying value and fair value of the Group's pre-existing interest in Glory Sun Land Group at the Completion Date are summarised as follows:

	HK$'000 (Unaudited)
Share of net assets	781,296
Less: Fair value of pre-existing interest	(604,427)
Loss on remeasurement of pre-existing interest in an associate	176,869

The aggregate fair values of the identifiable assets and liabilities of Glory Sun Land Group as at the Completion Date are as follows:

	HK$'000
	(Unaudited)
Consideration shares *(note (b))*	475,179
Fair value of pre-existing interest at the Completion Date	604,427
	1,079,606
Property, plant and equipment	189,795
Investment properties	3,083,939
Other intangible assets	749,172
Financial assets at fair value through other comprehensive income	168,001
Derivative financial assets	4,858
Deferred tax assets	45,145
Inventories	7,142,567
Contract assets	284,297
Trade and other receivables	1,470,208
Pledged bank deposits	257,792
Cash and cash equivalents	299,012
Trade and other payables	(2,821,155)
Contingent consideration payable	(56,890)
Consideration payable	(138,231)
Contract liabilities	(817,436)
Borrowings	(5,022,852)
Current tax liabilities	(71,178)
Lease liabilities	(9,294)
Financial guarantees	(46,381)
Deferred tax liabilities	(859,857)
Total identifiable net assets at fair value	3,851,512
Treasury shares *(note (a))*	70,187
	3,921,699
Non-controlling interests	(2,177,166)
	1,744,533
Gain on bargain purchase	664,927

Notes:

(a) As at the Completion Date, Glory Sun Land Group held 222,816,000 shares of the Company and the fair value of the Company's shares held by Glory Sun Land Group was HK$70,187,000. The fair value of Glory Sun Land Group's interest in the Company was then reclassified to treasury shares.

(b) The fair value of the 1,508,505,611 shares issued as the consideration paid for the Step Acquisition was amounted to HK$475,179,000 and was based on the share price on the Completion Date of HK$0.315 per share.

(b) Acquisition of Karsen International Limited ("Karsen International")

On 31 May 2019, an indirect 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 to Karsen International. Karsen International is principally engaged in investment properties in the PRC. The acquisition aims to expand the business by 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 (Unaudited)
Property, plant and equipment	51
Investment properties	408,672
Trade and other receivables	1,790
Cash and cash equivalents	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

18 DISPOSAL OF SUBSIDIARIES

On 29 June 2019, the Group disposed of its entire equity interest in Kingworld Holdings Limited for a cash consideration of HK$1.

Net liabilities at the date of disposal were as follow:

	HK$'000 (Unaudited)
Property, plant and equipment	718
Bank and cash balances	4
Trade and other receivables	15,147
Trade and other payables	(75,794)
Amount due to the Group	(32,839)
Net liabilities disposed of	(92,764)
Release of translation reserve	(2,438)
Assignment of amount due to the Group	32,839
Gain on disposal of subsidiaries	62,363
Total consideration	–*

* *Represents the balance less than HK$1,000*

19 EVENTS AFTER THE REPORTING DATE

On 10 July 2019, the Group entered into the subscription agreement with Bao Xin Development Limited (the "**Subscriber**") pursuant to which the subscriber agreed to subscribe 4,000,000,000 new shares at HK$0.25 per share. The Subscriber is a company wholly-owned by an executive director and the controlling shareholder of the Company and is defined as connected person under the Rules Governing the Listing of Securities on the Stock Exchange. The subscription shares represent approximately 14.61% of the existing issued share capital of the Company. The subscription constitutes a connected transaction for the Company and is subject to the approval by the independent shareholders at the extraordinary general meeting of the Company to be convened to approve the subscription. Details of the subscription have been set out in the Company's announcements made on 10 July 2019.

MANAGEMENT DISCUSSION AND ANALYSIS

Overview

In the first half of 2019, the lingering of the trade disputes among various major economies such as the Sino-US trade war caused the slow growth of Chinese and global economy. Facing such a challenging business environment, Glory Sun Financial Group Limited (the "**Company**") and its subsidiaries (collectively the "**Group**") has been adhering to its comprehensive development strategy and striving to mitigate the impact from the volatility in the economy and financial markets on its business.

In April 2019, the Group completed the acquisition of 1,508,505,611 shares in Glory Sun Land Group Limited (stock code: 00299) ("**GS Land**", together with its subsidiaries as "**GS Land Group**") from three then shareholders of GS Land. These shares represented approximately 37.16% of the then issued share capital of GS Land. Upon completion of the acquisition, GS Land became a non wholly-owned subsidiary of the Company and an unconditional mandatory general offer ("**Offer**") was made by the Group on 3 May 2019 in compliance with the Hong Kong Code on Takeovers and Mergers. An aggregate of 450,888,302 shares in GS Land was acquired under the Offer. Upon the close of the Offer, the Group was interested in an aggregate of 3,144,544,700 shares in GS Land, representing approximately 75.39% of the then issued share capital of GS Land. Due to the completion of issuance and allotment of new shares by Glory Sun Land on 24 June 2019, the shareholding of the Group in Glory Sun Land was reduced to approximately 69.11% as at the date of this announcement.

As at 30 June 2019, the Group's revenue increased by 120.2% to approximately HK$2,012.6 million and the profit attributable to owners of the Company increased by 53.2% to approximately HK$373.3 million due to the bargain purchase arising from the acquisition of shares in GS Land during the review period.

Starting from 2 May 2019, the English name of the Company has been changed from "China Goldjoy Group Limited" to "Glory Sun Financial Group Limited" and the dual foreign name has been changed from "中國金洋集團有限公司" to "寶新金融集團有限公司". The new company name can better reflect the Company's new corporate identity and its determination to develop its financial services business in the second half of 2019. Meanwhile, the Company will consistently allocate resources to ensure the development of its business in property investment and development segment, automation segment, manufacturing segment and securities investment.

Business Review

Financial Services

The financial services segment of the Company conducts business ranging from securities and futures trading, investment banking, asset management, credit finance, wealth management and precious metal trading. It also possesses a Qualified Foreign Limited Partner (QFLP) licence which allows it to manage private equity investment funds in the PRC. Following the expansion of its scope of services to cover the provision of services to non-professional investors, advising clients on matters/transactions falling within the ambit of the Codes on Takeovers and Mergers and Share Buy-backs and acting as a sponsor in initial public offerings, the financial services segment has established a comprehensive financial services platform.

During the review period, the segmental revenue amounted to approximately HK$97.8 million (30 June 2018: approximately HK$93.6 million), representing an increase of approximately 4.5%, making up around 4.9% of the Group's total revenue (30 June 2018: approximately 10.3%). The segment recorded an operating profit of approximately HK$54.8 million (30 June 2018: approximately HK$38.6 million), representing an increase of approximately 42.0% from the corresponding period last year. The increase in revenue was mainly contributed by the revenue generated from corporate finance business under which the sponsor licence was granted by the SFC during the review period.

During the review period, Glory Sun Securities Limited ("**GSSL**") managed to utilise its "algorithmic trading" automatic monitor and control system to consistently increase its clients' transaction amount. It is expected that such system will increase the revenue generated from the brokerage business. Regarding the corporate finance business, GSSL completed a number of stock and bond underwriting and issuance and compliance consultant projects. These projects contributed a significant revenue to GSSL business and therefore lay a sound foundation for business expansion in the future.

During the review period, Glory Sun Asset Management Limited ("**GSAM**") strengthened the communication with its clients and optimised its processing services and after-sale services, leading to a notable increase in its assets under management (AUM) and revenue. As at 30 June 2019, its AUM reached approximately HK$1,280.0 million. In June 2019, GSAM won an "Outstanding Assets Management Company" at the 19th Capital Outstanding Enterprise Awards organised by Capital Magazine.

During the reporting period, Glory Sun Wealth Management Limited ("**GSWM**") succeeded to improve its operational efficiency by way of the integration of its resources and costs control. GSWM has plans to expanded its business by setting up a frontline team targeting potential clients of different sectors. Apart from its principle business, GSWM has been cooperating with other business segments within the Group to create synergies.

Glory Sun Credit Limited ("**GSCL**") has been consistently optimising its credit finance portfolio and mitigated the operating costs in line with its prudent risk management policy. These measures led to an increase in its loan portfolio.

Property Investment and Development

During the review period, the revenue derived from the property investment and development segment amounted to approximately HK$666.0 million (30 June 2018: approximately HK$354.9 million), representing an increase by approximately 87.7%, and accounting for approximately 33.1% of the Group's total revenue (30 June 2018: approximately 38.8%). The operating profit generated from this segment amounted to approximately HK$265.9 million (30 June 2018: approximately HK$194.2 million), representing an increase of approximately 36.9%.

The Group holds a property project, namely Bangkai Technology Industrial Park (the "**Park**") in Shenzhen. The construction of the Park is divided into three phases. The construction of the first phase, comprising office premises, factories, apartments, dormitories and shops, and the second phase, comprising offices, workshops and hotel, were completed in about 2014 and 2018 respectively. The construction of the third phase, comprising offices and workshops, is expected to be completed by the end of 2022. During the review period, the Group has accelerated the solicitation of tenants for the first two phases. As at 30 June 2019, the respective occupancy rate of the first and second phases were approximately 82.9% and 44.6%.

The Group holds two property projects, namely 贛州寶能城 (Ganzhou Baoneng Plaza*) and 贛州寶能太古城 (Ganzhou Baoneng Taigu Plaza*) in Ganzhou City, Jiangxi Province, the PRC. While the former comprises retail shops, commercial, car parks, shopping mall and hotel (the construction of which is expected to be completed in December 2020), the latter comprises a shopping mall (alternation and addition work of which is expected to be completed in October 2019) and hotel (alternation and addition work of which is expected to be completed in November 2019).

GS Land Group has established its business presence in Shenzhen, Changchun, Changsha, Weinan, Shantou, Yunfu and other key cities in the PRC, covering multi-service segmentation products including commercial office buildings, commerce, multi-storey, and high-rise residential buildings, hotels, business apartments, villas and garden houses.

In May 2019, GS Land Group agreed to acquire the entire equity interest in Karsen International Limited, thereby obtaining a commercial land of approximately 38,000 square meters located at No. 34, Shenxin East Road, Tiexi District, Shenyang. The building under the project comprises six floors with floors one to three designated for commercial purposes and floors four to six partially designated for hotel and office purposes and 159 parking spaces.

In the first half of 2019, the pre-sale of projects invested and developed by GS Land Group were successively opened to the public, one of which was entitled as 時代灣 (Times Bay*) located in Shantou (a technology, creativity and leisure center in the global context aimed at creating a vibrant modern metropolitan office park with a supporting apartment area for high-end talents).

Automation

Gallant Tech Limited ("**Gallant Tech**"), as the operating subsidiary of the Company in the automation segment, is one of the leading distributers and service providers of Surface Mount Technology (SMT) equipment in the PRC. During the review period, the US prohibited its enterprises from selling and supplying products and technologies for 5G phones production to the second-largest smartphone maker (the "**Giant**") in the world. To fill the gap in production capacity, the Giant expanded its own production capacity while increasing orders from domestic electronics manufacturing plants. Meanwhile, its competitors also grab the opportunity to expand production capacity to expand their market share in mobile phone industry. These factors have created short-term favourable conditions for Gallant Tech to boost the sale of SMT equipment in the PRC. Accordingly, the sales revenue of the Group's automation segment increased by approximately 26.1% to approximately HK$336.6 million (30 June 2018: approximately HK$266.9 million), accounting for approximately 16.7% of the Group's total revenue (30 June 2018: approximately 29.2%). Meanwhile, the finance leasing business recorded a revenue of approximately HK$9.9 million, relatively stable as compared with HK$9.8 million for the corresponding period last year. The operating profit increased by approximately 9.2% to approximately HK$24.8 million (30 June 2018: approximately HK$22.7 million).

Manufacturing

The manufacturing segment is principally engaged in the new energy sector and light emitting diode (LED). During the review period, the manufacturing business has continued to bolster its position in the PRC market by the infrastructure enhancement in the PRC such as infrastructure lighting. At the same time, it has sought to establish beachheads overseas. Accordingly, it recorded a revenue of approximately HK$13.7 million (30 June 2018: approximately HK$39.5 million), accounting for approximately 0.7% (30 June 2018: 4.3%) of the Group's total revenue. The decline in revenue was due primarily to the intense competition in LED market, leading to the operating loss of approximately HK$28.8 million (30 June 2018: approximately HK$10.6 million).

Securities Investment

During the review period, the Group continued to execute an investment strategy comprising both short-and-long-term strategies to maintain a balanced investment portfolio which enables the enhancement of its financial flexibility and facilitate capital growth. The Group has been investing in a diversified portfolio including listed and unlisted equity securities and investment funds. Affected by the weakening in the stock market in the first half, the securities investment business has generated a loss of approximately HK$178.0 million (30 June 2018: revenue of approximately HK$159.1 million). The operating loss of the segment amounted to approximately HK$207.2 million (30 June 2018: operating profit approximately HK$133.5 million).

As at 30 June 2019, the securities investment portfolio, excluding the interests in associates, of approximately HK$1,196.6 million (31 December 2018: approximately HK$1,886.4 million) comprised financial assets at fair value through profit or loss ("**FVTPL**") of approximately HK$345.3 million (31 December 2018: approximately HK$982.6 million) and financial assets at fair value through other comprehensive income ("**FVOCI**") of approximately HK$851.3 million (31 December 2018: approximately HK$903.8 million). The directors of the Company consider that a securities investment with a market value that accounts for more than 5% of the Group's net assets at the reporting date shall be regarded as a significant investment. Further details of securities investments under different categories are as follows:

					As at 31 December 2018	**For the period ended 30 June 2019**
		As at 30 June 2019				
Nature of investments	**Principal businesses**	**Percentage to shareholding in such stock**	**Percentage to total assets of the Group**	**Fair value amount**	**Fair value amount**	**Change in fair value**
		%	*%*	*HK$'000*	*HK$'000*	*HK$'000*
Financial assets at fair value through profit or loss						
A. Listed Securities						
Madison Holdings Group Ltd. ("**Madison**")	Sales of alcoholic beverages	3.7%	0.4%	101,026	200,108	(99,082)
Pujiang International Group Limited ("**Pujiang**")	Manufacture, installation and sales of customised prestressed steel materials and cables	3.6%	0.4%	101,640	–	23,140
Zhenro Properties Group Limited	Property development and management	–	–	–	527,841	–
Others		N/A	0.4%	113,721	99,450	(5,721)
B. Funds		N/A	0.1%	28,895	155,190	(10,107)
Total				345,282	982,589	

Nature of investments	Principal businesses	As at 30 June 2019 Percentage to shareholding in such stock %	Percentage to total assets of the Group %	Fair value amount HK$'000	As at 31 December 2018 Fair value amount HK$'000	For the period ended 30 June 2019 Change in fair value HK$'000
Financial assets at fair value through other comprehensive income						
A. Listed Securities						
Shenzhen Sunrise New Energy Co., Ltd. ("**Shenzhen Sunrise**")	Manufacture of chemical products	5.0%	1.1%	309,220	316,890	(6,557)
Landing International Development Ltd. ("**Landing**")	Development and operation of the integrated resorts	4.7%	0.5%	149,346	340,177	(190,831)
Shenzhen Kondarl Group Co., Ltd. ("**Shenzhen Kondarl**")	Farming, feed, and agricultural products businesses	1.2%	0.4%	107,024	98,665	8,935
Bank of Zhengzhou Co., Ltd. — H shares	Provision of banking products and services	2.1%	0.3%	95,224	–	(12,504)
Others	N/A	N/A	0.3%	85,694	43,277	(18,012)
B. Unlisted Securities	N/A	N/A	0.4%	104,848	104,848	–
Total				851,356	903,857	

Financial Assets at Fair Value through Profit or Loss

Madison

As at 30 June 2019, the fair value of the Group's equity securities in Madison amounted to approximately HK$101.0 million. The shares of Madison are listed on GEM of the Hong Kong Stock Exchange. Given the volatility in the stock market, the share price performance of Madison was not satisfactory and resulted in unrealised fair value loss of approximately HK$99.1 million recognised for the period.

Pujiang

The Group acquired shares in Pujiang through initial public offering during the review period. As at 30 June 2019, the fair value of the Group's equity securities in Pujiang amounted to approximately HK$101.6 million. Given the volatility in the stock market, the share price performance of Pujiang was satisfactory and resulted in unrealised fair value gain of approximately HK$23.1 million recognised for the period.

Financial Assets at Fair Value through Other Comprehensive Income

In addition to the above investments under FVTPL, the Group also invests in listed and unlisted equity securities which are held for long-term strategic purposes. As at 30 June 2019, the fair value of such investments was approximately HK$851.3 million. During the period, unrealised fair value loss of approximately HK$219.0 million was recognised in other comprehensive income from these investments.

Shenzhen Sunrise

As at 30 June 2019, the fair value of equity shares in Shenzhen Sunrise amounted to approximately HK$309.2 million. Given the volatility in the stock markets, the price performance of Shenzhen Sunrise was not satisfactory, resulting in a fair value loss of approximately HK$6.6 million recognised in other comprehensive income for the period.

Landing

As at 30 June 2019, the fair value of the Group's equity securities in Landing amounted to approximately HK$149.3 million. Given the volatility in the stock markets, resulting in a fair value loss of approximately HK$190.8 million for the period.

Shenzhen Kondarl

As at 30 June 2019, the fair value of equity shares in Shenzhen Kondarl amounted to approximately HK$107.0 million. Given the volatility in the stock markets, the price performance of Shenzhen Kondarl was satisfactory, resulting in a fair value gain of approximately HK$8.9 million recognised in other comprehensive income for the period.

Other investment

The Company is holding 32% equity interest in Yunnan International Holding Group Limited, a joint venture principally engaged in the business of clean energy, health, investment management, new energy and financial services. Through the cooperation with the shareholders of the joint venture, the Company believes that it can vigorously participate in the strategic construction brought by the Belt and Road Initiative.

Financial Review

Continuing operations

Revenue

The Group's revenue for the period ended 30 June 2019 increased by 120.2% to approximately HK$2,012.6 million (30 June 2018: approximately HK$914.0 million). The revenue analysis by segment is presented as follows:

	For the period ended 30 June				
	2019		2018		
	HK$' million	**Proportion to total revenue**	*HK$' million*	Proportion to total revenue	% change
Automation	**336.6**	**16.7%**	266.9	29.2%	+26.1%
Financial Services	**97.8**	**4.9%**	93.6	10.3%	+4.5%
Manufacturing	**13.7**	**0.7%**	39.5	4.3%	-65.3%
Property Investment and Development	**666.0**	**33.1%**	354.9	38.8%	+87.7%
Securities Investment	**(178.0)**	**(8.8)%**	159.1	17.4%	-211.9%
Trading of Commodities	**1,057.7**	**52.5%**	–	0%	N/A
Others	**18.8**	**0.9%**	–	0%	N/A
	2,012.6	**100%**	914.0	100%	+120.2%

During the period, the trading of commodities and property investment and development segments were the major source of revenue for the Group, accounting for 52.5% and 33.1% of total revenue, respectively.

Gross Profit and Margin

The gross profit decreased by 83.1% to approximately HK$54.4 million (30 June 2018: approximately HK$322.4 million), while the gross profit margin decreased to 2.5% (30 June 2018: 35.3%). The change was mainly due to the low gross profit margin of commodities trading and marginal gross profit from sales of property primarily from GS Land Group.

Other Gains/(Losses) — Net

The net other gains for the period was approximately HK$27.4 million (30 June 2018: net other losses of approximately HK$5.0 million). This was primarily because of the gain from derecognition of financial guarantee of approximately HK$27.3 million, fair value gain on derivative financial assets of approximately HK$2.0 million and loss on disposal of property, plant and equipment of approximately HK$1.5 million.

Other Income

The other income increased by 9.1% to approximately HK$24.0 million (30 June 2018: approximately HK$22.0 million), mainly because of an increase in government subsidy during the period.

Distribution Costs

The distribution costs increased by 74.1% to approximately HK$23.5 million (30 June 2018: approximately HK$13.5 million), accounting for 1.2% (30 June 2018: 1.5%) of the total revenue. The increase was mainly due to the increase in advertising, promotion and exhibition expenses of approximately HK$2.3 million and increase in the sales person staff cost of approximately HK$7.0 million.

Administrative Expenses

The administrative expenses increased by 40.3% to approximately HK$205.1 million (30 June 2018: approximately HK$146.2 million) owing to an increase in staff salaries and directors' emoluments by approximately HK$2.5 million due to the expanded company operations; a decrease in commission of approximately HK$10.7 million due to decrease in volume of securities trading; an increase in research and development expense to approximately HK$2.6 million; an increase in fund management fee of approximately HK$2.3 million, increase in exchange loss of approximately HK$34.2 million, increase in consultancy fee of approximately HK$12.9 million and reversal of provision for impairment of approximately HK$12.2 million.

Finance Costs — Net

The net finance costs was approximately HK$49.4 million (30 June 2018: net finance costs of approximately HK$14.2 million). The increase in net finance costs was because of an increase in capital financing expenditure in relation to the increase in the general level of borrowing.

Income Tax Expense

The income tax expense recorded an increase of 34.2% to approximately HK$101.6 million (30 June 2018: approximately HK$75.7 million) due to the decrease in taxable income, netting off the increase in deferred tax expenses derived from the revaluation of properties substantially increasing.

Discontinued operation

During the review period, the Group disposed of its online game service business in the PRC and recognised profit from discontinued operation of approximately HK$59.4 million (30 June 2018: nil).

Profit Attributable to Owners of the Group

The profit attributable to owners of the Group increased by 53.2% to approximately HK$373.3 million, (30 June 2018: approximately HK$243.7 million), which mainly included the one-off bargain purchase of approximately HK$664.9 million arising from the acquisition of GS Land shares during the period ended 30 June 2019 (30 June 2018: approximately HK$44.0 million arising from acquisition of Laihua Taifeng shares).

Financial Resources Review

Liquidity and Financial Resources

By adopting a prudent financial management approach, the Group continued to maintain a healthy financial position with a good cash flow. As at 30 June 2019, the Group's cash and cash equivalents totaled approximately HK$2,345.8 million (31 December 2018: approximately HK$907.1 million). Working capital represented by net current assets amounted to approximately HK$5,230.8 million (31 December 2018: approximately HK$1,456.4 million). Current ratio was approximately 1.4 (31 December 2018: approximately 1.4).

The borrowings of the Group as at 30 June 2019 included corporate bonds of approximately HK$1,366.5 million (31 December 2018: approximately HK$177.6 million), trust receipt loans of approximately HK$36.0 million (31 December 2018: approximately HK$30.1 million) and bank loans of approximately HK$4,960.0 million (31 December 2018: approximately HK$697.6 million) and other loan of approximately HK$4,931.7 million (31 December 2018: approximately HK$988.8 million).

As at 30 June 2019, the Group was in a net debt position of approximately HK$7,545.9 million (31 December 2018: net debt position of approximately HK$779.2 million).

Capital Commitments

As at 30 June 2019, the Group had contracted but not provided for capital commitments of approximately HK$240.0 million, HK$1,302.0 million and HK$8,053.9 million (31 December 2018: HK$240.0 million, HK$1,323.8 million and HK$277.1 million) related to the investment in an associate; investment properties; and property development expenditures, respectively.

Charge of Assets

The bank borrowings were secured by (i) corporate guarantees provided by the Company and some of its subsidiaries, (ii) personal guarantee of a controlling shareholder, (iii) shares of a subsidiary, and (iv) buildings with carrying amounts of approximately HK$252.7 million (31 December 2018: approximately HK$255.9 million), 2 properties located in PRC owned by an independent third party, properties for sale under development and investment properties with carrying amounts of approximately HK$3,389 million and HK$2,945.9 million (31 December 2018: nil and approximately HK$1,264.9 million), respectively. Besides the Group has utilised approximately HK$215.6 million (31 December 2018: nil) of notes payable which is secured by a charge over the pledged bank deposited amounted to HK$250.0 million (31 December 2018: nil). Properties for sale under development with carrying amount of approximately HK$375.5 million was pledged for the provision of financial guarantees to an associated party of a former equity holder of a subsidiary.

Currency Exposure and Management

During the review period, the Group's receipts were mainly denominated in Hong Kong dollars, Renminbi ("**RMB**"), and US dollars. The Group's payments were mainly made in Hong Kong dollars, RMB and US dollars.

As the business activities of the Group's manufacturing, automation and property investment and development segments were mainly conducted in Mainland China, most of the Group's property development costs, labour costs and manufacturing overhead were settled in RMB. As such, fluctuation of the RMB exchange rate will have an impact on the Group's profitability. The Group will closely monitor movements of the RMB and, if necessary, consider entering into foreign exchange forward contracts with reputable financial institutions to reduce potential exposure to currency fluctuations. During the review period, the Group did not enter into any foreign exchange forward contract.

Future Plans for Capital Investment and Expected Source of Funding

The Group finances its operating and capital expenditures mainly by internal resources such as operating cash flow and shareholders' equity and banking facilities. When the Group considers that there are funding needs for the expansion of its businesses and development of new businesses, it will explore possible fund raising methods, such as debt financing, placing of new shares and issuance of corporate bonds.

Employees and Remuneration Policies

As at 30 June 2019, the Group had 1,099 full-time employees mainly in Hong Kong and Mainland China (31 December 2018: 752 full-time employees). The Group remunerates and provides benefits to its employees based on current industry practice. Discretionary bonuses are awarded to staff members based on the financial performance of the Group and the performance of the individual employee.

In addition, share options will be granted to eligible employees in accordance with the terms of the Company's share option scheme adopted on 24 November 2010.

Events after the Reporting Period

On 10 July 2019, the Company entered into a subscription agreement with Bao Xin Development Limited (the "**Subscriber**"), a company wholly-owned by Mr. Yao Jianhui, the Chairman and Chief Executive Officer of the Company, pursuant to which the Subscriber agreed to subscribe 4,000,000,000 new shares of the Company at a subscription price of HK$0.25 per share of the Company. The subscription shares represent approximately 14.61% of the existing issued share capital of the Company and approximately 12.74% of the issued share capital of the Company as enlarged by the subscription.

The Subscription represents a valuable opportunity for the Company to raise funds to further strengthen its capital base and financial position, thereby laying a more solid foundation to further its business development and accelerate its growth in the financial market.

The net proceeds from the subscription is expected to be approximately HK$999,400,000 with approximately 70% to be used for the development of its financial services business, and approximately 30% for general working capital of the Company. The subscription is subject to the approval by the Independent Shareholders.

Key Risks and Uncertainties

The Group's financial conditions, results of operations, businesses and prospects may be affected by a number of risks and uncertainties. The key risks and uncertainties identified by the Group are discussed in this section. There may be other risks and uncertainties in addition to those illustrated below, which are not known to the Group or which may not be material now but could become material in the future. Furthermore, risks can never be eliminated completely due to inherent limitations in measures taken to address them. Nevertheless, risks may be accepted for strategic reasons or if they are deemed not cost-effective to mitigate.

Operational Risk

Operational risk is the risk of financial loss or reputational damage resulting from inadequate or failed internal processes and systems as well as the performance of people. Responsibility for managing operational risks in the Group rests with every function at both divisional and departmental levels.

Key functions in the Group are guided by standard operating procedures, limits of authority and a reporting framework. The Group identifies and assesses key operational exposure and reports such risk issues to senior management as early as possible so that appropriate risk control measures can be taken.

Industry Risk

The financial services business of the Group is subject to extensive regulatory requirements. Among others, operating subsidiaries such as Glory Sun Securities and Glory Sun Asset Management are obliged to operate in accordance with the requirements of the SFO. The Group is required to ensure consistent compliance with all applicable laws, regulations and guidelines and satisfy the relevant regulatory authorities that it remains fit and proper to be licensed. If there is any change or restriction of relevant laws, regulations and guidelines, the Group would then face a higher compliance requirement for its business activities. In addition, if the Group fails to comply with the applicable rules and regulations on any occasion, it may face fines or restrictions on its business activities or even suspension or revocation of some or all of its licenses for operating the financial services business. Furthermore, the financial services business, like all other businesses of the Group, is not immune from market changes. Any downturn in the financial markets may also adversely affect the financial services business of the Group.

The property investment and development business of the Group is subject to fluctuations in market conditions, economic performance and government policies. If the property market in the PRC and Hong Kong performs badly, it would have a direct negative impact upon that business of the Group. The Group will pay close attention to market conditions and will implement appropriate plans to respond to shifts in market conditions and government policies.

The automation and manufacturing businesses of the Group operate in a highly competitive environment. The Group faces fierce competition from global technology companies and rapid technological change which may render technologies that it has developed and deployed obsolete. As such, the Group's products may lose its competitiveness, adversely affecting its ability to maintain its market share. Failure to maintain the Group's competitive position may lead to a materially adverse effect on the results and profit margins of these business segments. Furthermore, the current trade war between the PRC and the US may have an impact on the business environment in the PRC. The Group is prepared to pay close attention to market conditions and will formulate a contingency plan if the trade war persists over a period of time.

The securities investment business of the Group is sensitive to market conditions and fluctuations in the prices of the securities that it holds. Any significant downturn in the securities market may affect the market value of the Group's securities investments and may adversely affect its results.

Financial Risk

In the course of its business activities, the Group is exposed to various financial risks, including market, liquidity and credit risks. The changes in the currency environment, especially the recent depreciation of the RMB, and interest rates cycles may significantly affect the Group's financial condition and results of operations in the PRC.

The Group's earnings and capital or its ability to meet its business objectives may be adversely affected by movements in foreign exchange rates, interest rates and equity prices. In particular, any depreciation in the Group's functional currency may affect its gross profit margin. The Group closely monitors the relative foreign exchange positions of its assets and liabilities and allocates its holdings of different currencies accordingly in order to minimise foreign currency risk.

The Group may be subject to liquidity risk if it is unable to obtain adequate funding to finance its operations. In managing liquidity risk, the Group monitors its cash flows and maintains an adequate level of cash and credit facilities to enable it to finance its operations and reduce the effects of fluctuations in cash flows.

The Group is subject to credit risk from its clients. To minimise risk, new clients will undergo stricter credit evaluation, while the Group continuously monitors its existing clients to further improve its risk control measures.

Manpower and Retention Risk

The competition for human resources in the countries where the Group operates may result in not being able to attract and retain key personnel with the desired skills, experience and levels of competence. The Group will continue to provide remuneration packages and incentive plans to attract, retain and motivate suitable candidates and personnel.

Business Risk

The Group constantly faces the challenge of gauging and responding promptly to market changes within the sectors that it operates. Any failure to interpret market trends properly and adapt its strategy to such changes accordingly may have a materially adverse effect on the Group's business, financial position, results of operations and prospects.

BUSINESS OUTLOOK

The Company anticipates that the global economy and the economic growth of the PRC in the second half of 2019 will continue to be influenced by the volatile market and the uncertainties brought by the escalation of the China-US trade disputes.

During the meeting of The Political Bureau of the Communist Party of China Central Committee in July 2019, it was suggested that a proactive fiscal policy and prudent monetary policy would be adopted by the PRC Government to maintain stable growth and it would not use the property market to stimulate the economy just because its economy is slowing down. Given that there is still a hugh demand in the PRC property market, the Company has scheduled to conduct a large scale of sale of its developed properties in the PRC in the second half this year. The Company will adjust its marketing strategy in accordance with the policies and market conditions to minimize the impact.

Meanwhile, the Company expects that there will be an increase in the rental income generated from its property leasing business following the completion of the construction work in the Bangkai City, Ganzhou Baoneng Plaza and Ganzhou Baoneng Taigu Plaza.

In addition to the strengthen of the management of the existing real estate projects, the Company will consistently pay particular attention to the opportunities presented in the Greater Bay Area and replenish its land bank through acquisitions and joint ventures.

For the financial services segment, in light of the Sino-US trade war, recent unrest in Hong Kong society and uncertainties associated with the overall attitude of the investors toward the Hong Kong and the PRC financial markets, the Group plans to develop its investment banking business by shifting its focus to corporate finance after obtaining the approval from the Securities and Futures Commission to provide a full range of corporate finance services under the Securities and Futures Ordinance, while sustaining its existing businesses. Besides, the Group will vigorously develop its asset management business by working together with reputable financial institutions in Hong Kong to set up new funds for potential investment opportunities.

As a consequence of the sales ban imposed by the US Government on the second-largest smartphone marker (the "**Giant**") in the world, it is expected that the demands from the Giant for critical products including chip makers and phone operating system from domestic suppliers in the PRC will increase. Gallant Tech Limited ("**Gallant Tech**"), as one of the leading distributors of SMT equipment in the PRC, is expected to record an increase in the sales volume of SMT equipment from these suppliers who are eager to meet the demands from the Giant. Simultaneously, following the large-scale commercial application of the 5G technology leading to the necessity for the network providers in the PRC to upgrade their mobile communication products and related manufacturing equipment and the rise in the demand for automative electronics, semiconductors and artificial intelligence manufacturing by SMT equipment, Gallant Tach is expected to benefit from the rapid development opportunity emerged in the 5G era.

Looking ahead, the Group will endeavour to live up to the expectation of its shareholders. No matter what challenges lie ahead, the Group will remain adamant to adopt a prudent and pragmatic strategy, actively seize opportunities, develop in a steady manner and minimize the impact brought by the current market environment.

INTERIM DIVIDEND

The Board did not recommend the payment of an interim dividend for the six months ended 30 June 2019 (2018 Interim dividend: Nil).

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

Neither the Company, nor any of its subsidiaries, purchased, redeemed or sold any of the Company's listed securities during the six months ended 30 June 2019.

CHANGE IN INFORMATION OF DIRECTORS

The change in the information of the Directors of the Company since the publication of the 2018 annual report of the Company required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules is set out below:

Name of Directors	Details of Changes
Independent Non-executive Director	
Professor Lee Kwok On	Appointed as a board member to Hong Kong Deposit Protection Board with effect from 1 July 2019

Save as disclosed above, there is no other information required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules. The biographical details of the directors and senior management of the Company are set out in the Company's website.

CORPORATE GOVERNANCE

The Company has been maintaining a high standard of corporate governance with a view to enhancing the management of the Company as well as preserving the interests of the shareholders as a whole. The Board is of the view that the Company has complied with the code provisions set out in the Corporate Governance Code (the "**CG Code**") in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**"), except that there is no separation of the roles of chairman and CEO, as stipulated in the code provision A.2.1 of the CG Code. Mr. Yao Jianhui ("**Mr. Yao**") currently assumes the roles of both the chairman and the CEO of the Company. Mr. Yao has extensive experience in a wide range of industries, including food, construction materials, real estate, commerce, agricultural and foresty, logistics, technology and finance. The Board believes that by holding both roles, Mr. Yao will be able to provide the Group with strong and consistent leadership and allows for more effective and efficient business planning and decisions as well as execution of long-term business strategies of the Group.

As such, the structure is beneficial to the business prospects of the Group. Furthermore, the Company's present management structure comprises sufficient number of independent non-executive directors, and thus the Board believes that a balance of power and authority have been and will continue to be maintained.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Board has adopted the Model Code for Securities Transactions by Directors of Listed Issuers ("**Model Code**") set out in Appendix 10 to the Listing Rules as the code of conduct of the Group regarding securities transactions of the Directors. All Directors have confirmed that throughout the six months ended 30 June 2019, they have complied with the provisions of the Model Code.

AUDIT COMMITTEE

The Company has established the Audit Committee with written terms of reference set out in the CG Code. The principal duties of the Audit Committee includes the review and supervision of the Group's financial reporting matters and internal control procedures. The Audit Committee comprises one non-executive Director, namely Mr. Chen Kaiben and two independent non-executive Directors, namely Mr. Wong Chun Bong and Professor Lee Kwok On, Matthew. Mr. Wong Chun Bong was elected as the chairman of the Audit Committee. The unaudited financial results for the six months ended 30 June 2019 have been reviewed by the Audit Committee and the external auditors of the Company in accordance with Hong Kong Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants.

PUBLICATION OF INTERIM RESULTS AND INTERIM REPORT

The interim results announcement is published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.hk1282.com). The 2019 interim report will be dispatched to the shareholders of the Company and available on the same websites in due course.

APPRECIATION

On behalf of the Board, I would like to take this opportunity to express our appreciation to the management team and staff of the Group for their contribution during the period and also to give our sincere gratitude to all our shareholders and business partners for their continuous support.

By order of the Board
Glory Sun Financial Group Limited
Yao Jianhui
Chairman and Chief Executive Officer

Hong Kong, 29 August 2019

As at the date of this announcement, the Board comprises five executive directors, namely Mr. Yao Jianhui, Mr. Lau Wan Po, Mr. Li Minbin, Mr. Huang Wei and Mr. Zhang Chi; one non-executive Directors, namely Mr. Chen Kaiben; and three independent non-executive Directors, namely Mr. Wong Chun Bong, Professor Lee Kwok On, Matthew, and Mr. Lee Kwan Hung.

* *For identification purposes only*