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恒盛地產
GLORIOUS PROPERTY

Glorious Property Holdings Limited

恒盛地產控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 00845)

**FURTHER ANNOUNCEMENT ON ANNUAL RESULTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

Reference is made to the announcements of Glorious Property Holdings Limited (the “**Company**”) dated 31 March 2020 (the “**Unaudited Annual Results Announcement**”), in relation to, among others, the unaudited annual results of the Company and its subsidiaries (the “**Group**”) for the year ended 31 December 2019 (the “**Annual Results**”). Unless otherwise defined, capitalised terms used in this announcement shall have the same meanings as those defined in the Unaudited Annual Results Announcement.

The board of directors of the Company (the “**Board**”) would like to announce that the Company’s auditor, PricewaterhouseCoopers, has completed the audit of the consolidated financial statements of the Group for the year ended 31 December 2019 in accordance with Hong Kong Standards on Auditing (the “**HKAS**”) issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”). The figures of the Annual Results contained in the Unaudited Annual Results Announcement remain unchanged except for certain further update on the Group’s financing activities during the period from 31 March 2020 to 7 May 2020, as such the below changes are made to the Unaudited Annual Results Announcement (the relevant amendments have been underlined and bold for easy reference):

1. On page 16, the second paragraph:

Subsequent to the balance sheet date, the Group did not repay certain principal and interest payments in accordance with the scheduled repayment dates of certain loan

agreements, including (1) interest of RMB155,656,000 relating to certain of the Overdue Borrowings with a total principal amount of RMB5,212,165,000, (2) interest of RMB75,884,000 relating to certain of the Other Overdue Borrowings with a total principal amount of RMB4,349,000,000 and (3) principal of RMB5,000,000 and interest of RMB89,497,000 relating to certain of the Cross-default Borrowings with a total principal amount of RMB4,284,399,000.

is replaced by:

*Subsequent to the balance sheet date, the Group did not repay certain principal and interest payments in accordance with the scheduled repayment dates of certain loan agreements, including (1) interest of **RMB207,541,000** relating to certain of the Overdue Borrowings with a total principal amount of RMB5,212,165,000, (2) interest of RMB75,884,000 relating to certain of the Other Overdue Borrowings with a total principal amount of RMB4,349,000,000, (3) principal of **RMB473,455,000** and interest of **RMB125,341,000** relating to certain of the Cross-default Borrowings with a total principal amount of **RMB4,752,854,000 and (4) principal of RMB200,000,000 and interest of RMB10,170,000 relating to a borrowing which was neither default nor cross-default as at 31 December 2019 with a total principal amount of RMB200,000,000.***

2. On page 16, the second last paragraph:

(ii) In addition, the Group is also negotiating with various financial institutions and identifying various options for financing the Group's working capital and commitments in the foreseeable future. Since 1 January 2020, the Group has repaid principal of RMB8,507,000 of the Overdue Borrowings up to the date of the approval of these consolidated financial statements. In addition, the Group successfully extended or repaid certain Cross-default Borrowings with principal of RMB3,813,387,000 in February and March 2020 upon their scheduled repayment dates;

is replaced by:

*(ii) In addition, the Group is also negotiating with various financial institutions and identifying various options for financing the Group's working capital and commitments in the foreseeable future. Since 1 January 2020, the Group has repaid principal of **RMB14,980,000** of the Overdue Borrowings up to the date of the approval of these consolidated financial statements. In addition, the Group successfully extended or repaid certain Cross-default Borrowings with principal of **RMB4,016,115,000** in **February, March and April 2020** upon their scheduled repayment dates;*

3. On page 35, the second last paragraph:

(ii) In addition, the Group is also negotiating with various financial institutions and identifying various options for financing the Group's working capital and commitments in the foreseeable future. Since 1 January 2020, the Group has repaid principal of RMB8.5 million of the Overdue Borrowings up to the date of the approval of these consolidated financial statements. In addition, the Group successfully extended or repaid certain Cross-default Borrowings with principal of RMB3,813.4 million in February and March 2020 upon their scheduled repayment dates;

is replaced by:

*(ii) In addition, the Group is also negotiating with various financial institutions and identifying various options for financing the Group's working capital and commitments in the foreseeable future. Since 1 January 2020, the Group has repaid principal of **RMB15.0 million** of the Overdue Borrowings up to the date of the approval of these consolidated financial statements. In addition, the Group successfully extended or repaid certain Cross-default Borrowings with principal of **RMB4,016.1 million** in **February, March and April 2020** upon their scheduled repayment dates;*

Save as disclosed above, all other information in the Unaudited Annual Results Announcement remains unchanged.

The audited consolidated financial statements of the Group for the year ended 31 December 2019 have been reviewed by the Audit Committee and were approved by the Board on 7 May 2020.

AUDITOR'S AGREEMENT ON THE ANNUAL RESULTS

The figures in respect of the Group's consolidated statement of comprehensive income, consolidated balance sheet and the related notes thereto for the year ended 31 December 2019 as set out in the Unaudited Annual Results Announcement (save as supplemented and updated by this announcement) and this announcement have been agreed by the Company's auditor, PricewaterhouseCoopers, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by PricewaterhouseCoopers in this respect did not constitute an assurance engagement in accordance with HKAS, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagement issued by the HKICPA and consequently no assurance has been expressed by PricewaterhouseCoopers on the Unaudited Annual Results Announcement (save as supplemented and updated by this announcement) or this announcement.

EXTRACT OF INDEPENDENT AUDITOR'S REPORT

The below sections set out an extract of the report by PricewaterhouseCoopers, the auditor of the Company, regarding the consolidated financial statements of the Group for the year ended 31 December 2019:

Disclaimer of Opinion

We do not express an opinion on the consolidated financial statements of the Group. Because of the potential interaction of the multiple uncertainties and their possible cumulative effect on the consolidated financial statements as described in the Basis for Disclaimer of Opinion section of our report, it is not possible for us to form an opinion on these consolidated financial statements. In all other respects, in our opinion the consolidated financial statements have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

Basis for Disclaimer of Opinion

Multiple Uncertainties Relating to Going Concern

As described in note 2(a)(i) to the consolidated financial statements, the Group reported a net loss attributable to the owners of the Company of RMB957,065,000 and had a net operating cash outflow of RMB140,277,000 during the year ended 31 December 2019. As at 31 December 2019, the Group had accumulated losses of RMB3,498,042,000 and the Group's current liabilities exceeded its current assets by RMB14,344,552,000. As at the same date, the Group's total borrowings amounted to RMB25,247,047,000, of which current borrowings amounted to RMB25,235,997,000, while its cash and cash equivalents amounted to RMB334,169,000 only. In addition, as at 31 December 2019, the Group was in default in respect of principal amount of borrowings totaling RMB11,845,743,000 due to the following events of default:- (a) late or overdue payment of loan principal and interest during the year ended or as at 31 December 2019, and (b) a breach of certain terms and conditions of a bond not abovementioned during the year ended 31 December 2019. These events of default also resulted in cross-default of certain borrowings other than those mentioned above amounting to principal amount of RMB10,250,797,000 as at 31 December 2019. Subsequent to 31 December 2019, principal of RMB673,455,000 and interest payments of RMB418,936,000 relating to certain borrowings of the Group of principal amount of RMB14,499,039,000, of which RMB9,546,185,000 and RMB4,752,854,000 were already in default and cross-default as at 31 December 2019 respectively, were not repaid in accordance with the repayment schedules pursuant to the borrowing agreements. These conditions, together with other matters described in note 2(a)(i) to the consolidated financial statements, indicate the existence of material uncertainties which may cast significant doubt about the Group's ability to continue as a going concern.

The directors of the Company have been undertaking a number of measures to improve the Group's liquidity and financial position, and to remediate certain delayed repayments to

financial institutions, which are set out in note 2(a)(i) to the consolidated financial statements. The consolidated financial statements have been prepared on a going concern basis, the validity of which depends on the outcome of these measures, which are subject to multiple uncertainties, including (i) the successful negotiations with the lenders for the renewal of or extension for repayment of outstanding borrowings, including those with overdue principals and interests; (ii) the successful obtaining of additional new sources of financing as and when needed; (iii) successfully accelerating the pre-sales and sales of properties under development and completed properties and speeding up the collection of outstanding sales proceeds; and controlling costs and containing capital expenditure so as to generate adequate net cash inflows; (iv) successfully managing the impact of the COVID-19 outbreak, as well as any government's stimulus in response, on the Group's operations from time to time and adjusting its sales and marketing strategy for its property sales to generate sufficient cash from its operations; and (v) the successful maintenance of relationship with the Group's existing lenders such that no action will be taken by the relevant lenders to demand immediate repayment of the borrowings in default, including those with cross-default terms. Should the Group fail to achieve the abovementioned plans and measures, it might not be able to continue to operate as a going concern, and adjustments would have to be made to write down the carrying values of the Group's assets to their recoverable amounts, to provide for any further liabilities which might arise and to reclassify non-current assets and non-current liabilities as current assets and current liabilities. The effects of these adjustments have not been reflected in these consolidated financial statements.

ANNUAL GENERAL MEETING

The annual general meeting of the Company (the "AGM") will be held on Wednesday, 24 June 2020. A notice convening the AGM will be published and dispatched to the shareholders of the Company in accordance with the requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited in due course.

PUBLICATION OF ANNUAL REPORT

The Company expects to dispatch its annual report for the year ended 31 December 2019 on or before 15 May 2020.

By order of the Board
Glorious Property Holdings Limited
Ding Xiang Yang
Chairman

Hong Kong, 7 May 2020

As at the date of this announcement, the executive directors of the Company are Messrs. Ding Xiang Yang, Xia Jing Hua and Yan Zhi Rong; the independent non-executive directors of the Company are Prof. Liu Tao, Messrs. Wo Rui Fang and Han Ping.