

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



寶新置地集團有限公司

GLORY SUN LAND GROUP LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 299)

INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2025

The directors (the “Directors”) of Glory Sun Land Group Limited (the “Company”) are pleased to announce the unaudited condensed consolidated financial results of the Company and its subsidiaries (collectively the “Group”) for the six months ended 30 June 2025 (the “Period”), which has been reviewed by the audit committee of the Company (the “Audit Committee”).

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 30 JUNE 2025

	Notes	Six months ended 30 June	
		2025 HK\$'000 (unaudited)	2024 HK\$'000 (unaudited)
Revenue	5	57,377	455,016
Cost of sales		(64,546)	(569,793)
Gross loss		(7,169)	(114,777)
Selling expenses		(2,233)	(4,288)
Administrative expenses		(3,420)	(27,750)
Gain on disposal of subsidiaries		–	49,656
Fair value loss on investment properties		(56,413)	(196,779)
Impairment loss on prepayment for redevelopment project		(65,392)	(1,174,710)
Reversal of impairment/(impairment losses) on financial and contract assets – net		1,255	(14,571)
Other income, gains or (losses) – net		29,588	(3,297)
Loss from operations		(103,784)	(1,486,516)
Finance costs		(137,024)	(115,246)
Loss before income tax		(240,808)	(1,601,762)
Income tax (expense)/credit	7	(962)	31,844
Loss for the period	6	(241,770)	(1,569,918)

	Notes	Six months ended 30 June	
		2025	2024
		HK\$'000 (unaudited)	HK\$'000 (unaudited)
Other comprehensive income, net of tax			
<i>Item that will not be reclassified to profit or loss:</i>			
Fair value changes of equity instruments at fair value through other comprehensive income ("FVTOCI")		(105)	(160)
		<u>(105)</u>	<u>(160)</u>
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Exchange differences on translating foreign operations		1,702	(16,300)
Exchange differences reclassified to profit or loss on disposal of subsidiaries		–	13,128
		<u>1,702</u>	<u>(3,172)</u>
Other comprehensive income for the period, net of tax		<u>1,597</u>	<u>(3,332)</u>
Total comprehensive income for the period		<u><u>(240,173)</u></u>	<u><u>(1,573,250)</u></u>
Loss for the period attributable to:			
– Owners of the Company		(167,387)	(1,214,647)
– Non-controlling interests		(74,383)	(355,271)
		<u>(241,770)</u>	<u>(1,569,918)</u>
Total comprehensive income for the period attributable to:			
– Owners of the Company		(170,048)	(1,207,857)
– Non-controlling interests		(70,125)	(365,393)
		<u><u>(240,173)</u></u>	<u><u>(1,573,250)</u></u>
Loss per share attributable to owners of the Company during the period			
– Basic and diluted loss per share (HK cents)	8	<u><u>(153.28)</u></u>	<u><u>(1,112.29)</u></u>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2025

		30 June 2025 <i>HK\$'000</i> (unaudited)	31 December 2024 <i>HK\$'000</i> (audited)
	Notes		
Non-current assets			
Property, plant and equipment		11,776	15,818
Investment properties	9	697,396	736,216
Financial asset at FVTOCI		97	202
		<u>709,269</u>	<u>752,236</u>
Current assets			
Inventories	10	4,188,900	4,109,554
Contract assets		19,802	19,399
Trade and other receivables	11	2,167,345	2,196,216
Financial asset at fair value through profit or loss (“FVTPL”)	12	124,146	109,548
Current tax assets		32,771	32,347
Pledged and restricted bank deposits		15,284	24,275
Bank and cash balances		13,870	3,266
		<u>6,562,118</u>	<u>6,494,605</u>
Current liabilities			
Borrowings		3,535,932	3,362,304
Trade and other payables	13	2,750,607	2,629,010
Contract liabilities		963,483	967,915
Financial guarantee		3,307	13,047
Lease liabilities		–	297
Current tax liabilities		53,207	52,958
		<u>7,306,536</u>	<u>7,025,531</u>
Net current liabilities		<u>(744,418)</u>	<u>(530,926)</u>
Total assets less current liabilities		<u>(35,149)</u>	<u>221,310</u>

		30 June 2025	31 December 2024
	<i>Notes</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
		(unaudited)	(audited)
Non-current liabilities			
Borrowings		298,442	303,479
Lease liabilities		–	11,271
Deferred tax liabilities		2,346	2,324
		300,788	317,074
NET LIABILITIES		(335,937)	(95,764)
Capital and reserves			
Share capital	14	5,460	5,460
Reserves		(480,655)	(310,607)
Equity attributable to owners of the Company		(475,195)	(305,147)
Non-controlling interests		139,258	209,383
CAPITAL DEFICIENCIES		(335,937)	(95,764)

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 JUNE 2025
(THE “CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS”)**

1. GENERAL INFORMATION

Glory Sun Land Group Limited was incorporated in the Cayman Islands with limited liability. The address of its registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands. The address of its principal place of business in Hong Kong is Unit 1002, 10th Floor, Silvercord Tower 1, 30 Canton Road, Tsim Sha Tsui, Kowloon, Hong Kong. The Company is an investment holding company. The Group is principally engaged in property development and property investment, provision of construction works, trading of commodities and home appliances and building materials in the People’s Republic of China (the “PRC”).

2. BASIS OF PREPARATION

(a) Statement of compliance

These Condensed Consolidated Interim Financial Statements have been prepared in accordance with Hong Kong Accounting Standard 34 (“HKAS 34”) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and the applicable disclosures provision of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”).

These Condensed Consolidated Interim Financial Statements contain condensed consolidated interim financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the annual financial statements for the year ended 31 December 2024. These Condensed Consolidated Interim Financial Statements and notes do not include all of the information required for a complete set of financial statements prepared in accordance with HKFRS Accounting Standards and should be read in conjunction with the annual financial statements for the year ended 31 December 2024.

These Condensed Consolidated Interim Financial Statements have been prepared with the same accounting policies adopted in the annual financial statements for the year ended 31 December 2024, except for those that relate to new standards or interpretations effective for the first time for the period beginning on or after 1 January 2025. Details of any changes in accounting policies are set out in note 3.

The preparation of these Condensed Consolidated Interim Financial Statements in compliance with HKAS 34 requires the use of certain judgements, estimates and assumptions that affect the application of policies and the reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates. The areas where significant judgments and estimates have been made in preparing the financial statements and their effect are disclosed in note 4.

These Condensed Consolidated Interim Financial Statements are presented in Hong Kong Dollars (“HK\$”), unless otherwise stated.

(b) Going concern assumption

As at 30 June 2025, the Group incurred a loss of approximately HK\$241,770,000 for the six months ended 30 June 2025, and as of that date, the Group had total borrowings of approximately HK\$3,834,374,000 of which the current borrowings amounted to approximately HK\$3,535,932,000, while, the Group had bank and cash balances of approximately HK\$13,870,000 only.

The above events or conditions indicate the existence of material uncertainties which cast significant doubt on the Group's ability to continue as a going concern, and therefore, the Group may not be able to realise its assets and discharge its liabilities in the normal course of business.

For the purpose of assessing going concern, the directors of the Company (the "Directors") have prepared a cash flow forecast of the Group covering a period of twelve months from the end of the reporting period (the "Cash Flow Forecast") with plans and measures to mitigate the liquidity pressure and to improve its financial position. Certain plans and measures have been or will be taken by the Directors including, but not limited to, the following:

- (i) The Group has been actively negotiating with lenders of defaulted/overdue borrowings for possible settlement arrangements or to extend the repayment date;
- (ii) The Group has been actively communicating with creditors to resolve the pending legal proceedings. The Group is expecting that it can continue to reach a solution to the legal proceedings which may include, among other things, to use assets for settlement or to extend the repayment date;
- (iii) The Group will accelerate the pre-sales of its major property development projects during the period of the Cash Flow Forecast;
- (iv) The Group has made continuous devoted effort to resolve the liquidity issue, including but not limited to realising part of its property development projects and disposing of asset; and
- (v) The Group has undertaken and will continue to undertake various mitigating measures to manage the current business environment, including cost control to minimise the cash outflow of non-essential items.

Based on the Cash Flow Forecast, the Directors considered the Group would have sufficient financial resources to finance its operations and to meet its financial obligations within the next fifteen months from the end of the reporting period. Accordingly, it is appropriate to prepare the Condensed Consolidated Interim Financial Statements on a going concern basis.

Should the Group fail to achieve the above plans and measures as abovementioned, 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 net realisable 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 respectively. The effects of these adjustments have not been reflected in these Condensed Consolidated Interim Financial Statements.

3. ADOPTION OF HKFRS ACCOUNTING STANDARDS

In the Period, the Group has adopted all the new and revised HKFRS Accounting Standards issued by the HKICPA that are relevant to its operations and effective for its accounting year beginning on 1 January 2025.

The adoption of the new and amendments to HKFRS Accounting Standards has no material impact on the Group's Condensed Consolidated Interim Financial Statements.

4. USE OF JUDGEMENTS AND ESTIMATES

In preparing these Condensed Consolidated Interim Financial Statements, the significant judgements made by the management in applying the Group's accounting policies and the key sources of estimation uncertainty were similar to those that applied to annual financial statements for the year ended 31 December 2024.

5. SEGMENT INFORMATION

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

The Group has several operating segments as follows:

Property development and property investment	–	property development and property investment
Trading of commodities	–	trading of commodities
Construction	–	provision of construction works
Others	–	trading of home appliances and building materials

The Group's revenue is principally attributable to a single geographical region, which is the PRC.

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

Segment revenue and results

Revenue reported below represents revenue generated from external customers. There was no inter-segment sales in both periods of 2025 and 2024.

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

For the six months ended 30 June 2025 (unaudited)

	Property development and property investment <i>HK\$'000</i>	Trading of commodities <i>HK\$'000</i>	Construction <i>HK\$'000</i>	Others <i>HK\$'000</i>	Total <i>HK\$'000</i>
Revenue	<u>57,377</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>57,377</u>
Segment results	<u>(72,575)</u>	<u>373</u>	<u>130</u>	<u>(1,711)</u>	<u>(73,783)</u>
Fair value loss on investment properties					(56,413)
Other income, gains or (losses) – net					29,588
Finance costs					(137,024)
Unallocated corporate expenses					<u>(3,176)</u>
Loss before income tax					<u>(240,808)</u>
Time of revenue recognition					
At a point in time	<u>57,377</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>57,377</u>
Transferred over time	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>
	<u>57,377</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>57,377</u>
Revenue from other sources	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>
	<u>57,377</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>57,377</u>

For the six months ended 30 June 2024 (unaudited)

	Property development and property investment <i>HK\$'000</i>	Trading of commodities <i>HK\$'000</i>	Construction <i>HK\$'000</i>	Others <i>HK\$'000</i>	Total <i>HK\$'000</i>
Revenue	<u>127,413</u>	<u>311,998</u>	<u>–</u>	<u>15,605</u>	<u>455,016</u>
Segment results	<u>(1,304,318)</u>	<u>(4,287)</u>	<u>(15,588)</u>	<u>1,183</u>	<u>(1,323,010)</u>
Gain on disposal of subsidiaries					49,656
Fair value loss on investment properties					(196,779)
Other income, gains or (losses) – net					(3,297)
Finance costs					(115,246)
Unallocated corporate expenses					<u>(13,086)</u>
Loss before income tax					<u>(1,601,762)</u>
Time of revenue recognition					
At a point in time	126,039	311,998	–	2,065	440,102
Transferred over time	<u>–</u>	<u>–</u>	<u>–</u>	<u>13,540</u>	<u>13,540</u>
	126,039	311,998	–	15,605	453,642
Revenue from other sources	<u>1,374</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>1,374</u>
	<u>127,413</u>	<u>311,998</u>	<u>–</u>	<u>15,605</u>	<u>455,016</u>

6. LOSS FOR THE PERIOD

Loss for the Period has been arrived at charging/(crediting) the following:

	Six months ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Cost of inventories	32,181	433,655
Write-down of inventories	32,365	126,839
Cost of inventories recognised as expenses	64,546	560,494
Depreciation		
– Owned property, plant and equipment	143	245
– Leasehold land for own use	–	1,657
– Properties leased for own use	84	170
Directors' remuneration	1,227	1,167
Fair value (gain)/loss on financial asset at FVTPL	(12,864)	4,606
Fair value loss on financial liability at FVTPL	–	774
Foreign exchange loss – net	–	9,196
Impairment loss on prepayment for redevelopment project	65,392	1,174,710
(Reversal of impairment)/impairment losses on financial and contract assets – net	(1,255)	14,571
Short-term lease expenses	–	836
Direct operating expenses arising from investment properties that generated rental income	–	–

7. INCOME TAX EXPENSE/(CREDIT)

Income tax expense/(credit) has been recognised in the condensed consolidated statement of profit or loss and other comprehensive income as follows:

	Six months ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Current tax:		
– PRC Enterprise Income Tax	962	891
– PRC Land Appreciation Tax	–	1,078
	962	1,969
Deferred tax:		
– Current period	–	(33,813)
	962	(31,844)

8. LOSS PER SHARE

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

	Six months ended 30 June	
	2025	2024
	'000	'000
Number of shares		
Weighted average number of ordinary shares for the purpose of calculating basic and diluted loss per share	109,202	109,202
	109,202	109,202
	Six months ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Loss for the purpose of calculating basic loss per share	(167,387)	(1,214,647)
Basic and diluted loss per share (HK cents)	(153.28)	(1,112.29)

There was no dilutive potential ordinary shares outstanding for the six months ended 30 June 2025 and 2024.

9. INVESTMENT PROPERTIES

During the six months ended 30 June 2025, the Group incurred expenditures of approximately HK\$8,077,000 (six months ended 30 June 2024: approximately HK\$485,000) and had recorded a fair value loss on investment properties of approximately HK\$56,413,000 (six months ended 30 June 2024: approximately HK\$196,779,000).

During the six months ended 30 June 2025, there was no disposal of investment properties (six months ended 30 June 2024: HK\$260,480,000 were disposed of through disposal of subsidiaries).

As at 30 June 2025, the carrying amount of investment properties amounting to approximately HK\$106,580,000 (31 December 2024: approximately HK\$105,112,000) was pledged as security for the Group's bank borrowings and approximately HK\$23,336,000 (31 December 2024: approximately HK\$23,015,000) was pledged as security for a bank borrowing granted to a former subsidiary which had been overdue.

10. INVENTORIES

The Group's inventories represent properties under development and properties held for sale.

As at 30 June 2025, the carrying amount of properties under development and properties held for sale amounting to approximately HK\$1,440,198,000 (31 December 2024: approximately HK\$1,390,481,000) and approximately HK\$44,274,000 (31 December 2024: approximately HK\$43,664,000) respectively were pledged as security for the Group's bank borrowings.

As at 30 June 2025, the carrying amount of properties held for sales amounting to approximately HK\$1,173,863,000 (31 December 2024: approximately HK\$1,157,694,000) were pledged as security for the Group's other borrowings.

As at 30 June 2025, the carrying amount of properties held for sales amounting to approximately HK\$28,664,000 (31 December 2024: approximately HK\$28,269,000) were pledged as security for a bank borrowing granted to a former subsidiary which had been overdue.

11. TRADE AND OTHER RECEIVABLES

	30 June 2025 HK\$'000 (unaudited)	31 December 2024 HK\$'000 (audited)
Trade receivables	8,426	9,813
Less: loss allowance for expected credit losses	(6,733)	(8,242)
	1,693	1,571
Other receivables	150,336	127,132
Consideration receivables (<i>note (a)</i>)	377,159	388,295
Prepayments and other deposits (<i>note (b)</i>)	1,620,707	1,661,904
Other tax assets	17,450	17,314
	2,165,652	2,194,645
Total trade and other receivables	2,167,345	2,196,216

Note:

- (a) As at 30 June 2025, consideration receivables represented the balance of the proceeds in connection with the disposal of subsidiaries of approximately HK\$377,159,000 (net of impairment losses of approximately HK\$8,064,000) in prior year (31 December 2024: approximately HK\$388,295,000 (net of impairment losses of approximately HK\$8,336,000)).
- (b) As at 30 June 2025, included in prepayments and other deposits (net of impairment losses) of approximately RMB873,000,000 (equivalent to approximately HK\$950,697,000) (31 December 2024: RMB934,000,000 (equivalent to approximately HK\$1,003,116,000)) represented an amount paid in relation to an urban renewal project of a land parcel located in Shenzhen (the “Shenzhen Land”) designated to Jitong Industrial as redeveloper by the local PRC government (the “Jitong Redevelopment Project”).

As at 30 June 2025, the Group had incurred a total expenditure of approximately RMB2,114,941,000 (equivalent to HK\$2,303,171,000) for the Jitong Redevelopment Project. This amount included resettlement compensation paid to the original owner of the Shenzhen Land, demolition works on the Shenzhen Land, and preliminary construction works for foundation pit support and earthworks, which had been recognised as prepayment in the consolidated financial statements. As at 30 June 2025, Jitong Industrial has not yet obtained the state-owned land use right certificate for the Shenzhen Land. Apart from the prepayment for Shenzhen Land, the remaining balance of “prepayments and other deposits” substantially represented prepayments made to the contractors of other property development projects.

The Group generally allows an average credit period of 10 days (31 December 2024: 10 days) for its customers of trading of commodities and 30 days (31 December 2024: 30 days) for its customers of trading of home appliances and building materials.

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

	30 June 2025 HK\$'000 (unaudited)	31 December 2024 HK\$'000 (audited)
0 – 30 days	–	–
31 – 60 days	–	–
61 – 90 days	–	–
91 – 120 days	–	–
Over 120 days	1,693	1,571
	1,693	1,571

12. FINANCIAL ASSET AT FVTPL

	HK\$'000
As at 1 January 2024	1,436,692
Change in fair value	(600,076)
Disposals	(715,246)
Exchange difference	(11,822)
As at 31 December 2024 and 1 January 2025 (audited)	109,548
Change in fair value	12,864
Exchange difference	1,734
As at 30 June 2025 (unaudited)	124,146

13. TRADE AND OTHER PAYABLES

	30 June 2025 HK\$'000 (unaudited)	31 December 2024 HK\$'000 (audited)
Trade payables	<u>1,456,664</u>	<u>1,425,481</u>
Wages and salaries payables	2,075	1,887
Accruals	348	2,699
Other tax liabilities	82,116	83,545
Interest payables	860,159	696,156
Secured deposits from contractors	7,012	6,073
Other payables	298,410	369,126
Other payables to a non-controlling interest	42,938	42,346
Other payables to a former subsidiary	<u>885</u>	<u>1,697</u>
	<u>1,293,943</u>	<u>1,203,529</u>
	<u>2,750,607</u>	<u>2,629,010</u>

The credit period of trade payables in relation to trading of commodities is ranged from 10 to 360 days (31 December 2024: ranged from 10 to 360 days); provision of property development and property investment is ranged from 7 to 30 days (31 December 2024: ranged from 7 to 30 days) and trading of home appliances and building materials is 30 days (31 December 2024: 30 days).

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

	30 June 2025 HK\$'000 (unaudited)	31 December 2024 HK\$'000 (audited)
0 – 30 days	350,316	341,409
31 – 60 days	–	3
61 – 90 days	14,258	14
91 – 120 days	291	13,565
Over 120 days	<u>1,091,799</u>	<u>1,070,490</u>
	<u>1,456,664</u>	<u>1,425,481</u>

14. SHARE CAPITAL

	2025		2024	
	Number of shares '000	Share capital HK\$'000 (unaudited)	Number of shares '000	Share capital HK\$'000 (audited)
Authorised:				
Ordinary share of HK\$0.05 each (31 December 2024: HK\$0.05 each)				
At 1 January and 30 June/31 December	<u>8,000,000</u>	<u>400,000</u>	<u>8,000,000</u>	<u>400,000</u>
Issued and fully paid:				
At 1 January and 30 June/31 December	<u>109,202</u>	<u>5,460</u>	<u>109,202</u>	<u>5,460</u>

MANAGEMENT DISCUSSION AND ANALYSIS

INDUSTRY AND MARKET OVERVIEW

Looking back at 2024, China's real estate market remained generally at a low level, as indicated by weak performance industry data. With the continued easing of policies, sales gradually rebounded. Despite the destocking cycle of general inventory for residential sales showed a downward turning point, the inventory remained at a high level and inventory reduction continued to be a key focus for the industry in the short term. Under the prioritised objective of "stabilising the property market", promoting stabilisation and recovery of the domestic real estate market is likely to remain the primary direction of policy optimisation with continued implementation of favourable policies to be expected. Nonetheless, people's income expectations and confidence have not yet fully recovered. In the first half of 2025, China's economy continued to develop steadily amid the complicated and uncertain domestic and international environment. In the first quarter of 2025, GDP grew by 5.4% year-on-year, demonstrating the resilience and vitality of economic recovery. Consequently, the market is generally optimistic that the decline in sales area in the industry in 2025 will ease, and that policies to support real estate industry financing will also continue to be implemented. While the real estate market had been operating at a low level for an extended period of time, the frequent implementation of loose policies could only boost market demand for short periods of time. Due to the current economic pressures and stagnant income expectations, buyers in Mainland China continued to adopt a wait-and-see approach with reluctance to increase leverage. Therefore, the time required for the market to stabilise will be significantly extended.

Currently, financial pressure remains one of the biggest challenges facing the Company and its subsidiaries (collectively the "Group"). The economic downturn and previous regulatory measures have tightened financing channels and increased financing costs, and lack of market confidence has increased sales pressure and difficulties in capital turnover. Given the above unfavourable factors, the Group has no choice but to adopt a more prudent approach to capital management and strictly control every expenditure to ensure and maintain the safety and stability of its financial position.

Meanwhile, addressing debt issues has become a top priority for the Group. In the current environment of financial constraints, debt issues have become more prominent, necessitating effective measures for proper resolution. To this end, the Group has been actively communicating with its lending banks and creditors to seek feasible solutions and make every effort to expedite debt repayment or refinancing, thereby minimising the overall financial risks and ensuring the Group's normal operation.

In addition, ensuring the timely delivery of existing land development projects is another crucial task for the Group. Given the financial constraints, timely delivery has become one of the core tasks of the Group. Project company teams have implemented a series of measures, including strengthening project management and improving the teams' execution capabilities, to ensure the timely delivery of projects, thereby maintaining the consistent trust of customers and the reputation of the Group.

Looking back on the first half of 2025, the Group firmly capitalised on the trends in real estate market regulations, made timely adjustments to its strategies and actively made sales. It expanded its financing channels to maintain a healthy financial position. project management efficiency and construction quality were improved to ensure that projects were completed on time and to the required standards. At the same time it continued to increase investment on the strategy of "guaranteeing funds, delivery and operation" to ensure the stable business growth and sustainable development of the Group.

Business Review

Property development and investment

In the first half of 2025, market conditions and investor sentiment in the PRC real estate industry showed no significant improvement. Many real estate enterprises in China continued to face severe challenges in sales, delivery, investment and debt repayment. The number of suspended development projects and delayed delivery has been increasing. Liquidity pressures and declining sales rates resulted in a sharp decline in sales performance for numerous real estate enterprises. In addition, financing channels remained tight, and the problem of debt default has not been substantially resolved.

Currently, the Group has a total of five property development projects in PRC cities, including Shenzhen, Changsha, Shantou and Yunfu. Such development projects comprise commercial complexes, boutique high-class residences, hotels, business apartments, villas, garden houses and other multi-format and segmented products. As the market remains in a bottom-out phase and market sentiment is cautious, the industry continues to face downward pressure, making it challenging for the Group to meet its expected sales targets for the first half of 2025. Overall, destocking pressure remains high, and property development performance is significantly worse than that in the same period last year.

To address liquidity challenges, the Group prudently managed its capital flows, strengthened capital monitoring, optimised fund allocations and reasonably formulated its investment and financing plans. In the first half of 2025, the Group continued to actively engage in debt management, secured support from financial institutions, and restored its capital structure, with the aim of lowering the cost of debt to alleviate repayment pressure.

In conclusion, in the complex and ever-changing market environment in the first half of 2025, the Group demonstrated strong resilience and resolutely resisted the challenge of capital flow. By making delivery assurance as the core of its operational strategy, the Group has unswervingly assumed its main responsibility, and promoted the steady progress of project construction in all respects, ensuring seamless coordination at every stage to ensure the timely delivery of projects with high quality. The residential properties of Phase IV of the Shantou Chaoyang Project were completed in March 2025, with the sales permits for Block Nos. 9 to 11 issued in May 2025. The commercial and apartment buildings of Phase III were completed in January 2025, with the sales permits for the apartments issued simultaneously in January 2025. Commercial interior decoration is largely completed, with the latest plan aiming for an official opening by September 2025. In addition, the Changsha Project, Shantou Financial Center and Yunfu Yuelan Mountain Project are seizing opportunities amid adversity, by exploring market demand and actively expanding customer resources to achieve efficient disposal of existing inventories.

PROSPECTS

The Group anticipates that the national policies targeting the real estate industry in 2025 will continue to prioritise inventory reduction and market stabilisation, with demand policies, fiscal policies, and monetary policies expected to work in tandem. With the supportive policies such as further optimising purchase restrictions in first-tier cities, accelerating urban village renovations, increasing support for land acquisition through special bonds, and lowering interest rates, together with the release of demand, the decline in real estate sales areas is expected to narrow further in 2025, stabilising at a level in the bottom. On the supply side, property developers' interest in land acquisition remains subdued. While there are intense biddings among developers for a few high-quality land parcels in some core first- and second-tier cities, resulting in high premiums, most cities are seeing transactions at the base price. Regional performances are mixed. Given the weak recovery in sales and limited capital for property developers, the overall land market is expected to remain depressed, even though intense competition for high-quality land parcels continues in the short term.

In order to address the liquidity issues, the Group continues to exercise strict liquidity control and implement cost saving measures. These include seeking financing extensions and asset-based debt settlements, accelerating sales and cash recovery, streamlining corporate structure as well as reducing non-core operations and administrative expenses. The Group has been maintaining proactive communication with lending banks and creditors, aiming to establish a sustainable long-term capital structure, effectively resolve liquidity issues, and stabilise the Group's operations, while properly balancing the interests of all stakeholders.

We continue to maintain a prudent and positive approach for 2025, particularly regarding the real estate industry in China. The Group needs to carefully assess the impact of various factors in the future and prepare for appropriate responses. With the continuous improvement of China's economy and the frequent implementation of government policies to stabilise the industry, the Group is confident that we can effectively solve various problems, overcome difficulties, maintain resilience and be better prepared for future opportunities and challenges. The Company's management will continue to maintain a cautious attitude, actively responding to market changes, identifying opportunities and transforming challenges into opportunities, enabling us to move forward with confidence and stability.

REVIEW OF RESULTS AND OPERATIONS

The Group's revenue was primarily generated from the business segments of property development and property investment. During the Period, the Group achieved approximately HK\$57,377,000 in revenue, representing a significant drop of approximately 87.4% from that of approximately HK\$455,016,000 during the corresponding period of the last year. The significant drop in revenue was mainly due to the prolonged downturn in the PRC real estate market.

Due to the unprecedented challenges faced by the national real estate market in the Period, the gross loss of the Group was approximately HK\$7,169,000, as compared to the gross loss of approximately HK\$114,777,000 during the corresponding period of the last year, representing a drop of approximately 93.8%. The gross loss margin was approximately 12.5% in the Period comparing with the gross loss margin of approximately 25.2% during the corresponding period of the last year. The gross loss was mainly attributable to the written-down in the carrying amount of inventories to the net realisable value under the segment of property development and property investment.

During the Period, the Group's selling and distribution expenses amounted to approximately HK\$2,233,000 (six months ended 30 June 2024: approximately HK\$4,288,000), representing a decrease of approximately 47.9%. Meanwhile, administrative expenses decreased by approximately 87.7% when compared with the corresponding period of the last year which amounted to approximately HK\$3,420,000 (six months ended 30 June 2024: approximately HK\$27,750,000).

The investment properties portfolio of the Group comprised residential and commercial properties located in Shenzhen and Changsha, as well as certain properties under construction in Shantou. As at 30 June 2025, a fair value loss of investment properties amounting to approximately HK\$56,413,000 was recognised (six months ended 30 June 2024: approximately HK\$196,779,000).

As at 30 June 2025, included in prepayments and other deposits of approximately HK\$950,697,000 (31 December 2024: approximately HK\$1,003,116,000) represented an amount paid for the Property under the Permit as mentioned under the Note 11 of the Condensed Consolidated Interim Financial Statements. During the Period, the Company appointed an independent valuer for carrying out the valuation of the Property as at 30 June 2025 where an impairment loss of approximately HK\$65,392,000 was recognised as the result of the relating impairment assessment as made by the management of the Company.

Finance costs represented mainly interest expenses and other borrowing costs in relation to bank and other borrowings. During the Period, finance costs amounted to approximately HK\$137,024,000 (six months ended 30 June 2024: approximately HK\$115,246,000), the increase was mainly attributable to lesser capitalisation of interest expense for the remaining property development projects and the repayment of external borrowings.

Income tax expense for the Period was approximately HK\$962,000 as compared with the corresponding period of the last year of income tax credit which was approximately HK\$31,844,000.

Given the foregoing factors, the Group recorded a net loss of approximately HK\$241,770,000 for the Period, as compared with the net loss of approximately HK\$1,569,918,000 for the six months ended 30 June 2024. The net loss was mainly attributable to the written-down of inventories, resulting gross loss amounting to approximately HK\$7,169,000 which was approximately HK\$107,608,000 less than the corresponding period last year, the fair value loss on investment properties of the Group for approximately HK\$56,413,000 and also the impairment loss on the prepayment for redevelopment project made towards to the demolition works of a land redevelopment project for approximately HK\$65,392,000 as specifically recognized during the Period.

LIQUIDITY AND FINANCIAL RESOURCES

As at 30 June 2025, the Group had bank and cash balances of approximately HK\$13,870,000 (31 December 2024: approximately HK\$3,266,000), while the pledged and restricted bank deposits amounted to approximately HK\$15,284,000 (31 December 2024: approximately HK\$24,275,000).

Total borrowings of the Group amounted to approximately HK\$3,834,374,000 as at 30 June 2025 (31 December 2024: approximately HK\$3,665,783,000), of which equivalents of approximately HK\$96,147,000 and approximately HK\$3,738,227,000 were denominated in Hong Kong dollars and Renminbi respectively.

Total borrowings included bank and other borrowings of approximately HK\$3,740,864,000 (31 December 2024: approximately HK\$3,510,894,000), and corporate bond of approximately HK\$93,510,000 (31 December 2024: approximately HK\$93,510,000), and nil notes payable (31 December 2024: approximately HK\$61,379,000). All of the borrowings bore fixed interest rates and exposed the Group to fair value interest rate risk.

As at 30 June 2025, the Group had a net current liability of approximately HK\$744,418,000, as compared with an amount of approximately HK\$530,926,000 as at 31 December 2024. As at 30 June 2025, the gearing ratio of the Group was approximately -11.3 (31 December 2024: approximately -38.0), which was calculated on the basis of the total borrowings less bank and cash balances and pledged and restricted bank deposits divided by total equity as at the respective reporting date.

CAPITAL EXPENDITURE

The total spending on the acquisition of property, plant and equipment and investment properties amounted to approximately HK\$8,687,000 for the Period (six months ended 30 June 2024: approximately HK\$4,631,000).

CHARGE OF ASSETS

As at 30 June 2025, the carrying amount of property, plant and equipment, inventories and investment properties amounted to approximately HK\$3,887,000 (31 December 2024: approximately HK\$3,919,000), approximately HK\$2,658,335,000 (31 December 2024: approximately HK\$2,591,839,000) and approximately HK\$106,580,000 (31 December 2024: approximately HK\$105,112,000) respectively were pledged as security for the Group's bank loans and other borrowings granted in relation to the Group's property development and property investment business.

As at 30 June 2025, the carrying amount of investment properties and properties held for sale amounting to approximately HK\$23,336,000 (31 December 2024: approximately HK\$23,015,000) and approximately HK\$28,664,000 (31 December 2024: approximately HK\$28,269,000) respectively were pledged as security for bank borrowings in favour of a former subsidiary which had been overdue.

The Group's pledged and restricted bank deposits amounting to approximately HK\$15,284,000 (31 December 2024: approximately HK\$24,275,000) were pledged to banks to secure a bank loan granted to an independent third party, the notes payable granted to the Group and the guarantee deposits for construction of pre-sale properties.

LITIGATION UPDATE

As disclosed in the announcements of the Company dated 17 March 2023 and 13 June 2023, the Company received a petition (the "Petition") filed by a creditor bank in Shenzhen (the "Shenzhen Creditor") on the principal ground that Shenzhen Jitong Industrial Company Limited* (深圳吉通實業有限公司) ("Shenzhen Jitong"), an indirect non-wholly owned subsidiary of the Company, had defaulted on its obligations due to its failure to make timely repayment and other loan covenant under a loan facility granted by the Shenzhen Creditor to Shenzhen Jitong with an outstanding principal amount of RMB1,197,000,000 (the "Shenzhen Jitong Facility") and the Company, as a guarantor of the Shenzhen Jitong Facility, was demanded by the Shenzhen Creditor to perform its guaranteed obligations under the Shenzhen Jitong Facility and the relevant guarantee contract. Shenzhen Jitong had made application on 11 July 2024 to appeal the judgement of the first hearing dated 28 March 2024 (the "Appeal"). The Appeal was subsequently dismissed and an order was made by the Guangdong Provincial Higher People's Court (the "PRC Court") on 21 November 2024, approving the dismissal of the Appeal. The Shenzhen Creditor then made an application for executing the enforcement order on 28 February 2025. The Company has engaged a PRC legal adviser to advise on, among other things, (i) the procedural aspects and timeframe related to the possible enforcement by the Shenzhen Creditor in the latest judgment handed down by the Appeal Court; and (ii) the impact of the judgment against the other members of the Group, in the event that the Shenzhen Creditor actually proceeds to enforce the judgement against Shenzhen Jitong. As at the date of this announcement, the Group has not yet received any further response from either the Shenzhen Creditor or the PRC Court.

Hunan Melian Property Limited* (湖南美聯置業有限公司) (“Hunan Melian”), an indirect non-wholly owned subsidiary of the Company, had defaulted on its obligations due to its failure to make timely repayment under a loan facility granted by a creditor bank in Jieyang of Guangdong Province (the “Jieyang Creditor”) with an outstanding principal amount of RMB58,900,000 (the “Hunan Melian Facility”) for which the Jieyang Creditor petitioned to the Guangdong Jieyang Rongcheng District Court claiming for the overdue loan principal and interest, and also the related penalty interest under the Hunan Melian Facility. Hunan Melian had made application to appeal the judgement of the first hearing dated 13 September 2024 as well as the judgement of the first appeal hearing dated 15 November 2024 which was however dismissed by the PRC court on 28 November 2024. The PRC court subsequently issued an enforcement order on 8 July 2025, seizing and freezing the mortgaged properties and bank accounts of Hunan Meilian. As at the date of this announcement, the management of Hunan Meilian is actively negotiating a disposal plan with the Jieyang Creditor, and the latter is unlikely to take further action in the short term.

As disclosed in the annual report of the Company for the year ended 31 December 2024, certain investment properties were pledged as security for a bank borrowing granted to a former subsidiary which had been overdue. The creditor bank has sued Hunan Melian for being jointly liable to the overdue loan principal amounting to RMB43,500,000 together with the accrued interest and related penalty interest. The first hearing was held on 8 August 2024 and Hunan Melian had appealed the judgement of such first hearing dated 21 October 2024 subsequently. On 10 February 2025, the court issued a second-instance judgment upholding the original judgment. The court subsequently issued an enforcement order on 8 July 2025, seizing and freezing the mortgaged properties and bank accounts of Hunan Meilian. As at the date of this announcement, the management of Hunan Meilian is actively negotiating a disposal plan with the creditor bank, and the latter is unlikely to take further action in the short term.

In addition to the above, the Group is subject to other litigations which are mainly related to overdue borrowings and outstanding construction payables. The Directors considered that the respective overdue borrowings and outstanding construction payables were provided adequately as at 30 June 2025.

EMPLOYEE AND REMUNERATION POLICIES

The Group had 53 full time employees as at 30 June 2025 (31 December 2024: 46) in Hong Kong and the PRC. The Group reviews remuneration and benefits of its employees annually according to the relevant market practice and individual performance of the employees. Save for the social insurance in the PRC and the mandatory provident fund scheme in Hong Kong, the Group has not set aside or accrued any significant funds to provide for retirement or similar benefits for its employees.

FOREIGN EXCHANGE AND CURRENCY RISKS

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

CONTINGENT LIABILITIES

As at 30 June 2025, the Group had no material contingent liabilities (31 December 2024: Nil).

COMMITMENTS

As at 30 June 2025, the Group's commitment was approximately HK\$788,550,000 (31 December 2024: approximately HK\$822,182,000) in respect of contracted but not provided for capital expenditures on properties under development, investment properties under construction and the acquisition of property, plant and equipment.

INTERIM DIVIDEND

The Directors do not recommend payment of any interim dividend for the six months ended 30 June 2025 (for the six months ended 30 June 2024: Nil).

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted a code of conduct for securities transactions and dealing (the "Code of Conduct") by Directors on terms no less exacting than the required standard of the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix C3 of the Listing Rules. Having made specific enquiry of all Directors, they confirmed that they had complied with the required standards set out in the Model Code and the Code of Conduct throughout the Period.

CORPORATE GOVERNANCE

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

The Board of Directors (the "Board") and the management of the Company are of the opinion that the Company has properly complied with the applicable code provisions in the Corporate Governance Code (the "CG Code") set out in Appendix C1 of the Listing Rules and there has been no deviation from the code provisions set out in the CG Code for the six months ended 30 June 2025.

Risk Management and Internal Control

The Board has overall responsibilities for maintaining sound and effective internal control system of the Group. The Board has delegated to the management the implementation of such systems of internal controls as well as the annual review of the relevant financial, operational and compliance controls and risk management procedures. The Board considers the adequacy of resources, staff qualifications and experience, training programmes and budget of the Company's accounting and financial reporting function. Details of the Group's risk management system and procedures were set out in the Corporate Governance Report of the Annual Report for the year ended 31 December 2024 published on 30 April 2025 (the "2024 Annual Report") under the section headed "Risk Management and Internal Control".

Change of Directors' Information

Subsequent to publication of the 2024 Annual Report, there is no change of Directors' information, which are required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

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

During the Period, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

AUDIT COMMITTEE

The Company has established the Audit Committee with written terms of reference in compliance with Listing Rules. The primary duties of the Audit Committee are to review and supervise the financial reporting process, risk management and internal control system of the Group, and to review the Company's annual report and interim report and to provide advice and comments thereon to the Board. The Audit Committee comprises of all the three independent non-executive Directors, currently Mr. Shi Fazhen (Chairman), Ms. Tan Xinyan and Mr. Huang Shubo.

REVIEW OF FINANCIAL INFORMATION

The Audit Committee has reviewed and approved the Group's unaudited condensed consolidated financial statements for the six months ended 30 June 2025.

By order of the Board
Glory Sun Land Group Limited
Fong Ching Kong
Executive Director and Company Secretary

Hong Kong, 29 August 2025

As at the date of this announcement, the Company's executive directors are Mr. John Edward Hunt and Mr. Fong Ching Kong; the non-executive director is Ms. Zhan Yushan; and the independent non-executive directors are Ms. Tan Xinyan, Mr. Shi Fazhen and Mr. Huang Shubo.

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

** For identification purpose only*