GLORY国瑞

GLORY HEALTH INDUSTRY LIMITED
國瑞健康產業有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2329)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED JUNE 30, 2022

FINANCIAL HIGHLIGHTS

– Achieved contracted sales for the six months ended June 30, 2022 (the "**Reporting Period**") was RMB2,303.6 million with corresponding contracted gross floor area ("**GFA**") of approximately 77,773 sq.m.;

– Revenue for the Reporting Period was RMB 2,946.27 million, of which the revenue from property development was RMB2,649.55 million;

– Land reserves reached a total GFA of 7,560,071 sq.m. as at June 30, 2022;

– Contracted average selling price ("**ASP**") for the Reporting Period was RMB29,619.53 per sq.m.

– 55 % of the Company's saleable land reserve was distributed in Beijing as at June 30, 2022.

INTERIM RESULTS FOR THE SIX MONTHS ENDED JUNE 30, 2022

The board (the "**Board**") of directors (the "**Directors**") of Glory Health Industry Limited (the "**Company**", together with its subsidiaries, the "**Group**") is pleased to announce to the Group's shareholders (the "**Shareholders**") the interim results of the Group for the six months ended June 30, 2022, together with comparative figures for the corresponding period in 2021. The Group's interim results have not been audited but have been reviewed by the Company's audit committee.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED JUNE 30, 2022

		Six months ended June 30,	
	NOTES	**2022**	**2021**
		RMB'000	*RMB'000*
		(Unaudited)	*(Unaudited)*
Revenue			
Contract with customers		**2,717,043**	6,319,675
Leases		**229,225**	254,878
Total revenue	*3*	**2,946,268**	6,574,553
Cost of sales and services		**(3,122,585)**	(5,526,682)
Gross (loss)/profit		**(176,317)**	1,047,871
Other (losses)/gains		**(27,441)**	10,003
Other income		**70,801**	77,213
Change in fair value of investment properties		**–**	94,620
Impairment losses under expected credit loss model, net		**(69,254)**	(2,694)
Distribution and selling expenses		**(67,043)**	(100,204)
Administrative expenses		**(166,035)**	(190,150)
Other expenses		**(86,921)**	(10,016)
Share of profit/(losses) of associates		**943**	(4,437)
Share of losses of joint ventures		**(2,223)**	(4,909)
Finance costs	*5*	**(331,235)**	(92,622)
(Loss)/profit before tax		**(854,725)**	824,675
Income tax credit/(expense)	*6*	**76,901**	(454,112)
(Loss)/profit and total comprehensive (loss)/income for the period		**(777,824)**	370,563
(Loss)/profit and total comprehensive (loss)/income for the period attributable to:			
Owners of the Company		**(682,484)**	266,546
Non-controlling interests		**(95,340)**	104,017
		(777,824)	370,563
(LOSS)/EARNINGS PER SHARE	*7*		
–Basic and diluted (RMB cents)		**(15.4)**	6.0

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2022

	NOTE	As at June 30, 2022 RMB'000 (Unaudited)	As at December 31, 2021 RMB'000 (Audited)
Non-current assets			
Investment properties		**20,480,186**	20,430,500
Property, plant and equipment		**2,282,756**	2,268,730
Right-of-use assets		**258,580**	262,522
Other non-current assets		**1,389,471**	1,373,571
Interests in joint ventures		**157,190**	159,413
Interests in associates		**17,676**	14,571
Equity instruments at fair value through other comprehensive income ("**FVTOCI**")		**13,481**	13,481
Deferred tax assets		**426,242**	367,421
Restricted bank deposits		**33,266**	12,062
Value added tax and tax recoverable		**468,046**	1,031,070
		25,526,894	25,933,341
Current assets			
Inventories		**1,251**	1,415
Deposits paid for land acquisition		**100,152**	97,250
Properties under development for sale		**20,106,021**	21,976,751
Properties held for sale		**2,350,369**	4,174,623
Trade and other receivables, deposits and prepayments	9	**2,337,938**	1,926,918
Contract assets		**1,850,019**	1,798,868
Contract cost		**46,683**	59,535
Value added tax and tax recoverable		**441,378**	787,674
Amounts due from related parties		**2,790,563**	2,410,702
Restricted bank deposits		**368,083**	462,731
Bank balances and cash		**305,487**	460,225
		30,697,944	34,156,692
Total assets classified as held for sale		**1,094,591**	983,248
		31,792,535	35,139,940

	NOTES	As at June 30, 2022 RMB'000 (Unaudited)	As at December 31, 2021 RMB'000 (Audited)
Current liabilities			
Trade and other payables	*10*	**3,883,318**	5,088,577
Contract liabilities		**6,965,891**	9,101,673
Amounts due to related parties		**4,366,710**	3,876,942
Tax payable		**2,985,434**	2,969,343
Lease liabilities		**124**	812
Bank and trust borrowings		**4,681,387**	5,084,974
Senior notes		**698,214**	2,541,048
		23,581,078	28,663,369
Assets classified as held for sale		**1,085,977**	972,608
		24,667,055	29,635,977
Net current assets		**7,125,480**	5,503,963
Total assets less current liabilities		**32,652,374**	31,437,304
Non-current liabilities			
Rental deposits received	*10*	**135,213**	84,026
Bank and trust borrowings – due after one year		**13,212,544**	13,319,016
Senior notes		**2,094,407**	–
Deferred tax liabilities		**2,553,052**	2,599,280
		17,995,216	16,002,322
Net assets		**14,657,158**	15,434,982
Capital and reserves			
Share capital		**3,520**	3,520
Reserves		**12,020,650**	12,703,134
Equity attributable to owners of the Company		**12,024,170**	12,706,654
Non-controlling interests		**2,632,988**	2,728,328
Total equity		**14,657,158**	15,434,982

Notes

1. GENERAL INFORMATION OF THE GROUP

The Company was incorporated under the name of "Glory Land Company Limited (国瑞置业有限公司)" in the Cayman Islands and carrying on business in Hong Kong as "Guorui Properties Limited" as an exempted company with limited liability under the Company Laws (2012 Revision) of the Cayman Islands on July 16, 2012. The name of the Company was changed to Glory Health Industry Limited (國瑞健康產業有限公司) in June 2022. Its parent and ultimate holding company is Alltogether Land Company Limited (通和置業有限公司), a company incorporated in the British Virgin Islands.

The registered office of the Company is located at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands and its principal place of business is located at East Block, Hademen Plaza, 8-1#Chongwenmenwai Street, Dongcheng District, Beijing, the PRC.

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

The Company and its subsidiaries (collectively referred to the "**Group**") are principally engaged in the business of property development, provision of primary land construction and development services, property investment, and provision of property management and related services.

The condensed consolidated financial statements are presented in Renminbi ("**RMB**"), which is also the functional currency of the Company.

2. BASIS OF PREPARATION AND PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared in accordance with International Accounting Standard ("**IAS**") 34 Interim Financial Reporting issued by the International Accounting Standards Board (the "**IASB**") as well as with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**").

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

Other than application of amendments to International Financial Reporting Standards ("**IFRSs**"), the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended June 30, 2022 are the same as those presented in the Group's annual financial statements for the year ended December 31, 2021.

Application of amendments to IFRSs

In the current interim period, the Group has applied the amendments to IFRSs issued by the IASB for the first time, which are mandatory effective for the annual period beginning on or after January 1, 2022 for the preparation of the Group's condensed consolidated financial statements.

The application of the amendments to IFRSs in the current period has had no material impact on the Group's financial positions and performance for the current and prior periods and/or on the disclosures set out in these condensed consolidated financial statements.

Going Concern

Many projects of the Group are currently available to the sale of existing houses, and the expected sales of each project can cover the tail-in construction.

The condensed consolidated financial statements have been prepared on the assumptions that the Group will continue to operate as a going concern. In order to improve the Group's financial position, immediate liquidity and cash flows, and otherwise to sustain the Group as a going concern, the directors of the Company (the "**Directors**") have adopted several measures together with other measures in progress at the date of authorisation of these condensed consolidated financial statements, including but not limited to, the followings:

(i) for borrowings which will be maturing before June 30, 2023, the Group is renegotiating the borrowings plan with the banks. The Directors have evaluated the relevant facts available to them and are of the opinion that the Group would be able to renew such borrowings upon maturity;

(ii) the Group would sell part of its investment properties in order to improve the Group's financial position, liquidity and cash flows; and

(iii) the Group applies cost control measures in cost of sales and administrative expenses.

Taking into account the above consideration and measures, the Directors are satisfied that the Group will be able to meet its financial obligations when they fall due. Accordingly, the Directors are of the opinion that it is appropriate to prepare these condensed consolidated financial statements on a going concern basis.

3. REVENUE

Disaggregation of revenue from contracts with customers and the reconciliation of the revenue from contracts with customers with the amounts disclosed in the segment information

	For the six months ended June 30, 2022				
	Property development	**Primary land construction and development services**	**Property investment**	**Property management and related services**	**Total**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
	(Unaudited)	*(Unaudited)*	*(Unaudited)*	*(Unaudited)*	*(Unaudited)*
Timing of revenue recognition					
At a point in time	**2,649,546**	**–**	**–**	**–**	**2,649,546**
Over time	**–**	**57,856**	**–**	**9,641**	**67,497**
Revenue from contracts with customers	**2,649,546**	**57,856**	**–**	**9,641**	**2,717,043**
Leases	**–**	**–**	**229,225**	**–**	**229,225**
Total revenue	**2,649,546**	**57,856**	**229,225**	**9,641**	**2,946,268**

	For the six months ended June 30, 2021				
	Property development	**Primary land construction and development services**	**Property investment**	**Property management and related services**	**Total**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
	(Unaudited)	*(Unaudited)*	*(Unaudited)*	*(Unaudited)*	*(Unaudited)*
Timing of revenue recognition					
At a point in time	6,176,650	–	–	–	6,176,650
Over time	–	131,651	–	11,374	143,025
Revenue from contracts with customers	6,176,650	131,651	–	11,374	6,319,675
Leases	–	–	254,878	–	254,878
Total revenue	6,176,650	131,651	254,878	11,374	6,574,553

4. SEGMENT INFORMATION

The Group is organised into business units based on their types of activities. These business units are the basis of information that is prepared and reported to the Group's chief operating decision maker (i.e. the executive directors of the Company) for the purposes of resource allocation and assessment of performance. The Group's operating segments under IFRS 8 Operating Segments are identified as the following four business units:

Property development: This segment develops and sells commercial and residential properties.

Primary land construction and development services: This segment derives revenue from primary land development, including services for resettlement, construction of land infrastructure and ancillary public facilities on land owned by the local governments.

Property investment: This segment derives rental income from investment properties.

Property management and related services: This segment derives income from property management and related services.

Segment revenue and results

The following is the analysis of the Group's revenue and results by reportable and operating segment.

	Property development	Primary land construction and development services	Property investment	Property management and related services	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
	(Unaudited)	*(Unaudited)*	*(Unaudited)*	*(Unaudited)*	*(Unaudited)*
Six months ended June 30, 2022					
Revenue from external customers and segment revenue	**2,649,546**	**57,856**	**229,225**	**9,641**	**2,946,268**
Segment (loss)/profit	**(578,528)**	**2,755**	**197,473**	**(12,050)**	**(390,350)**
Six months ended June 30, 2021					
Revenue from external customers and segment revenue	6,176,650	131,651	254,878	11,374	6,574,553
Segment profit	657,714	2,606	152,279	3,122	815,721

The segment (loss)/profit can be reconciled to the (loss)/profit before taxation as follows:

	Six months ended June 30,	
	2022	**2021**
	RMB'000	*RMB'000*
	(Unaudited)	*(Unaudited)*
Segment (loss)/profit	**(390,350)**	815,721
Other (losses)/gains	**(27,441)**	10,003
Other income	**70,801**	77,213
Change in fair value of investment properties	**–**	94,620
Unallocated administrative expenses	**(88,299)**	(60,898)
Other expenses	**(86,921)**	(10,016)
Share of profit/(losses) of associates	**943**	(4,437)
Share of losses of joint ventures	**(2,223)**	(4,909)
Finance costs	**(331,235)**	(92,622)
(Loss)/profit before tax	**(854,725)**	824,675

The accounting policies applied in determining segment revenue and segment results of the operating segments are the same as the Group's accounting policies. Segment (loss)/profit represents the profit earned by each segment without allocation of other (losses)/gains, other income, change in fair value of investment properties, other expenses, share of losses of joint ventures, share of profit/(losses) of associates, finance costs and unallocated administrative expenses, including auditor's remuneration and directors' emoluments etc.. This is the measure reported to the Group's chief operating decision maker for the purpose of resources allocation and performance assessment.

Other segment information

Amounts included in the measurement of segment (loss)/profit:

	Property development	Primary land construction and development service	Property investment	Property management and related services	Unallocated amount	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
	(Unaudited)	*(Unaudited)*	*(Unaudited)*	*(Unaudited)*	*(Unaudited)*	*(Unaudited)*
Six months ended June 30, 2022						
Depreciation and amortisation	**(28,024)**	**–**	**–**	**(858)**	**(5,902)**	**(34,784)**
Impairment losses under expected credit loss model	**(69,254)**	**–**	**–**	**–**	**–**	**(69,254)**
Six months ended June 30, 2021						
Depreciation and amortisation	(8,336)	–	(1,579)	(4,091)	(21,070)	(35,076)
Impairment losses under expected credit loss model	(2,694)	–	–	–	–	(2,694)

No segment assets and liabilities are presented as they were not regularly provided to the chief operating decision maker for the purpose of resources allocation and performance assessment.

Geographical information

All the revenue and operating results of the Group is derived from the PRC based on location of the operations. All the Group's non-current assets (excluding financial instruments and deferred tax assets) are located in the PRC based on geographical location of the assets or the associates' and joint ventures' operation, as appropriate.

Revenue from major customers

No revenue from transactions with a single external customer amounted to 10% or more of the Group's revenue during the six months ended June 30, 2022 and 2021.

5. FINANCE COSTS

	Six months ended June 30,	
	2022	**2021**
	RMB'000	*RMB'000*
	(Unaudited)	*(Unaudited)*
Interest on bank borrowings	**489,489**	522,444
Interest on trust borrowings	**–**	33,395
Interest on loans from financial institutions	**104,381**	154,056
Interest on contract liabilities	**58,062**	384,459
Interest on corporate bonds	**–**	26,500
Interest on senior notes	**185,030**	197,603
Interest on lease liabilities	**27**	77
Exchange loss on senior notes and borrowings	**112,389**	–
Total	**949,378**	1,318,534
Less: Amounts capitalised in the cost of qualifying assets	**(618,143)**	(1,225,912)
	331,235	92,622

Interests capitalised arose from borrowings made specifically for the purpose of construction of the qualifying assets, which bore annual interest at rates from 4.75% to 13% (six months ended June 30, 2021: 4.75% to 13%) and general borrowings pool calculated by applying a capitalisation rate of 8.74% (six months ended June 30, 2021: 9.34%) per annum on expenditure on the qualifying assets.

6. INCOME TAX (CREDIT)/EXPENSE

	Six months ended June 30,	
	2022	**2021**
	RMB'000	*RMB'000*
	(Unaudited)	*(Unaudited)*
Current tax		
PRC Enterprise Income Tax	**27,740**	210,030
Land appreciation tax ("**LAT**")	**34,674**	222,327
	62,414	432,357
Deferred tax	**(139,315)**	21,755
Income tax (credit)/expense	**(76,901)**	454,112

Pursuant to the PRC Enterprise Income Tax Law promulgated on 16 March 2007, the PRC enterprise income tax for both domestic and foreign-invested enterprises has been unified at the income tax rate of 25% effective from 1 January 2008 onwards. The PRC enterprise income tax has been calculated on the estimated assessable profit derived from the PRC at the rate of 25% for both periods.

The provision of LAT is estimated according to the requirements set forth in the relevant PRC tax laws and regulations. LAT has been provided at ranges of progressive rates of the appreciation value, with certain allowable exemptions and deductions.

7. (LOSS)/EARNINGS PER SHARE

The calculation of basic and diluted (loss)/earnings per share attributable to the owners of the Company is based on the following data:

	Six months ended June 30,	
	2022	**2021**
	RMB'000	*RMB'000*
	(Unaudited)	*(Unaudited)*
(Loss)/earnings		
(Loss)/earnings for the purposes of basic and diluted (loss)/earnings per share ((loss)/profit for the period attributable to owners of the Company)	**(682,484)**	266,546

	Six months ended June 30,	
	2022	**2021**
	'000	*'000*
Number of shares		
Weighted average number of ordinary shares for the purpose of basic (loss)/earnings per share	**4,444,418**	4,444,418
Effect of dilutive potential ordinary shares:		
Share options	**Not applicable**	–
Weighted average number of ordinary shares for the purpose of diluted (loss)/earnings per share	**4,444,418**	4,444,418

8. DIVIDENDS

The Directors do not recommend the payment of an interim dividend for the six months ended June 30, 2022 (six months ended June 30, 2021: Nil).

9. TRADE AND OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

Trade receivables mainly comprise of rental receivables and receivables for sales of properties.

Pursuant to the lease agreements, rental payment is generally required to be settled in advance with no credit period being granted to the tenants. In respect of sale of properties, a credit period of six to twelve months may be granted to specific customers on a case-by-case basis.

	As at June 30, 2022 *RMB'000* *(Unaudited)*	As at December 31, 2021 *RMB'000* *(Audited)*
Trade receivables		
– Contracts with customers	**306,344**	364,437
– Lease receivables	**267,122**	222,134
	573,466	586,571
Less: Allowance for credit losses	**(129,461)**	(84,283)
Trade receivables, net	**444,005**	502,288
Advances to contractors and suppliers	**547,296**	572,238
Other receivables from independent third parties *(Note)*	**14,940**	14,940
Other receivables and prepayment	**1,322,305**	798,699
Deposits	**84,656**	96,646
	1,969,197	1,482,523
Less: Allowance for credit losses	**(75,264)**	(57,893)
Other receivables	**1,893,933**	1,424,630
Total trade and other receivables	**2,337,938**	1,926,918

Note: Other receivables from independent third parties are of non-trade nature, unsecured, interest-free and repayable on demand. As at June 30, 2022 and under legal proceedings, the balance included carrying amount of RMB277,650,000, which was bearing interest at 8% per annum.

The following is an analysis of trade receivables, presented based on the date of recognition of revenue:

	As at June 30, 2022 *RMB'000* *(Unaudited)*	As at December 31, 2021 *RMB'000* *(Audited)*
0 to 60 days	**42,890**	50,146
61 to 180 days	**34,983**	32,068
181 to 365 days	**59,877**	91,925
1 to 2 years	**45,456**	78,900
Over 2 years	**390,260**	333,532
	573,466	586,571

As at June 30, 2022, included in the Group's trade receivables balance are debtors with aggregate carrying amount of RMB260,823,000 (December 31, 2021: RMB227,240,000) which are past due as at the reporting date. The balances which has been past due over 90 days is not considered as default since the Directors considered such balances could be recovered based on repayment history, the financial conditions and the current credit worthiness of each customer.

10. TRADE AND OTHER PAYABLES

	As at June 30, 2022 *RMB'000* *(Unaudited)*	**As at December 31, 2021** *RMB'000* *(Audited)*
Trade payables	**2,051,155**	2,205,163
Deposits received	**234,044**	246,571
Rental received in advance	**89,233**	100,969
Refund liabilities	**390,036**	325,838
Accrued payroll	**39,412**	40,486
Value added tax and other tax payables	**478,773**	919,667
Other payables and accruals	**600,378**	1,198,409
Dividends to non-controlling interests	**135,500**	135,500
	4,018,531	5,172,603
Analysed for reporting purposes as:		
Non-current *(Note)*	**135,213**	84,026
Current	**3,883,318**	5,088,577
	4,018,531	5,172,603

Trade payables comprise of construction costs payable and other project-related expenses payable. The average credit period of trade payable is approximately 180 days.

Note:

Pursuant to the relevant rental agreements, rental deposits received as at June 30, 2022 and December 31, 2021 are to be settled after twelve months from the end of the reporting period and are therefore classified as non-current liabilities.

The following is an analysis of trade payables by aging, presented based on the billing date:

	As at June 30, 2022 *RMB'000* *(Unaudited)*	As at December 31, 2021 *RMB'000* *(Audited)*
0 to 60 days	**552,467**	816,626
61 to 365 days	**354,552**	417,148
1 to 2 years	**331,048**	203,015
Over 2 years	**813,088**	768,374
	2,051,155	2,205,163

11. FINANCIAL GUARANTEE

	As at June 30, 2022 *RMB'000* *(Unaudited)*	As at December 31, 2021 *RMB'000* *(Audited)*
Guarantees provided by the Group in respect of loan facilities	**4,466,037**	5,753,535

Note:

The Group has pledged certain restricted bank deposits and provided guarantees to banks in favor of its customers in respect of the mortgage loans provided by the banks to those customers for the purchase of the Group's developed properties and under development properties. These guarantees provided by the Group to the banks will be released upon receiving the building ownership certificate of the respective properties by the banks from the customers as security of the mortgage loans granted.

In the opinion of the Directors, the fair value of the financial guarantee contracts at initial recognition and subsequently at the end of each reporting period is not significant as the default rate is low and a large portion of consideration from property sales contract has been received and recognised as contract liabilities.

As at June 30, 2022, Garden Group has provided guarantee to a bank for a banking facility granted to the Beijing Ruida Properties Co., Ltd. 北京瑞達置業有限公司, of which the bank borrowing guaranteed by the Group amounted to RMB440,000,000 (December 31, 2021: RMB540,000,000). Such guarantee will expire in January 2023.

CHAIRMAN'S STATEMENT

Dear Shareholders,

On behalf of the Board, I hereby present the interim results of the Group for the six months ended June 30, 2022.

Interim Results

During the Reporting Period, the revenue of the Group was RMB2,946.27 million. Revenue from property development was RMB2,649.55 million. For the six months ended June 30, 2022, the Group's net loss was RMB777.82 million.

I. MARKET REVIEW

In 2022, the real estate market generally showed a downward trend. Affected by a combination of factors including the COVID-19 pandemic, the real estate market and policies, the investment scale recorded the deceleration of growth, and the properties sales in the real estate industry dropped. National fixed asset investment (excluding rural households) was RMB27,143.0 billion, representing a year-on-year increase of 6.1%. In terms of segments, infrastructure investment increased by 7.1%, manufacturing investment increased by 10.4%, and real estate development investment decreased by 5.4%. Domestically, the sales area of commercial residential housing was 689.23 million sq.m., representing a decrease of 22.2%; and the sales volume of commercial residential housing amounted to RMB6,607.2 billion, representing a decline by 28.9%. The real estate industry suffered obvious setbacks, with a significant drop in both of the national sales area and sales volume of commercial residential housing.

1. Policies – The general principle of regulation remains unchanged, with diversified measures to fine tune and stabilise the market

Financial policy – Macro-prudential Management System for Real Estate Finance

The past two years witnessed the tightening macro policies and market downturn, which imposed tremendous pressure on the operations of real estate companies. Worsen by the pandemic, several real estate companies have been overwhelmed and subject to structural risks. In April 2022, the People's Bank of China and the China Banking and Insurance Regulatory Commission jointly held a symposium on financial support for the real economy, at which it was proposed that "differentiated housing credit policies shall be implemented based on city-specific policies to better meet the reasonable housing demands of home buyers. It is necessary to implement the macro-prudential management system for real estate finance, and distinguish project risks and enterprise group risks, without blind withdrawal, termination or pressurisation of loans, so as to maintain stable and orderly real estate financing".

Property purchase curb policy – the overarching keynote remains unchanged, with relaxation of the policy featuring targeted policy for specific city

As the overarching keynote of "residential properties are for accommodation, not for speculation" remains unchanged, despite partial relaxation of the purchase curb policy, restrictions on property purchase have been loosened due to the introduction of the system featuring targeted policy for specific city. Several cities have introduced policies to relax purchase restrictions at varying degrees from shortening the social security payment period, reducing the down payment ratio for the purchase of second homes, to the complete relaxation of purchase restrictions by some cities. In the future, as the pressure on the real estate industry continues, it is expected that other cities will successively introduce such relaxation policies.

Land policy – adjustment of land supply method

Private real estate companies lost their ability to purchase land, which caused the land market recession. The supply and demand of residential land in 300 cities shrank significantly year-on-year, with the decreases in the supply of 44.3% and the transaction of 55.6%. A large number of cities have conducted land abortive auction, with tight land finance; thereby, the land supply policy of various cities has been adjusted, and the method of formal sale after the advance announcement of enterprises that have confirmed their intention to purchase is widely applied.

2. Price – the price is stagnant with a plunge in the saleable area

In the first half of 2022, the prices of new residential properties in 100 cities rose by only 0.04%, with price stagnation; the saleable area of residential properties in key cities decreased by 42.1% year-on-year, which reflected that a plunge in the saleable area with market slowdown.

3. Supply and demand – supply and demand dropped with fierce market competition

The supply of new commercial residential housing in key 100 cities plummeted by 44% year-on-year, with a year-on-year plunge in the transaction volume of 42.1%. Coupled with the widespread impact of the pandemic on various industries, which resulted in a significant drop in customers' purchasing power and willingness to purchase, and a massive decline in the number of potential customers, various projects available in market are scrambling for customers, reflecting fierce market competition.

4. Assets – a large amount of assets flood into the market, and selection conditions of investors are increasingly stringent

Affected by debt pressure, a considerable number of real estate companies are selling their assets. Currently, a great number of large-scale assets are flooding into the market. A huge number of assets are available for selection by investors, which has led to stricter selection conditions for investors, and made it is more difficult to sell large-scale assets, thus causing the declined sales prices.

5. **Enterprises – a large number of enterprises have defaulted on their debts, and actively strived for debt structure adjustment**

Under multiple pressures, a large number of enterprises are overwhelmed, and subject to debt defaults on the open market. The large-scale debt risk has also caused the government's focus, and relevant policies have been issued to require banks and financial institutions to not withdraw, terminate and pressurise loans, so as to promote financial institutions to negotiate debt solutions with companies with various problems, and ensure the smooth resolution of debt risks.

II. CORE COMPETITIVENESS OF THE GROUP

With adherence to the overall positioning of "residential properties are for accommodation, not for speculation" and the requirements of "stabilisation of land prices, housing prices and expectations", various new policies have been introduced successively. Coupled with the impact of local policies such as purchase and loan restrictions, the resonance of central regulation and local policies has fundamentally changed the development logic of the real estate industry. The days are gone when companies achieve their scale development through high leverage, high debt and high turnover.

Amid the new situation, how to prevent and control systemic risks, how to promote the transformation of enterprises from high-speed and sprawling development to stable and high-quality development, and how to achieve sustainable development have become the top three issues that major real estate companies need to solve immediately. After reviewing the current market environment, the Group believes that maintaining and continuously strengthening the five characteristics of two-wheel drive, high-quality resources, financial stability, diversified product structure, and active transformation and breakthrough are important guarantees for the Group to achieve stable development.

1. **The principal business model with two-wheel drive**

The Group adheres to the principal business model with two-wheel drive of "development and sales of real estate + operation and management of investment property", and implements the development strategy of "combination of long term and short term" to actively promote the stable development of the Group. The "long term" refers to the long-term development of investment properties; the "short-term" refers to the development model of short, adaptable and fast sales of properties. The Group will remain committed to and continue to optimise the principal business model with two-wheel drive, to enable the Group to calmly respond to the ever-changing market environment and go through the industry cycle, thus creating sustainable and stable value returns.

2. **High-quality resource reserves**

The Group's land reserves are mainly located in Shenzhen and Beijing, most of which are primary land development projects. Such projects have lower land costs and better income expectations; the large scale of a single project is conducive to the long-term development in phases and beneficial to the realisation of the Group's brand; and represents a strong support for the long-term, stable development of the Group.

3. **Diversified product types available for sale**

The Group's saleable products cover various types of properties including commercial properties, office, residential properties for rigid demands, residential properties for upgrade housing demand, healthcare residential properties to meet the needs of different customers; at the same time, the sales and payment cycles of different types of products are matched to build a stable sales payment collection system in response to ever-changing market demands.

4. **Robust financial structure**

Under the requirements of prevention and resolution of systemic financial risks, a stable financial structure has increasingly become the ballast stone for escorting the stable development of the Group. In view of this, the Group has actively reduced its debt since 2018, and the current debt level is much lower than that of similar real estate companies.

5. **Active transformation and breakthrough**

The Group is optimistic about the market opportunities and potential of the health industry. In line with the developing needs of times, the Group will be committed to exploring the innovation of habitation business forms and developing new industries, such as healthy living community, online healthy life and regenerative medical incubation. On one hand, the Group will be continuously upgrading the smart home and healthy life products of Guorui, and achieving comprehensive reshaping of the Group's product form and service model. On the other hand, the Group will be committed to providing more online services for healthy life through the establishment of innovative businesses such as Guorui hospitals and medical online, online health care services, insurance services etc., in order to improve the comprehensive operation and service level of the Group and realize the comprehensive transformation of the Group to the health industry.

To cope with the business transformation and development of the Group, the name of the Company was changed to Glory Health Industry Limited in June 2022.

III. OPERATION DURING THE REPORTING PERIOD

1. Real Estate Development and Sales

In the first half of 2022, in response to market changes, the Group adjusted its investment and sales strategies in a timely manner, steadily promoted the resumption of work and production, and thereby achieved stable business development. In the first half of the year, the Group made efforts to further downsize its real estate development, remained committed in debt reduction and accelerated asset disposal to improve liquidity. These efforts had achieved good results. The Company went to great lengths to ensure the completion and delivery of the properties. During the Reporting Period, the achieved contracted sales was approximately RMB2,303.6 million; the contracted GFA sold was 77,773 sq.m; and the contracted average selling price was RMB29,619.53 per sq.m. The Group adopted city-specific policies to meet market demands at different levels.

2. Investment Properties

During the Reporting Period, the total rental income of the Group was RMB229.23 million. With the effective control of the pandemic and the recovery of consumption, the Group's rental income will grow steadily. The Group owns 9 self-owned investment properties in the core areas of first-and second-tier cities including Beijing and Shenzhen, with a total planned GFA of approximately 769,379 sq.m.

3. Land Reserves

As at June 30, 2022, the total planned GFA of the land reserves of the Group was 7.56 million sq.m. The Group has high-quality primary land development projects and urban renewal projects in Shenzhen and Beijing. During the Reporting Period, the development area of primary land development projects and urban redevelopment projects without affirmed ownership of the Group was 5.811 million sq.m., 51.6% of which was in Shenzhen. Accelerating urban renewal and improving renovation and upgrade of available housing are new directions for inventory market. The urban renewal projects, which features low investment and high profit margin, are the important source for the Group to replenish the land reserve in the Greater Bay Area. In the next few years, the Group's urban redevelopment projects and urban renewal projects will turn into sales and become its new profit growth drivers.

Furthermore, 55% of the short-term saleable land reserves is located in Beijing, which is less exposed to market fluctuations. In addition, most of such reserves has been close to the state of existing housings, and the investment in subsequent projects has been greatly reduced, which will help the Group to return short-term funds.

4. **Capital Structure**

In the first half of 2022, the strict supervision policy on real estate investment and financing continued. Sustained efforts made by the Group to proactively reduce debt, adjust debt structure, optimise fund management and resolve debt risks, achieved good results. The overall debt level of the Group was much lower than that of similar real estate companies.

In the first half of 2022, the Company completed the exchange offering of senior notes with a total amount of US$315 million.

During the Reporting Period, the Group's domestic interest-bearing liabilities decreased by RMB810 million in the first half of the year.

OUTLOOK FOR THE SECOND HALF OF 2022

In the second half of the year, as the national real estate policy further improves, the downward trend of the real estate market is expected to slow down, and consumption demand will gradually recover. The Group will intensify efforts to ensure the completion and delivery of the properties, promote the sale of inventory and revitalise existing projects and commercial assets. It will also work to further optimize the debt structure to ensure the stable development of the Group.

The Group will accelerate the transformation to the health industry, speed up the construction of hospitals, regenerative medical health and health care projects, and expand the broad market for the health industry, which is expected to create greater income and profits for the Group.

ACKNOWLEDGEMENT

On behalf of the Board, I take this opportunity to express my heartfelt gratitude to all our shareholders, investors, partners, customers, and the community for their support and trust. In the past half year, thanks to the guidance from the management of the Company, together with the efforts and contributions from all staff, the Group has made some achievements. In the future, the Company will continue to strive for maximized value and considerable returns for all of its shareholders.

Zhang Zhangsun
Chairman

Beijing, the PRC

August 31, 2022

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review

For the six months ended June 30, 2022, the Group's revenue was RMB2,946.27 million. Revenue from property development was RMB2,649.55 million. For the six months ended June 30, 2022, the Group's gross loss was RMB176.32 million, and the net loss was RMB777.82 million.

Contracted Sales

The contracted sales of the Group for the first half of 2022 amounted to approximately RMB2,303.6 million due to the impact of repeated pandemic outbreaks. The total contracted GFA was approximately 77,773 sq.m. Contracted sales of the Group in the first half of 2022, by geographical location, were mainly from Beijing, Foshan and Xi'an , and the contracted sales amounting to approximately RMB1,817.4 million, RMB123.8 million and RMB109.2 million, respectively, representing 78.9%, 5.4% and 4.8% of the Group's total contracted sales, respectively.

The following table sets out the Group's contracted sales by region for the six months ended June 30, 2022 and 2021:

	For the Six Months Ended June 30,			
	2022		2021	
City	**Contracted Sales** *(RMB million)*	**Percentage of Total Contracted Sales** *(%)*	**Contracted Sales** *(RMB million)*	**Percentage of Total Contracted Sales** *(%)*
Beijing	**1,817.4**	**78.9**	4,177.8	59.6
Haikou	**62.2**	**2.7**	133.3	1.9
Langfang	**41.7**	**1.8**	280.4	4.0
Zhengzhou	**25.2**	**1.1**	14.9	0.2
Shenyang	**60.8**	**2.6**	239.3	3.4
Foshan	**123.8**	**5.4**	710.6	10.1
Shantou	**10.0**	**0.4**	44.6	0.6
Suzhou	**17.2**	**0.8**	445.7	6.4
Chongming Island	**7.8**	**0.3**	151.5	2.2
Xi'an	**109.2**	**4.8**	754.5	10.8
Guizhou	**4.5**	**0.2**	8.4	0.1
Wuxi	**23.8**	**1.0**	46.2	0.7
Total	**2,303.6**	**100.0**	7,007.2	100.0

Note: The sales in the first half of 2021 were RMB7,007.2 million. The sales in the first half of 2022 were RMB2,303.6 million, representing a year-on-year decrease of 67.12%.

Property Projects

According to the stage of development, the Group classifies its property projects into three categories: completed properties, properties under development and properties held for future development. As some of its projects comprise multiple-phase development on a rolling basis, a single project may include different phases at various stages of completion, under development or held for future development.

As at June 30, 2022, the Group had completed a total GFA of 1,274,738 sq.m. and had land reserves with a total GFA of 7,560,071 sq.m.

The Group selectively retained the ownership of a substantial amount of self-developed commercial properties with strategic value to generate stable and sustainable income. As at June 30, 2022, the Group had investment properties in Beijing Fugui Garden, Beijing Glory City, Beijing Bei Wu Lou, Shenyang Glory City, Eudemonia Palace, Beijing Hademen Center, Shenzhen Nanshan, Haikou Glory City and Foshan Glory Shengping Commercial Center.

Land Reserves

The following table sets out a summary of the Group's land reserves by geographic location as at June 30, 2022:

	Completed	**Under Development**	**Future Development**	**Total Land Reserves**	**Of Total Land Reserves**
	Saleable/ Rentable GFA Remaining Unsold *(sq.m.)*	**GFA Under Development** *(sq.m.)*	**Planned GFA** *(sq.m.)*	**Total GFA** *(sq.m.)*	**Total GFA** *(%)*
Beijing	824,087	220,354	–	1,044,441	13.8
Haikou	32,005	140,640	863,338	1,035,983	13.7
Langfang	56,713	290,054	1,016,680	1,363,447	18.0
Zhengzhou	1,006	30,535	–	31,541	0.4
Shenyang	116,356	325,598	–	441,954	5.9
Foshan	142,436	375,892	–	518,328	6.9
Xi'an	–	289,978	–	289,978	3.8
Shantou	24,892	314,224	38,749	377,865	5.0
Shenzhen	–	42,763	274,213	316,976	4.2
Suzhou	932	76,783	–	77,715	1.0
Chongming Island	60,538	14,158	766,685	841,381	11.1
Wuxi	4,649	7,227	–	11,876	0.2
Tongren	11,124	270,313	927,149	1,208,586	16.0
Total	**1,274,738**	**2,398,519**	**3,886,814**	**7,560,071**	**100.00**
Total Attributable GFA	**812,040**	**1,938,014**	**3,113,778**	**5,863,832**	

Primary Land Development and Projects Developed under the "Urban Redevelopment" Policy

Apart from engaging in property development projects, the Group also actively undertakes primary land development projects as a strategic business in order to access potentially available land reserves. During the Reporting Period, the Group undertook primary land development, urban renewal and projects under the "Urban Redevelopment" policy in places including Beijing and Shenzhen.

Urban Redevelopment Project in Beijing

Since September 2007, the Group has undertaken a primary land development project in Beijing, namely the West Qinian Street Project, which is located in the west side of Qinian Street and less than one kilometer from Tian'anmen Square with a planned GFA of approximately 474,304 sq.m., comprising five land parcels. As at June 30, 2022, the demolition and relocation of the Land No. 4 and the Land No. 5 have been completed and preparation for launch to the market is in the process.

Urban Redevelopment Project in Shenzhen

In the first half of 2014, Shenzhen Dachaoshan Construction Co., Ltd.* (深圳市大潮汕建設有限公司), a subsidiary of the Group, entered into an urban renewal cooperation agreement with Shenzhen Longgang Xikeng Co., Ltd.* (深圳市龍崗區西坑股份合作公司) to carry out the urban renewal project of the Xikeng community. The planned GFA of the project was about 3 million sq.m. The Group has completed the survey for the land ownership, residential population and building information in the Xikeng community, industry research, the urban renewal planning research program and consultation. The Phase I Project with a site area of 530,000 sq.m. and a planned GFA of approximately 1.4 million sq.m. had been approved by the meeting of Longgan District Government Leadership Group (龍崗區政府領導小組會) on December 14, 2018 and had completed the planning announcement in respect of the inclusion into the "2018 Longgan District Urban Renewal Plan – the Ninth Plan" (《二零一八龍崗區城市更新計劃第九批計劃》) on December 30, 2018. A further approval has been obtained from relevant governmental authorities on the project at the end of February 2019. The special planning report documents for the first renewal were filed on May 30, 2019. In April 2020, the National Development and Reform Commission approved the construction plan for Metro Line 16 (Dayun-Xikeng Section) (Phase II). Xikeng Station of Metro Line 16 (Phase II) is located within the scope of the first renewal unit. The special plan has been adjusted by the Group in consideration of Xikeng Station and is being submitted to the review authority for review. Meanwhile, in consideration of the demolition and resettlement work arrangement of the government for the metro, the Group has fully started the demolition and resettlement negotiation for the first renewal unit. Subsequent thereto, the establishment of other projects will be commenced.

Financial Review

Revenue

For the six months ended June 30, 2022, the Group's revenue was RMB2,946.27 million, representing a decrease of 55.19% from RMB6,574.55 million for the six months ended June 30, 2021.

Revenue from property development for the six months ended June 30, 2022 was RMB2,649.55 million, representing a decrease of 57.10% as compared to the corresponding period of last year. The decrease in revenue during the Reporting Period was primarily due to the decrease in completion and delivery areas in the property development segment and reduced sales.

Cost of Sales and Services

For the six months ended June 30, 2022, the Group's cost of sales and services was RMB3,122.59 million, representing a decrease of 43.50% as compared to the corresponding period of last year. The decrease in cost of sales and services during the Reporting Period was primarily due to the decrease in completion and delivery areas in the property development segment.

The Group's cost of property development decreased by 37.83% from RMB4,999.7 million for the six months ended June 30, 2021 to RMB3,108.50 million for the six months ended June 30, 2022.

Gross (Loss)/Profit

For the six months ended June 30, 2022, the Group's gross loss was RMB176.32 million, as compared to the gross profit of RMB1,047.87 million in corresponding period of last year, which was primarily due to the decreased sales, increased costs caused by the delayed commencement of projects and provision for impairment of properties.

Net Profit Attributable to Owners of the Company

For the six months ended June 30, 2022, the loss attributable to owners of the Company was RMB682.48 million, representing a decrease of RMB949.03 million from the net profit attributable to owners of the Company of RMB266.55 million for the six months ended June 30, 2021, which was primarily due to the decrease in the gross profit from properties delivered and carried forward during the Reporting Period.

Other (Losses)/Gains

Other gains were RMB10.0 million for the six months ended June 30, 2021, while other losses were RMB27.44 million for the six months ended June 30, 2022.

Other Income

Other income decreased from RMB77.21 million for the six months ended June 30, 2021 to RMB70.80 million for the six months ended June 30, 2022, which was mainly due to the decrease in the recognised royalty income from associates and joint ventures.

Selling Expenses

Selling expenses decreased by 33.09% from RMB100.20 million for the six months ended June 30, 2021 to RMB67.04 million for the six months ended June 30, 2022.

Administrative Expenses

Administrative expenses decreased by 12.68% from RMB190.15 million for the six months ended June 30, 2021 to RMB166.04 million for the six months ended June 30, 2022.

Finance Costs

Finance costs increased by 257.63% from RMB92.62 million for the six months ended June 30, 2021 to RMB331.24 million for the six months ended June 30, 2022, which was primarily due to the decrease in capitalised financing expenses of the Group as of the end of the Reporting Period.

Income Tax Credit/(Expense)

Income tax expenses decreased from RMB454.11 million for the six months ended June 30, 2021 to income tax credit of RMB76.90 million for the six months ended June 30, 2022. The PRC corporate income tax and land appreciation tax of the Group for the six months ended June 30, 2022 were RMB27.74 million and RMB34.67 million, respectively.

Total Comprehensive (Loss)/Income

As a result of the foregoing reasons, the Group's total comprehensive income decreased from RMB370.56 million for the six months ended June 30, 2021 to the total comprehensive loss of RMB777.82 million for the six months ended June 30, 2022.

Liquidity, Financial and Capital Resources

Cash Position

As at June 30, 2022, the Group's cash, restricted bank deposits and bank balances were approximately RMB706.84 million, representing a decrease of 24.4% as compared to RMB935.02 million as at December 31, 2021.

Net Operating Cash Flow

The Group recorded net operating cash flow in the amount of RMB1,028.86 million for the six months ended June 30, 2022, while we had recorded net operating cash flow of RMB2,487.87 million for the six months ended June 30, 2021.

Borrowings

As at June 30, 2022, the Group had outstanding borrowings of RMB20,686.55 million, consisting of bank borrowings of RMB15,048.68 million, other borrowings of RMB2,845.25 million and senior notes of RMB2,792.62 million.

Charge over Assets

Some of the Group's borrowings are secured by properties under development for sale, properties held for sale, investment properties and prepaid lease payments as well as property, plant and equipment and restricted bank deposits, or combinations of the above. As at June 30, 2022, the assets pledged to secure certain borrowings granted to the Group amounted to RMB30,475.43 million.

Financial Guarantees and Contingent Liabilities

In line with market practice, the Group has entered into arrangements with various banks for the provision of mortgage financing to its customers. The Group does not conduct independent credit checks on its customers, but relies on credit checks conducted by relevant banks. As with other property developers in the PRC, the banks usually require the Group to guarantee its customers' obligation to repay the mortgage loans on the properties. The guarantee period normally lasts until the banks receive the strata-title building ownership certificate (分戶產權證) from the customer as security of the mortgage loan granted. As at June 30, 2022, the Group's outstanding guarantees in respect of the mortgages of its customers amounted to RMB4,466.04 million.

Save as disclosed in this announcement, the Group had no other material contingent liabilities as at June 30, 2022.

Future Plans for Material Investments or Capital Assets

The Group will continue to invest in its property development projects and acquire suitable land parcels in selected cities as it thinks fit. It is expected that internal resources and bank borrowings will be sufficient to meet the necessary funding requirements. Save as disclosed in this announcement, the Group did not have any future plans for material investments or capital assets as at the date of this announcement.

Employees and Remuneration Policies

For the six months ended June 30, 2022, the Group had approximately 537 employees, and incurred employee costs of approximately RMB100.6 million. Remuneration for the employees generally includes salaries and performance bonuses. As required by applicable PRC laws and regulations, the Group participates in various employee benefit plans of the municipal and provincial governments, including housing provident funds, pension, medication, maternity, occupational injury and unemployment benefit plans.

Interim Dividend

The Board has decided not to pay any interim dividend to the Shareholders.

Issuance of Senior Notes

On February 23, 2022, the Company completed the exchange offering of US$315,159,000 of the 2021 senior notes (the "**2021 Senior Notes**") with US$334,790,000 of new issue of senior notes due on August 23, 2024 (the "**2022 Senior Notes**") which bearing interest at 14.25% per annum. After the completion of the exchange offering, the 2021 Senior Notes with the remaining aggregate principal amount of US$8,586,000 and the 2022 Senior Notes with an aggregate principal amount of US$334,790,000 remain outstanding. Further details regarding the issue of the senior notes are disclosed in the announcements of the Company dated February 11, February 17, February 21, and February 28, 2022.

CORPORATE GOVERNANCE PRACTICES AND OTHER INFORMATION

The Company is committed to maintaining high standards of corporate governance with a view to assuring the conduct of management of the Company as well as protecting the interests of the Shareholders. The Company has always recognized the importance of the Shareholders' transparency and accountability.

The Company has adopted the Corporate Governance Code (the "**CG Code**") as set out in Appendix 14 to the Listing Rules as its own code of corporate governance. Under the current organization structure of the Company, Mr. Zhang Zhangsun ("**Chairman Zhang**") is the chairman of the Board and the president of the Company. The roles of both chairman and president being performed by the same person deviates from the CG Code. Chairman Zhang has been overseeing the Group's strategic planning, development, operation and management since the Group was founded. The Company believes that the vesting of the roles of both chairman and president in Chairman Zhang is beneficial to the business operation of the Group and will not have negative influence on the management of the Group. The balance of power and authority is ensured by the operation of the senior management and the Board, which comprise experienced and high caliber individuals. The Board currently comprises five executive Directors and three independent non-executive Directors, and therefore has fairly strong independence in its composition. Save as disclosed herein, the Company has complied with the code provisions as set out in the CG Code for the six months ended June 30, 2022. The Company will continue to review and enhance its corporate governance practices to ensure compliance with the CG Code.

Compliance with the Model Code for Securities Transactions by Directors of Listed Issuers

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix 10 to the Listing Rules as its own code of conduct regarding Directors' securities transactions. Having made specific enquiries with all the Directors, each of the Directors has confirmed that he/she has complied with the Model Code for the six months ended June 30, 2022.

Purchase, Sale or Redemption of Listed Securities of the Company

For the six months ended June 30, 2022, save as disclosed in this announcement, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities.

Audit Committee

The Company has established an audit committee (the "**Audit Committee**") with written terms of reference in compliance with Rule 3.21 of the Listing Rules and paragraph C.3 of the CG Code. The Audit Committee consists of three independent non-executive Directors including Mr. Luo Zhenbang, Mr. Lai Siming and Ms. Chen Jingru. The Audit Committee is chaired by Mr. Luo Zhenbang.

The Audit Committee has reviewed with the management the accounting principles and policies adopted by the Company, as well as laws and regulations, and discussed internal control and financial reporting matters (including the review of the interim results for the six months ended June 30, 2022) of the Group. The Audit Committee considered that the interim results for the six months ended June 30, 2022 are in compliance with the applicable accounting principles and policies, laws and regulations, and the Company has made appropriate disclosures thereof.

Subsequent Event after the Reporting Period

Save as disclosed in this announcement, there is no material post balance sheet event undertaken by the Group after June 30, 2022 up to the date of this announcement.

Publication of the Unaudited Condensed Consolidated Interim Results and Interim Report for the Six Months Ended June 30, 2022 on the Websites of the Stock Exchange and the Company

This announcement is published on the website of the Stock Exchange and the Company's website. In accordance with the requirements under the Listing Rules which are applicable to the Reporting Period, the interim report for the six months ended June 30, 2022 containing all the information about the Company set out in this announcement of results for the six months ended June 30, 2022 will be despatched to the Shareholders and published on the respective websites of the Stock Exchange and the Company in due course.

By Order of the Board
Glory Health Industry Limited
Zhang Zhangsun
Chairman

Beijing, the PRC, August 31, 2022

As at the date of this announcement, the board of directors of the Company comprises Mr. Zhang Zhangsun, Ms. Ruan Wenjuan, Ms. Dong Xueer, Mr. Hao Zhenhe and Mr. Sun Xiaodong as executive directors and Mr. Luo Zhenbang, Mr. Lai Siming and Ms. Chen Jingru as independent non-executive directors.