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**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, 2025**

**FINANCIAL HIGHLIGHTS**

- Achieved contracted sales for the six months ended June 30, 2025 (the “**Reporting Period**”) was RMB651.1 million;
- Affected by market conditions, the rental market is under pressure, revenue for the Reporting Period from property development was RMB182.7 million;
- Land reserves reached a total gross floor area (“**GFA**”) of 6,387,065 square meters (“**sq.m.**”) as at June 30, 2025;
- 54% of the Company’s saleable land reserve was distributed in Beijing as at June 30, 2025.

## INTERIM RESULTS FOR THE SIX MONTHS ENDED JUNE 30, 2025

The board (the “**Board**”) of directors (the “**Directors**”) of Glory Health Industry Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) announces to the shareholders of the Company (the “**Shareholders**”) the interim results of the Group for the six months ended June 30, 2025, together with comparative figures for the corresponding period in 2024. The Group’s interim results have not been audited but have 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 JUNE 30, 2025

	NOTES	Six months ended June 30, 2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
<b>Revenue</b>			
Contract with customers		184,737	829,339
Leases		139,441	158,120
<b>Total revenue</b>	3	324,178	987,459
Cost of sales and services		(319,809)	(555,182)
Gross profit		4,369	432,277
Other gains and losses		20,136	(30,013)
Other income		1,342	1,582
Change in fair value of investment properties		–	(269,961)
Distribution and selling expenses		(43,322)	(62,425)
Administrative expenses		(86,490)	(140,170)
Other expenses		(37,040)	(12,748)
(Loss) on disposal of subsidiaries		(8,373)	–
Share of (loss) of associates		–	(4,103)
Share of (loss) of joint ventures		–	(1,085)
Finance costs	5	(38,958)	(38,517)
(Loss) before tax		(188,336)	(125,163)
Income tax credit	6	18,317	60,719
Total comprehensive (loss) for the period		(170,019)	(64,445)
(Loss) and total comprehensive (loss) for the period attributable to:			
Owners of the Company		(225,179)	(58,659)
Non-controlling interests		55,160	(5,786)
		(170,019)	(64,445)
<b>(LOSS) PER SHARE</b>	7		
–Basic and diluted (RMB cents)		(5.07)	(1.32)

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT JUNE 30, 2025**

		As at June 30, 2025	As at December 31, 2024
	<i>NOTE</i>	<i>RMB'000</i> <i>(Unaudited)</i>	<i>RMB'000</i> <i>(Audited)</i>
<b>Non-current assets</b>			
Investment properties		<b>19,307,486</b>	19,383,270
Property, plant and equipment		<b>2,357,717</b>	2,380,376
Right-of-use assets		<b>241,098</b>	244,763
Other non-current assets		<b>1,434,388</b>	1,434,388
Interests in joint ventures		–	60,944
Equity instruments at fair value through other comprehensive income (“FVTOCI”)		<b>13,481</b>	13,481
Deferred tax assets		<b>609,086</b>	581,670
Restricted bank deposits		<b>134,916</b>	14,899
Value added tax and tax recoverable		<b>725,260</b>	725,260
		<b>24,823,432</b>	24,839,051
<b>Current assets</b>			
Inventories		<b>786</b>	786
Deposits paid for land acquisition		<b>107,534</b>	107,534
Properties under development for sale		<b>18,213,018</b>	18,306,878
Properties held for sale		<b>2,610,620</b>	2,603,046
Trade and other receivables, deposits and prepayments	9	<b>5,003,630</b>	5,885,422
Contract assets		<b>2,294,833</b>	2,292,769
Contract cost		<b>33,700</b>	33,700
Value added tax and tax recoverable		<b>203,327</b>	203,327
Amounts due from related parties		<b>3,339,399</b>	2,745,190
Restricted bank deposits		<b>93,508</b>	116,524
Bank balances and cash		<b>105,505</b>	70,451
		<b>32,005,860</b>	32,365,627

	<i>NOTES</i>	<b>As at June 30, 2025</b> <i>RMB'000</i> <i>(Unaudited)</i>	<b>As at December 31, 2024</b> <i>RMB'000</i> <i>(Audited)</i>
<b>Current liabilities</b>			
Trade and other payables	10	7,320,157	8,501,284
Contract liabilities		5,182,773	4,530,157
Amounts due to related parties		4,100,872	3,557,084
Tax payable		3,129,543	3,159,718
Lease liabilities		100	681
Bank and trust borrowings-due within one year		7,611,691	7,620,237
Senior notes		3,862,470	3,942,744
		<u>31,207,606</u>	<u>31,311,905</u>
<b>Net current assets/(liabilities)</b>		<u>798,254</u>	<u>1,053,722</u>
<b>Total assets less current liabilities</b>		<u>25,621,686</u>	<u>25,892,773</u>
<b>Non-current liabilities</b>			
Rental deposits received	10	116,542	114,919
Bank and trust borrowings – due after one year		11,120,439	11,225,550
Deferred tax liabilities		2,184,822	2,182,402
		<u>13,421,803</u>	<u>13,522,871</u>
<b>Net assets</b>		<u>12,199,883</u>	<u>12,369,902</u>
<b>Capital and reserves</b>			
Share capital		3,520	3,520
Reserves		9,699,992	9,925,171
		<u>9,703,512</u>	<u>9,928,691</u>
Equity attributable to owners of the Company		9,703,512	9,928,691
Non-controlling interests		2,496,371	2,441,211
<b>Total equity</b>		<u>12,199,883</u>	<u>12,369,902</u>

## Notes

### 1. GENERAL INFORMATION OF THE GROUP

Glory Health Industry Limited (formerly known as Glory Land Company Limited (國瑞置業有限公司) and carrying on business in Hong Kong as “Guorui Properties Limited”) (the “**Company**”) was incorporated in the Cayman Islands 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) (“**Alltogether Land**”), a company incorporated in the British Virgin Islands (the “**BVT**”). Mr. Zhang Zhangsun, who holds 100% equity interests of Alltogether Land, is the ultimate beneficial owner of the Company.

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 People’s Republic of China (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 as 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 interim condensed consolidated financial statements are presented in Renminbi (“**RMB**”), which is also the functional currency of the Company, and all values are rounded to the nearest thousand except where otherwise indicated.

### 2. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION

The interim condensed consolidated financial statements have been prepared in accordance with International Accounting Standards 34 Interim Financial Reporting issued by the International Accounting Standards Board (“**IASB**”) and the applicable disclosure requirements of Appendix D2 to the Rules governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”).

The interim condensed consolidated financial statements have been prepared on a historical cost basis, with the exception of investment properties and certain financial instruments measured at fair value, where applicable.

Except for the application of the revised International Financial Reporting Standards (“**IFRS**”), the interim condensed consolidated financial statements for the six months ended June 30, 2025 use the same accounting policies and calculation methods as those presented in the Group’s annual financial statements for the year ended December 31, 2024.

#### Application of amendments to IFRSs

During the interim period, the Group applied for the first time the revised IFRS issued by the IASB and mandatory for annual periods beginning on or after January 1, 2024 to prepare the Group’s interim condensed consolidated financial statements.

The application of the revised IFRS standards in the current period did not have a material impact on the financial position and performance of the Group for the current and prior periods and/or the disclosures set out in these interim condensed consolidated financial statements.

## Going Concern

At present, many projects of the Group are close to the sale of existing houses, and the expected sales of each project can cover the final construction of the project.

The interim condensed consolidated financial statements assume that the Group will continue to operate on a going-concern basis. In order to improve the Group's financial position, real-time available liquidity and cash flows, and to enable the Group to continue to operate on a going-concern basis, the Directors have adopted certain measures and other measures that have been implemented as of the date on which these interim condensed consolidated financial statements are authorised, including (but not limited to) the following:

- (i) For borrowings which will be maturing before June 30, 2026, the Group is in the process of rearranging its borrowing plans with its banks. The Directors have assessed the relevant facts available to them and are of the opinion that the Group will be able to renew the borrowings when they become due;
- (ii) The Group will sell some of its investment properties to improve the financial position, liquidity and cash flow of the Group; and
- (iii) The Group uses cost control measures to control selling and administrative expenses.

Having regard to the above considerations and measures, the Directors are satisfied that the Group will be able to meet its financial obligations when they become due. Accordingly, the Directors consider it appropriate to prepare these interim 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, 2025				
	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)
<b>Timing of revenue recognition</b>					
At a point in time	182,672	—	—	—	182,672
Over time	—	2,064	—	2	2,066
Revenue from contracts with customers	182,672	2,064	—	2	184,738
Leases	—	—	139,440	—	139,440
<b>Total revenue</b>	<b>182,672</b>	<b>2,064</b>	<b>139,440</b>	<b>2</b>	<b>324,178</b>

**For the six months ended June 30, 2024**

	<b>Property development</b>	<b>Primary land construction and development services</b>	<b>Property investment</b>	<b>Property management and related services</b>	<b>Total</b>
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>
<b>Timing of revenue recognition</b>					
At a point in time	792,314	—	—	—	792,314
Over time	—	24,612	—	12,413	37,025
Revenue from contracts with customers	792,314	24,612	—	12,413	829,339
Leases	—	—	158,120	—	158,120
<b>Total revenue</b>	<b>792,314</b>	<b>24,612</b>	<b>158,120</b>	<b>12,413</b>	<b>987,459</b>

#### **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 makers (i.e. the executive Directors) 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 developed by the Group.

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

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

	Property development <i>RMB'000</i> <i>(Unaudited)</i>	Primary land construction and development services <i>RMB'000</i> <i>(Unaudited)</i>	Property investment <i>RMB'000</i> <i>(Unaudited)</i>	Property management and related services <i>RMB'000</i> <i>(Unaudited)</i>	Total <i>RMB'000</i> <i>(Unaudited)</i>
<b>Six months ended June 30, 2025</b>					
Revenue from external customers and segment revenue	<u>182,672</u>	<u>2,064</u>	<u>139,440</u>	<u>2</u>	<u>324,178</u>
Segment (loss)/profit	<u>(173,367)</u>	<u>(2,063)</u>	<u>79,737</u>	<u>(29,750)</u>	<u>(125,443)</u>
<b>Six months ended June 30, 2024</b>					
Revenue from external customers and segment revenue	<u>792,314</u>	<u>24,612</u>	<u>158,120</u>	<u>12,413</u>	<u>987,459</u>
Segment (loss)/profit	<u>201,190</u>	<u>1,172</u>	<u>91,561</u>	<u>(18,381)</u>	<u>275,541</u>

The segment (loss) can be reconciled to the (loss) before tax as follows:

	<b>Six months ended June 30,</b>	
	<b>2025</b>	<b>2024</b>
	<i>RMB'000</i>	<i>RMB'000</i>
	<i>(Unaudited)</i>	<i>(Unaudited)</i>
Segment (loss)/profit	(125,443)	275,541
Other gains and losses, net	20,136	(30,013)
Other income	1,342	1,582
Change in fair value of investment properties	–	(269,961)
Unallocated administrative expenses	–	(45,859)
Other expenses	(37,040)	(12,748)
Share of loss of associates	–	(4,103)
Share of loss of joint ventures	–	(1,085)
(Loss) on disposal of subsidiaries	(8,373)	–
Finance costs	<u>(38,958)</u>	<u>(38,517)</u>
<b>(Loss) before income tax</b>	<u><b>(188,336)</b></u>	<u><b>(125,163)</b></u>

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



## Other segment information

*Amounts included in the measurement of segment (loss):*

	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)
<b>Six months ended June 30, 2025</b>						
Depreciation and amortisation	(416)	–	(20,060)	(28)	(2,998)	(23,502)
Impairment losses under expected credit loss model	–	–	–	–	–	–
<b>Six months ended June 30, 2024</b>						
Depreciation and amortisation	(585)	–	(30,987)	(5,009)	(3,167)	(39,748)
Impairment losses under expected credit loss model	–	–	–	–	–	–

No segment assets and liabilities are presented as they were not regularly provided to the chief operating decision maker for the purposes 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, 2025 and 2024.

## 5. FINANCE COSTS

	<b>Six months ended June 30,</b>	
	<b>2025</b>	<b>2024</b>
	RMB '000	RMB '000
	(Unaudited)	(Unaudited)
Interest on bank borrowings	<b>13,708</b>	23,421
Interest on loans from financial institutions	<b>12,932</b>	18,007
Interest on contract liabilities	<b>65,699</b>	75,067
Interest on senior notes	<b>20,136</b>	22,012
Interest on lease liabilities	<b>25</b>	86
	<hr/>	<hr/>
Total borrowing costs	<b>112,500</b>	138,593
Less: Amounts capitalised in the cost of qualifying assets	<b>(73,542)</b>	(100,076)
	<hr/>	<hr/>
	<b>38,958</b>	38,517
	<hr/>	<hr/>

Capitalised interest is derived from borrowings obtained specifically for the construction of qualifying assets at an interest rate of 4.8% to 18% per annum (six months ended June 30, 2024: 4.8% to 15%) and general borrowings is calculated at the capitalised annual interest rate of 8.7% (six months ended June 30, 2024: 8.7%) of eligible asset expenses.

## 6. INCOME TAX (CREDIT)

	Six months ended June 30,	
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Current tax		
PRC Enterprise Income Tax	78	(41)
Land appreciation tax	6,682	15,347
	<u>6,760</u>	<u>15,306</u>
Deferred tax	(25,077)	(76,025)
<b>Income tax (credit)</b>	<b><u>(18,317)</u></b>	<b><u>(60,719)</u></b>

Pursuant to the PRC Enterprise Income Tax Law promulgated on March 16, 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 January 1, 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 land appreciation tax is estimated according to the requirements set forth in the relevant PRC tax laws and regulations. Land appreciation tax has been provided at ranges of progressive rates of the appreciation value, with certain allowable exemptions and deductions.

## 7. (LOSS) PER SHARE

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

	Six months ended June 30,	
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
(Loss)		
(Loss) for the purposes of basic and amortized (loss)		
per share ((loss) for the period attributable to owners of the Company)	<u>(225,179)</u>	<u>(58,659)</u>
	<b>Six months ended June 30,</b>	<b>Six months ended June 30,</b>
	<b>2025</b>	<b>2024</b>
	<b>'000</b>	<b>'000</b>
Number of shares		
Weighted average number of ordinary shares for the purpose of		
basic (loss) per share	<u>4,444,418</u>	<u>4,444,418</u>
Weighted average number of ordinary shares for the purpose of		
diluted (loss) per share	<u>4,444,418</u>	<u>4,444,418</u>

## 8. DIVIDENDS

No dividend was proposed by the Board in respect of the six months ended June 30, 2025 and 2024.

## 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, 2025 RMB '000 (Unaudited)	As at December 31, 2024 RMB '000 (Audited)
Trade receivables		
– Contracts with customers	277,907	318,609
– Lease receivables	199,792	161,040
	<u>477,699</u>	<u>479,649</u>
Less: Provision for credit losses	(184,429)	(184,429)
	<u>293,270</u>	<u>295,220</u>
Trade receivables, net		
Other receivables, deposits and prepayments, gross		
Advances to contractors and suppliers	911,877	935,205
Performance guarantee deposit paid	14,940	14,940
Other receivables and prepayment	3,867,542	4,701,985
Deposits	65,576	87,647
	<u>4,859,934</u>	<u>5,739,777</u>
Less: Provision for credit losses	(149,575)	(149,575)
	<u>4,710,360</u>	<u>5,590,202</u>
Other receivables, deposits and prepayments, net		

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

0 to 60 days	107,294	114,811
61 to 180 days	26,466	20,095
181 to 365 days	12,150	12,109
1 to 2 years	62,047	31,840
Over 2 years	269,742	300,794
	<u>477,699</u>	<u>479,649</u>

All other receivables from independent third-parties are of non-trade nature, unsecured, interest-free and repayable on demand as at June 30, 2025.

As at June 30, 2025, included in the Group's trade receivables balance are debtors with aggregate carrying amount of approximately RMB213,523,000 (December 31, 2024: RMB213,180,000) 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, 2025 <i>RMB '000</i> (Unaudited)	As at December 31, 2024 <i>RMB '000</i> (Audited)
Trade payables	1,890,003	1,892,360
Deposits received	201,126	211,893
Rental received in advance	457,566	147,847
Refund liabilities	720,619	366,095
Accrued payroll	53,360	56,132
Value added tax and other tax payables	561,946	592,381
Other payables and accruals	3,416,580	5,213,995
Dividends payables	135,500	135,500
	<b>7,436,699</b>	<b>8,616,203</b>
Analysed for reporting purposes as:		
Non-current ( <i>Note</i> )	116,542	114,919
Current	7,320,157	8,501,284
	<b>7,436,699</b>	<b>8,616,203</b>
The following is an analysis of trade payables by aging, presented based on the billing date:		
0 to 60 days	7,641	15,380
61 to 365 days	114,503	301,920
1 to 2 years	286,450	383,803
Over 2 years	1,481,409	1,191,257
	<b>1,890,003</b>	<b>1,892,360</b>

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 agreements, rental deposits received as at June 30, 2025 are to be settled after twelve months from the end of the Reporting Period and are therefore classified as non-current liabilities.

## 11. FINANCIAL GUARANTEE

	As at <b>June 30, 2025</b> <i>RMB'000</i> <i>(Unaudited)</i>	As at <b>June 30, 2024</b> <i>RMB'000</i> <i>(Unaudited)</i>
Guarantees provided by the Group in respect of loan facilities	<b>1,953,748</b>	2,589,527

*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, 2025, Shantou Garden Group Co., Ltd.\* (汕頭花園集團有限公司) has provided guarantee to a bank for a banking facility granted to related parties, Jiangmen Yinghui Bay Real Estate Co., Ltd.\* (江門映暉灣房地產有限公司) and Shantou Huirui Hotel Management Co., Ltd.\* (汕頭市薈瑞酒店管理有限公司), of which the bank borrowings guaranteed by the Group was amounting to approximately RMB215,440,000 (June 30, 2024: RMB258,230,000) in aggregate, with the maturity date in July 2026 and March 2026, respectively.

## **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, 2025.

### **INTERIM RESULTS AND REVIEW FOR THE FIRST HALF OF 2025**

#### **Interim Results**

During the Reporting Period, the revenue of the Group was RMB324.2 million. Revenue from property development was RMB182.7 million.

#### **Market Review**

**Industry Policies:** The government has been actively promoting a new development model for the property market to ensure stable, healthy, and high-quality growth. Central and local authorities have introduced multiple stimulus measures, gradually relaxing stringent policies such as purchase restrictions, sales restrictions, and mortgage controls.

**Financial Policies:** The People's Bank of China (PBOC) and other regulatory bodies have implemented various financial measures, including reductions in the Loan Prime Rate (LPR), lowering of minimum down payment ratios, removal of commercial loan rate floors, reductions in provident fund loan interest rates, and increases in provident fund loan quotas. These measures aim to lower home purchase barriers, reduce mortgage burdens for residents, stimulate housing demand, and support market recovery.

#### **Real Estate Development**

In the first half of 2025, the Group adjusted its strategy in response to market conditions, pausing new investments and focusing on sales to capture market share. The Group further scaled down its property development operations, prioritising debt reduction and asset disposals to improve liquidity. Efforts were intensified to ensure project completion and delivery while accelerating the transition to new business areas.

#### **Investment Properties**

During the Reporting Period, the Group's total rental income was RMB139.4 million. Impacted by e-commerce competition and economic slowdown, rental income declined slightly. The Group owns nine investment properties in prime locations in Tier 1 and Tier 2 cities, including Beijing and Shenzhen, with a total GFA of approximately 745,289 sq.m.. Despite the overall downward trend in the leasing market, the Group's prime locations position it well for future rental income growth as the economy stabilises.

## **Land Reserves**

As of June 30, 2025, the Group's land reserve total GFA was 6.38 million sq.m.. The Group holds undeveloped first-tier land projects, including urban renewal initiatives in Beijing and Shenzhen. During the Reporting Period, the Group's unsecured first-tier development and urban renewal projects covered 5.81 million sq.m., with Shenzhen accounting for 51.6%. Urban renewal and existing housing upgrades represent a strategic shift in the secondary market, offering high-margin opportunities with relatively low capital investment. These projects are expected to generate cash flow and new profit growth from second half of 2025 to 2026.

## **Capital Structure**

The Group has engaged with banks and financial institutions to optimise its debt structure, alleviate short-term repayment pressures, reduce financing costs, and mitigate currency risks. Additionally, risk management has been strengthened through enhanced financial monitoring systems and early warning mechanisms.

## **Business Transformation**

The Group is gradually shrinking its real estate business and steadily advancing its transformation towards the health industry.

The Group is optimistic about the future development prospects and potential of the health industry and will align with the evolving needs of the era, strive to explore innovations in residential formats and develop industries such as wellness communities, online healthy living services, and regenerative medicine incubation. On one hand, the Group will continuously enhance product quality and introduce healthy lifestyle products, achieving a comprehensive restructuring of its product offerings and service models. On the other hand, the Group will dedicate efforts to providing online services for healthy living. By developing innovative ventures such as Guorui Hospital, medical online services, online wellness care, and regenerative medicine, the Group will comprehensively elevate its overall operational and service capabilities, realising a full transition into the health industry.

## **OUTLOOK FOR THE SECOND HALF OF 2025**

Looking ahead to the second half of 2025, support at the real estate policy level will continue to intensify, with policies such as purchase restrictions, sales restrictions, and mortgage limitations being fully relaxed. From the central government to local authorities, various levels of government will actively introduce policies to “halt the decline and achieve stability in the real estate market”, sending a strong signal of “rescuing and stabilising the market”. Although policies are being increasingly strengthened, the prolonged downturn in the market, combined with the impact of the macroeconomic environment, has led to a loss of confidence among homebuyers. Rebuilding the market and restoring public confidence will take time. It is expected that the real estate market will remain in a phase of bottom adjustment, with investment confidence hitting rock bottom, market scale shrinking, housing prices continuing to decline amid intense competition, and developers still under urgent pressure to alleviate funding constraints, calling for strong financial support policies.

Improving the financing environment for real estate companies is crucial for the recovery of the industry and the market. Although the current “whitelist” policy provides funding support for certain projects, its coverage is limited and insufficient to effectively improve the cash flow situation of real estate enterprises. The industry urgently needs financial policies to restore normal capital circulation.

The Group believes that the real estate industry remains at the bottom of the cycle, and the impact of policies on stimulating market demand has become extremely limited. Since 2024, policies have been frequently introduced, primarily targeting the stimulation of market demand. However, due to economic downturn and lack of homebuyer confidence, these policy measures have yielded minimal effects. At present, demand-side stimulus policies have been nearly exhausted. The introduction of the “good-quality housing” policy aims to attract buyers by improving housing quality, which is positive for enhancing the quality of the real estate sector but has limited effect on quickly halting the market’s decline and stabilising it. As trial policies receive market feedback, further adjustments are expected. Future policies are likely to shift focus from stimulating the market to prioritising the stabilisation of real estate enterprises. Collaboration between companies and policies will help mitigate vicious competition, thereby stabilising the market.

In the long run, as China’s urbanisation progresses and per capita housing area improves, the real estate industry still holds some development potential. However, this potential is no longer universal but is evolving through continuous differentiation, including urban divergence, corporate stratification, and product segmentation, among other aspects. Urban differentiation has already been evident in recent years: high-quality urban properties have demonstrated significantly stronger resilience, while housing prices in cities with weaker economic tiers have declined substantially, accompanied by immense inventory pressures. Product differentiation has become pronounced with the introduction of the “quality housing” policy, leading to a notable gap between the quality of commercial residential properties and that of affordable housing.

The future real estate industry will enter a highly competitive landscape characterised by survival of the fittest. Companies that endure the current industry downturn will face further tests, including business model restructuring and product quality upgrades. Enterprises must continuously improve in various aspects, such as corporate image, product quality, comprehensive services, and management capabilities, to navigate the fierce competitive environment. The Group will persist through the current industry trough while adapting to changes, strengthening both internal and external competencies, and enhancing corporate and product competitiveness from multiple angles to stand out in the intense competition. Moving forward, the Group will continue to elevate its service standards and management capabilities. By seizing market opportunities, optimizing product structures, delivering high-quality products, and providing thoughtful project services, we aim to attract more customers and facilitate project sales and repayments. Additionally, we will focus on adjusting debt structures, mitigating debt risks, and striving to reduce financing costs to enhance the Group’s core competitiveness and ensure sustainable and steady development in the future.

Amid the complex market environment, the Group will transit into the health industry, tapping into its broad market potential.



## **ACKNOWLEDGEMENT**

I take this opportunity to express my sincere gratitude on behalf of the Board to all Shareholders, investors, partners, customers, and various sectors of society for their trust and support. The performance achieved by the Group in the past six months is attributable to the leadership of the Company's management and the contributions of all employees. The Company will continue to work hard in the future to achieve maximum value for all Shareholders.

**Zhang Zhangsun**

*Chairman*

Beijing, the PRC, August 29, 2025

## MANAGEMENT DISCUSSION AND ANALYSIS

### Business Review

As of June 30, 2025, the Group's revenue was RMB324.2 million. Revenue from property development was RMB182.7 million. As of June 30, 2025, the Group's gross profit was RMB4.4 million, and the net loss was RMB170.0 million.

### Contracted Sales

The contracted sales of the Group for the first half of 2025 amounted to approximately RMB651.1 million. Contracted sales of the Group in the first half of 2025, by geographical location, were mainly from Beijing, Shenyang and Foshan and the contracted sales amounting to approximately RMB571.3 million, RMB18.5 million and RMB17.8 million, respectively, representing 87.7%, 2.8% and 2.7% 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, 2025 and 2024:

City	For the Six Months Ended June 30, 2025		2024	
	Contracted Sales	Percentage of Total Contracted Sales	Contracted Sales	Percentage of Total Contracted Sales
	(RMB million)	(%)	(RMB million)	(%)
Beijing	571.3	87.7	836.8	70.7
Haikou	3.1	0.5	-	-
Langfang	14.5	2.2	11.7	1.0
Zhengzhou	0.2	0.0	0.2	0.0
Shenyang	18.5	2.8	162.1	13.7
Foshan	17.8	2.7	7.0	0.6
Shantou	1.5	0.2	0.8	0.1
Suzhou	-	-	18.0	1.5
Xi'an	6.5	1.0	26.0	2.2
Guizhou	17.7	2.7	1.3	0.1
Cooperation projects	-	-	120.1	10.1
<b>Total</b>	<b>651.1</b>	<b>100.0</b>	<b>1,184.1</b>	<b>100.0</b>

Notes:

1. The sales in the first half of 2024 were RMB1,184.1 million. The sales in the first half of 2025 were RMB651.1 million, representing a year-on-year decrease of 45.0%.
2. Contracted sales shown in the table include sales of car parking spaces.

## 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, 2025, the Group had completed a total unsold GFA of 996,869 sq.m. and had land reserves with a total GFA of 6,387,065 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, 2025, 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, 2025:

	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	466,793	98,666	–	565,459	8.9
Haikou	148,833	140,639	862,405	1,151,876	18.0
Langfang	–	251,542	969,688	1,221,230	19.1
Zhengzhou	–	9,562	–	9,562	0.1
Shenyang	205,051	9,288	276,470	490,809	7.7
Foshan	152,159	149,973	–	302,132	4.7
Xi'an	–	146,869	–	146,869	2.3
Shantou	–	352,973	–	352,973	5.5
Shenzhen	–	42,763	274,213	316,976	5.0
Suzhou	–	694	–	694	0.0
Chongming Island	–	9,307	761,358	770,665	12.1
Wuxi	52	–	–	52	0.0
Tongren	23,980	66,957	966,830	1,057,768	16.6
<b>Total</b>	<b>996,869</b>	<b>1,279,233</b>	<b>4,110,963</b>	<b>6,387,065</b>	<b>100.0</b>
<b>Total Attributable GFA</b>	<b>831,376</b>	<b>1,208,506</b>	<b>3,676,333</b>	<b>5,716,215</b>	

## ***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, 2025, 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 1.2 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 March 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, 2025, the Group's revenue was RMB324.2 million, representing a decrease of 67.2% from RMB987.5 million for the six months ended June 30, 2024.

Revenue from property development for the six months ended June 30, 2025 was RMB182.7 million, representing a decrease of 76.9% 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, 2025, the Group's cost of sales and services was RMB319.8 million, representing a decrease of 42.4% 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.

### ***Gross Profit***

For the six months ended June 30, 2025, the Group's gross profit was RMB4.4 million, as compared to the gross profit of RMB432.3 million in corresponding period of last year, which was primarily due to the significant decrease in property development income.

### ***Loss Attributable to Owners of the Company***

For the six months ended June 30, 2025, the loss attributable to owners of the Company was RMB225.2 million, representing a decrease of RMB166.5 million from the loss attributable to owners of the Company of RMB58.7 million for the six months ended June 30, 2024.

### ***Other Gains and Losses***

Other gains were RMB20.1 million for the six months ended June 30, 2025, while other losses were RMB30.0 million for the six months ended June 30, 2024, mainly due to the changes in foreign exchange rate of USD bonds.

### ***Other Income***

Other income decreased from RMB1.6 million for the six months ended June 30, 2024 to RMB1.3 million for the six months ended June 30, 2025.

### ***Distribution and Selling Expenses***

Distribution and selling expenses decreased by RMB19.1 million from RMB62.4 million for the six months ended June 30, 2024 to RMB43.3 million for the six months ended June 30, 2025. The decrease is mainly attributable to a reduction in sales revenue during the current period.

### ***Administrative Expenses***

Administrative expenses decreased by RMB53.7 million from RMB140.2 million for the six months ended June 30, 2024 to RMB86.5 million for the six months ended June 30, 2025. The reduction is primarily due to the Group's optimisation of organisational structure and operational efficiency during the Reporting Period.

### ***Finance Costs***

Finance costs increased by RMB0.5 million from RMB38.5 million for the six months ended June 30, 2024 to RMB39.0 million for the six months ended June 30, 2025.

### ***Income Tax Credit***

Income tax credit decreased from RMB60.7 million for the six months ended June 30, 2024 to RMB18.3 million for the six months ended June 30, 2025. The PRC corporate income tax and land appreciation tax of the Group for the six months ended June 30, 2025 were RMB0.1 million and RMB6.7 million, respectively.

### ***Comprehensive Loss***

As a result of the foregoing reasons, the Group's total comprehensive loss increased from RMB64.4 million for the six months ended June 30, 2024 to the total comprehensive loss of RMB170.0 million for the six months ended June 30, 2025.

## **Liquidity, Financial and Capital Resources**

### ***Cash Position***

As at June 30, 2025, the Group's cash, restricted bank deposits and bank balances were approximately RMB333.9 million as compared to RMB201.9 million as at December 31, 2024.

### ***Borrowings***

As of June 30, 2025, the Group's outstanding loans amounted to RMB22,594.6 million, consisting of bank loans and other borrowings of RMB18,732.1 million, and senior notes of RMB3,862.5 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, 2025, the assets pledged to secure certain borrowings granted to the Group amounted to RMB25,553.1 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, 2025, the Group's outstanding guarantees in respect of the mortgages of its customers amounted to RMB1,953.7 million.

Save as disclosed in this announcement, the Group had no other material contingent liabilities as at June 30, 2025.

### **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, 2025, the Group had approximately 389 employees, and incurred employee costs of approximately RMB47.6 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.

## 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 recognised the importance of the Shareholders' transparency and accountability.

The Company has been in compliance with the code provisions as set out in Part 2 of the Corporate Governance Code (the “**CG Code**”) contained in Appendix C1 to the Listing Rules during the six months ended June 30, 2025 except for the following deviations:

Under code provision C.2.1 of the CG Code, the roles of chairman and chief executive should be separate and should not be performed by the same individual. Under the current organisation structure of the Company, Mr. Zhang Zhangsun (“**Chairman Zhang**”) is the chairman of the Board and the president of the Company. Chairman Zhang has been overseeing the Group's strategic planning, operation and management since the Group was founded. The Company believes that the vesting 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 with sufficient number thereof being independent non-executive Directors.

Under code provision C.1.8 of the CG Code, the Company should arrange appropriate insurance cover in respect of legal action against its directors. As the Board considers that insurance cover for Directors and officers with reasonable premiums and sufficient compensation has not been identified in the market, the Company has not procured such arrangement.

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, 2025. The Company will continue to review and enhance its corporate governance practices to ensure compliance with the CG Code.

### **Non-compliance with Rules 3.10(1), 3.10A and 3.21 of the Listing Rules**

Following the resignation of Mr. Yuan Hao as an independent non-executive director on June 10, 2025, the Company only had two independent non-executive Directors, thus the number of the independent non-executive Directors and the number of representation of independent non-executive Directors on the Board fell below the minimum requirement under Rules 3.10(1) and 3.10A of the Listing Rules. As a result of the insufficient number of independent non-executive Directors, the Company had also failed to comply with the requirements set out in Rule 3.21 of the Listing Rules with regard to the minimum number of members and the composition of the Audit Committee.

The Company will use its best endeavor to identify a suitable candidate to act as an independent non-executive Director to meet the requirements set out in Rules 3.10(1), 3.10A and 3.21 of the Listing Rules as soon as practicable, and in any event within three months as required under Rules 3.11 and 3.23 of the Listing Rules, and will make further announcement as and when appropriate.



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

The Company adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as set out in Appendix C3 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, 2025.

## **Purchase, Sale or Redemption of Listed Securities of the Company**

For the six months ended June 30, 2025, 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 (including the sale of treasury shares).

## **Audit Committee**

The Company established the Audit Committee with written terms of reference in compliance with Rule 3.21 of the Listing Rules and paragraph D.3 of the CG Code, which is currently made available on the Stock Exchange’s website and the Company’s website. Following the resignation of Mr. Yuan Hao as an independent non-executive director on June 10, 2025, the Audit Committee currently comprises two independent non-executive Directors, namely Ms. Chen Jinrong (as committee chairman) and Mr. Deng Zhidong. The unaudited interim financial results of the Group for the six months ended June 30, 2025 have been reviewed by the Audit Committee.

## **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, 2025 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, 2025 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, 2025 containing all the information about the Company set out in this results announcement for the six months ended June 30, 2025 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 29, 2025

*As at the date of this announcement, the Board comprises Mr. Zhang Zhangsun, Ms. Ruan Wenjuan, Mr. Yang Huabin, Mr. Feng Yang, and Mr. Zhao Yuhong as executive Directors; and Ms. Chen Jinrong and Mr. Deng Zhidong as independent non-executive Directors.*

*\*For identification purpose only*