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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)

**ANNUAL RESULTS ANNOUNCEMENT
FOR THE YEAR ENDED DECEMBER 31, 2025**

FINANCIAL HIGHLIGHTS

- Achieved contracted sales for the year ended December 31, 2025 (the “**Reporting Period**”) was RMB2,122.7 million;
- Affected by market conditions, the rental market is under pressure. Revenue for the Reporting Period from property development was RMB606.6 million;
- Land reserves reached a total gross floor area (“**GFA**”) of 6.2 million square meters (“**sq.m.**”) as at December 31, 2025; and
- 51% of the certified saleable land reserve was distributed in Beijing as at December 31, 2025.

ANNUAL RESULTS FOR THE YEAR ENDED DECEMBER 31, 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 Group’s shareholders (the “**Shareholders**”) the following audited consolidated results of the Group for the year ended December 31, 2025, together with comparative figures for the corresponding period in 2024. The results were extracted from the audited consolidated financial statements, which were prepared in accordance with International Financial Reporting Standards (“**IFRSs**”) issued by the International Accounting Standards Board (“**IASB**”) and the disclosure requirements of the Hong Kong Companies Ordinance (Cap. 622) (“**Companies Ordinance**”).

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended December 31, 2025

	Notes	2025 RMB'000	2024 RMB'000
Revenue	4		
Contract with customers		788,171	2,418,535
Rental income		<u>247,442</u>	<u>286,797</u>
Total revenue		1,035,613	2,705,332
Cost of sales and services		<u>(1,343,700)</u>	<u>(2,149,768)</u>
Gross (loss) / profit		(308,087)	555,564
Other losses, net	6	(293,750)	(31,436)
Other income	7	7,135	116,935
Change in fair value of investment properties		47,884	(498,940)
Impairment losses under expected credit loss model, net of reversal		(219,133)	(59,642)
Distribution and selling expenses		(58,576)	(88,369)
Administrative expenses		(185,033)	(188,983)
Other expenses	8	(108,287)	(109,807)
Share of (loss) of joint ventures		-	(4,538)
Share of (loss) of associates		-	(65,391)
Finance costs		<u>(783,781)</u>	<u>(1,061,701)</u>
(Loss) before income tax		(1,901,628)	(1,436,308)
Income tax credit	10	<u>132,242</u>	<u>20,805</u>
(Loss) for the year	9	<u>(1,769,386)</u>	<u>(1,415,503)</u>

	<i>Note</i>	2025 RMB'000	2024 <i>RMB'000</i>
Other comprehensive (loss)			
Total comprehensive (loss) for the year		<u>(1,769,386)</u>	<u>(1,415,503)</u>
(Loss) for the year attributable to:			
Owners of the Company		(1,822,472)	(1,240,429)
Non-controlling interests		<u>53,086</u>	<u>(175,074)</u>
		<u>(1,769,386)</u>	<u>(1,415,503)</u>
Total comprehensive (loss) for the year attributable to:			
Owners of the Company		(1,822,472)	(1,240,429)
Non-controlling interests		<u>53,086</u>	<u>(175,074)</u>
		<u>(1,769,386)</u>	<u>(1,415,503)</u>
(Loss) per share attributable to the owners of the Company			
– Basic (RMB cents)	<i>11</i>	<u>(0.41)</u>	<u>(0.28)</u>
– Diluted (RMB cents)		<u>(0.41)</u>	<u>(0.28)</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

December 31, 2025

	<i>Note</i>	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Non-current assets			
Investment properties		20,142,000	19,383,270
Property, plant and equipment		1,886,570	2,380,376
Right-of-use assets		238,257	244,763
Other non-current assets		1,179,102	1,434,388
Interests in joint ventures		-	60,944
Equity instruments at FVTOCI		13,481	13,481
Deferred tax assets		714,682	581,670
Restricted bank deposits		105,470	14,899
Value added tax and tax recoverable		993,658	725,260
		<u>25,273,220</u>	<u>24,839,051</u>
Current assets			
Inventories		786	786
Deposits paid for acquisition of land		107,534	107,534
Properties under development for sale		17,589,741	18,306,878
Properties held for sale		2,628,876	2,603,046
Trade and other receivables, deposits and prepayments	<i>13</i>	3,687,470	5,885,422
Contract assets		2,436,218	2,292,769
Contract costs		33,360	33,700
Value added tax and tax recoverable		390,670	203,327
Amounts due from related parties		4,394,591	2,745,190
Restricted bank deposits		90,992	116,524
Bank balances and cash		47,131	70,451
		<u>31,407,369</u>	<u>32,365,627</u>

	<i>Notes</i>	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Current liabilities			
Trade and other payables	14	6,319,616	8,501,284
Contract liabilities		5,130,046	4,530,157
Amounts due to related parties		5,282,764	3,557,084
Tax payable		3,326,926	3,159,718
Bank and other borrowings – due within one year		7,569,066	7,620,237
Senior notes		3,700,397	3,942,744
		31,328,815	31,311,224
Net current assets		78,554	1,054,403
Total assets less current liabilities		25,351,774	25,893,454
Non-current liabilities			
Rental deposits received	14	104,736	114,919
Lease liabilities		-	681
Bank and other borrowings – due after one year		12,545,924	11,225,550
Deferred tax liabilities		2,100,598	2,182,402
		14,751,258	13,523,552
Net assets		10,600,516	12,369,902
Capital and reserves			
Share capital		3,520	3,520
Reserves		8,102,699	9,925,171
Equity attributable to owners of the Company		8,106,219	9,928,691
Non-controlling interests		2,494,297	2,441,211
Total equity		10,600,516	12,369,902

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2025

1. GENERAL INFORMATION

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”) 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 8, 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 “**BVI**”). 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 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. APPLICATION OF NEW AND AMENDMENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS (“**IFRSs**”)

Amendments to IFRSs that are mandatorily effective for the current year

In the current year, the Group has applied the following amendments to IFRSs issued by the International Accounting Standards Board (the “**IASB**”) for the first time, which are mandatorily effective for the annual period beginning on or after January 1, 2025 for the preparation of the consolidated financial statements:

Amendments to IAS 21	Lack of Exchangeability — Clarifies how to determine the spot exchange rate when a currency is not exchangeable into another currency, and introduces new disclosure requirements for such circumstances
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The application of the amendments to IFRSs in the current year had no material impact on the Group’s financial positions and performance for the current and prior year and/or on the disclosures set out in these consolidated financial statements.

For reference, the Group also applied the following amendments in prior periods, which continue to have no material impact:

Amendments to IFRS 16	Lease Liability in a Sale and Leaseback
Amendments to IAS 1	Classification of Liabilities as Current or Non-current
Amendments to IAS 1	Non-current Liabilities with Covenants
Amendments to IAS 7 and IFRS 7	Supplier Finance Arrangements

New and amendments to IFRSs in issue but not yet effective

The Group has not early applied the following new and amendments to IFRSs that have been issued but are not yet effective:

Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ³
Amendments to IFRS 9 and IFRS 7	Amendments to the Classification and Measurement of Financial Instruments — Clarifies classification of financial assets with ESG-linked features, derecognition of liabilities settled via electronic payment systems, and introduces enhanced disclosures ¹
Amendments to IFRS 9 and IFRS 7	Contracts Referencing Nature-dependent Electricity — Clarifies own-use requirements and hedge accounting for contracts tied to wind or solar power generation ¹
Annual Improvements to IFRS Accounting Standards — Volume 11	Miscellaneous clarifications to IFRS 1, IFRS 7, IFRS 9, IFRS 10, IAS 7 and related guidance ¹
IFRS 18	Presentation and Disclosure in Financial Statements — Replaces IAS 1; introduces new required subtotals (operating profit, profit before financing and tax), management-defined performance measures (MPMs) disclosure, and enhanced aggregation/disaggregation principles ²
IFRS 19	Subsidiaries without Public Accountability: Disclosures — Permits eligible subsidiaries to apply reduced disclosure requirements while maintaining full IFRS recognition and measurement ²

¹ Effective for annual periods beginning on or after January 1, 2026

² Effective for annual periods beginning on or after January 1, 2027

³ Effective for annual periods beginning on or after a date to be determined

The Directors anticipate that the application of all new and amendments to IFRSs will have no material impact on the consolidated financial statements in the foreseeable future.

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

Basis of preparation of consolidated financial statements

The consolidated financial statements have been prepared in accordance with IFRSs, which collectively includes all applicable individual International Financial Reporting Standards, International Accounting Standards (“IASs”) and Interpretations issued by the IASB. For the purpose of preparation of the consolidated financial statements, information is considered material if such information is reasonably expected to influence decisions made by primary users. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”) and the Companies Ordinance.

The consolidated financial statements have been prepared on the historical cost basis except for the investment properties and certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of IFRS 2 *Share-based Payment*, leasing transactions that are accounted for in accordance with IFRS 16 *Leases*, and measurements that have some similarities to fair value but are not fair value, such as net realizable value in IAS 2 *Inventories* or value in use in IAS 36 *Impairment of Assets*.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

For financial instruments and investment properties which are transacted at fair value and a valuation technique that unobservable inputs is to be used to measure fair value in subsequent periods, the valuation technique is calibrated so that at initial recognition the results of the valuation technique equals the transaction price.

In addition, for financial reporting purposes, fair value measurements are categorized into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

Going concern

The Group incurred a loss of approximately RMB1,769,386,000 for the year ended December 31, 2025, and as of that date, the Group has net current assets of approximately RMB78,554,000. As at December 31, 2025 the Group's bank and other borrowings with the aggregate carrying amount of approximately RMB7,569,066,000 was due on demand or within one year, while its cash and cash equivalents amounted to only approximately RMB47,131,000 and restricted bank deposits for construction of pre-sale properties and for mortgage loans granted to customers amounted to approximately RMB155,853,000, which can be used for payments for project costs when approval from related government authority is obtained. The current assets of the Group include properties under development for sale and properties held for sale of approximately RMB20,218,617,000 in aggregate, of which approximately RMB9,939,413,000 in aggregate are not expected to be realised within 12 months from the end of the Reporting Period.

Due to the impact of market sentiment, as at December 31, 2025, the Group had not repaid senior notes and bank and other borrowings of approximately RMB3,700,397,000 and RMB5,766,308,000 respectively according to their scheduled repayment dates, and as a result, these borrowings might be demanded for early repayment. As at December 31, 2025, the Group's senior notes amounting to RMB879,373,000 is held by Alltogether Land, the ultimate holding company.

In addition, based on the business model, the Group relied to a great extent on proceeds received from properties pre-sale to finance its development and construction of real estate projects.

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

The consolidated financial statements have been prepared on the assumptions that the Group will continue to operate as a going concern notwithstanding the conditions prevailing as at December 31, 2025 and subsequently thereto up to the date of authorization of these consolidated financial statements. In order to improve the Group's financial position, immediate liquidity and cash flows, and otherwise to sustain the Group as a going concern, the Directors have adopted several measures together with other measures in progress at the date of authorization of these consolidated financial statements, but not limited to, the followings:

- (i) For borrowings which will be maturing before December 31, 2026, the Group is actively negotiating with the senior notes holders and banks for the extension of the repayment schedules. The Directors do not expect to experience significant difficulties in renewing most of these bank borrowings upon their maturities and there is no indication that these bank lenders will not renew the existing bank borrowings upon the Group's request. The Directors have evaluated the relevant facts available to them and are of the opinion that the Group would be able to renew such borrowings;
- (ii) the Group would sell part of its investment properties in order to improve the Group's financial position, liquidity and cash flows;
- (iii) the Group would implement the plans and measures to the pre-sales and sales of properties under development for sale and properties held for sales and timely collection of the relevant sales proceeds; and
- (iv) the Group applies cost control measures in cost of sales and services and administrative expenses.

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

Should the Group be unable to continue as going concern, adjustments would have to be made to the consolidated financial statements to write down the carrying amounts of assets to their recoverable amounts, to reclassify non-current assets and non-current liabilities as current assets and current liabilities respectively, and to provide for any further liabilities which might arise. The effect of these adjustments has not been reflected in the consolidated financial statements.

4. REVENUE

- (i) 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 year ended December 31, 2025				
	Property development <i>RMB'000</i>	Primary land construction and development services <i>RMB'000</i>	Property investment <i>RMB'000</i>	Property management and related services <i>RMB'000</i>	Total <i>RMB'000</i>
Timing of revenue recognition					
A point in time	606,601	–	–	–	606,601
Over time	–	178,056	–	3,514	181,570
Revenue from contracts with customers	606,601	178,056	–	3,514	788,171
Rental income	–	–	247,442	–	247,442
Total revenue	606,601	178,056	247,442	3,514	1,035,613
Geographical market					
Mainland China	606,601	178,056	247,442	3,514	1,035,613
	For the year ended December 31, 2024				
	Property development <i>RMB'000</i>	Primary land construction and development services <i>RMB'000</i>	Property investment <i>RMB'000</i>	Property management and related services <i>RMB'000</i>	Total <i>RMB'000</i>
Timing of revenue recognition					
A point in time	2,116,743	–	–	–	2,116,743
Over time	–	276,666	–	25,126	301,792
Revenue from contracts with customers	2,116,743	276,666	–	25,126	2,418,535
Rental income	–	–	286,797	–	286,797
Total revenue	2,116,743	276,666	286,797	25,126	2,705,332
Geographical market					
Mainland China	2,116,743	276,666	286,797	25,126	2,705,332

5. SEGMENT INFORMATION

The Group is organized 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.

Segment revenue and results

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

	Property development <i>RMB'000</i>	Primary land construction and development services <i>RMB'000</i>	Property investment <i>RMB'000</i>	Property management and related services <i>RMB'000</i>	Total <i>RMB'000</i>
Year ended December 31, 2025					
Revenue from external customers and segment revenue	606,601	178,056	247,442	3,514	1,035,613
Segment (loss)/profit	(821,909)	7,711	138,679	(15,306)	(690,825)
Year ended December 31, 2024					
Revenue from external customers and segment revenue	2,116,743	276,666	286,797	25,126	2,705,332
Segment (loss)/profit	135,782	13,174	152,091	(49,237)	251,810

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

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Segment (loss) / profit	(690,825)	251,810
Other losses, net	(293,750)	(31,436)
Other income	7,135	116,935
Change in fair value of investment properties	47,884	(498,940)
Unallocated administrative expenses	(80,004)	(33,240)
Other expenses	(108,287)	(109,807)
Share of (loss) of joint ventures	-	(4,538)
Share of (loss) of associates	-	(65,391)
Finance costs	(783,781)	(1,061,701)
	<u>(1,901,628)</u>	<u>(1,436,308)</u>
Consolidated (loss) before income tax	<u>(1,901,628)</u>	<u>(1,436,308)</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 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)/profit:

	Property development <i>RMB'000</i>	Primary land construction and development services <i>RMB'000</i>	Property investment <i>RMB'000</i>	Property management and related services <i>RMB'000</i>	Unallocated amount <i>RMB'000</i>	Total <i>RMB'000</i>
Year ended December 31, 2025						
Depreciation and amortization of non-current assets	43,661	-	820	43	7,095	51,620
Impairment losses under ECL model, net of reversal	219,133	-	-	-	-	219,133
	<u>219,133</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>219,133</u>
Year ended December 31, 2024						
Depreciation and amortization of non-current assets	63,863	-	8,913	679	7,965	81,420
Impairment losses under ECL model, net of reversal	59,642	-	-	-	-	59,642
	<u>59,642</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>59,642</u>

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

Geographical information

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

Revenue from major customers

No revenue from a single external customer amounted to 10% or more of the Group's revenue during the years ended December 31, 2024 and 2025.

6. OTHER LOSSES, NET

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Net foreign exchange gain / (loss) on operating activities	61,879	(13,721)
Gains on debt restructuring of senior notes	444,081	-
(Loss) on disposal of property, plant and equipment	(261,765)	(8,775)
(Loss) on disposal of subsidiaries	(537,945)	(8,940)
	<u>(293,750)</u>	<u>(31,436)</u>

7. OTHER INCOME

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Interest income from amounts due from related parties	-	64,881
Interest income from bank deposits	<u>243</u>	<u>703</u>
Total interest income	243	65,584
Compensation received	4,657	695
Royalty fee income	-	48,906
Others	<u>2,235</u>	<u>1,750</u>
	<u>7,135</u>	<u>116,935</u>

8. OTHER EXPENSES

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Donations	-	55
Surcharge for overdue tax payment and fines (<i>note</i>)	105,235	91,257
Others	<u>3,052</u>	<u>18,495</u>
	<u>108,287</u>	<u>109,807</u>

Note: During the year, the amount mainly represents fines and penalties as a result of court orders of approximately RMB105,151,337 (2024: RMB88,522,726) and the surcharge of RMB84,509 (2024: RMB2,734,153) upon the receipt of final surcharge notice issued by the PRC tax authority in respect of the late payment of enterprise income tax, LAT and value-added taxes during the year. In the opinion of the Directors, all the fines, penalties and surcharge was settled during the year and the Group had no other contingent liabilities required to be recognized or disclosed in the consolidated financial statements as at December 31, 2025 in respect of these surcharge (2024: Nil).

9. (LOSS) DURING THE YEAR

During the year, (loss) was determined after deducting/taking into account the following items:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Directors' remuneration	5,175	6,978
Other staff costs:		
– Salary and other benefits	77,433	126,614
– Retirement benefit contributions	<u>9,674</u>	<u>15,482</u>
Total staff cost	92,282	149,074
Less: Capitalized amount under properties under development and investment properties under construction (<i>note</i>)	<u>(21,727)</u>	<u>(41,200)</u>
	70,555	107,874
Cost of properties sold recognized as expense	1,153,454	1,812,779
Impairment of properties under development for sale and properties held for sale (included in cost of sales and services)	1,106,050	23,687
Auditor's remuneration	2,000	2,000
Depreciation of property, plant and equipment	44,565	73,926
Depreciation of right-of-use assets	6,556	6,941
Amortization of intangible assets	499	553
Amortization of contract costs	340	8,231
Expense relating to short-term leases	839	4,801
Rental income from investment properties	(247,442)	(286,797)
Less: Direct operating expenses incurred for investment properties that generated rental income during the year	<u>108,763</u>	<u>134,706</u>
	<u>(138,679)</u>	<u>(152,091)</u>

Note: Some employees of the project management and design departments are assigned to the construction site and work directly on certain specific projects. The purpose of the construction work, therefore, the capitalized amount mainly refers to the cost of such employees.

10. INCOME TAX CREDIT

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Current tax		
– The PRC enterprise income tax	(87,301)	61,148
– LAT	<u>174,166</u>	<u>168,987</u>
	86,865	230,135
Deferred tax	<u>(219,107)</u>	<u>(250,940)</u>
Income tax (credit)	<u>(132,242)</u>	<u>(20,805)</u>

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 years.

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

During the two fiscal periods, due to the absence of income generated or acquired by subsidiaries under the Group in Hong Kong, no provision for Hong Kong profits tax was made.

11. (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.

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
(Loss)		
(Loss) for the year attributable to the owners of the Company for the purposes of basic and diluted (loss) per share	<u>(1,822,472)</u>	<u>(1,240,429)</u>
	2025 '000	2024 '000
Number of shares		
Weighted average number of ordinary shares for the purpose of diluted (loss)/earnings per share	<u>4,444,418</u>	<u>4,444,418</u>

The computation of diluted (loss) per share does not assume the exercise of the Company's share options because the exercise price of those share options was higher than the average market price for shares for the year ended December 31, 2025. There were no dilutive potential ordinary shares in existence during the year ended December 31, 2025. Therefore, the amount of diluted (loss) per share is the same as the amount of basic (loss) per share for the years ended December 31, 2025 and 2024.

12. DIVIDENDS

No dividend was proposed by the Board in respect of the years ended December 31, 2025 and 2024.

13. TRADE AND OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

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

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Trade receivables, gross		
– contracts with customers (<i>note (i)</i>)	321,908	318,609
– lease receivables	137,724	161,040
– others	6,998	-
	<u>466,630</u>	<u>479,649</u>
Less: Allowance for credit losses	<u>(175,405)</u>	<u>(184,429)</u>
Trade receivables, net	<u>291,225</u>	<u>295,220</u>
Other receivables, deposits and prepayments, gross		
Advances to contractors and suppliers	539,451	935,205
Performance guarantee deposit paid	14,940	14,940
Other receivables and prepayments	3,077,109	4,701,985
Deposits	97,682	87,647
	<u>3,729,182</u>	<u>5,739,777</u>
Less: Allowance for credit losses	<u>(332,937)</u>	<u>(149,575)</u>
Other receivables, deposits and prepayments, net	<u>3,396,245</u>	<u>5,590,202</u>
Total trade and other receivables, deposits and prepayments, net	<u>3,687,470</u>	<u>5,885,422</u>

Note:

- (i) As at December 31, 2025 and 2024, trade receivables from contract with customers mainly comprise trade receivables from property development.

The following is an aging analysis of trade receivables presented, net of allowance for credit losses, based on the date of recognition of revenue at the end of the reporting period:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
0 to 60 days	12,953	114,811
61 to 180 days	133,029	20,095
181 to 365 days	10,616	12,109
1 to 2 years	10,137	31,840
Over 2 years	299,895	300,794
Less: Allowance for credit losses	<u>(175,405)</u>	<u>(184,429)</u>
	<u>291,225</u>	<u>295,220</u>

14. TRADE AND OTHER PAYABLES

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Trade payables	1,853,374	1,892,360
Deposits received	226,561	211,893
Rental received in advance	81,879	147,847
Refund liabilities	232,648	366,095
Accrued payroll	59,253	56,132
Value added tax and other tax payables	691,938	592,381
Other payables and accruals	3,143,199	5,213,995
Dividend payables	135,500	135,500
	<u>6,424,352</u>	<u>8,616,203</u>
Analysis for reporting purposes as:		
Non-current (<i>note</i>)	104,736	114,919
Current	<u>6,319,616</u>	<u>8,501,284</u>
	<u>6,424,352</u>	<u>8,616,203</u>

Note: Pursuant to the relevant agreements, rental deposits received as at December 31, 2025 and 2024 are to be settled after twelve months from the end of the reporting period and are therefore classified as non-current liabilities.

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

The following is an aging analysis of trade payables based on invoice date at the end of the reporting period:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
0 to 60 days	10,474	15,380
61 to 365 days	113,681	301,920
1 to 2 years	292,984	383,803
Over 2 years	1,436,235	1,191,257
	<u>1,853,374</u>	<u>1,892,360</u>

CHAIRMAN’S STATEMENT

Dear Shareholders,

On behalf of the Board, I present to you the annual performance of the Group as of December 31, 2025.

ANNUAL RESULTS AND REVIEW FOR 2025

Annual Results

During the Reporting Period, the revenue of the Group was RMB1,035.6 million. Revenue from property development was RMB606.6 million.

Market Review

In terms of industry policies, the focus shifted from demand-side stimulus to supply-side reform, which led to the stabilization and recovery of the real estate market. The central government worked in coordination with local governments to release multiple stimulus policies. Stringent policies such as purchase restrictions, sales restrictions, and loan restrictions were gradually relaxed, with clear policy intentions. Efforts were made to promote existing home sales, “good house” standards, and urban renewal of existing assets for quality improvement, controlling the increase in supply from the supply side, reducing inventory, optimizing supply and preventing risks of unfinished projects and financial system.

In terms of financial policies, the stability of the real estate financial system was achieved from the perspectives of reducing demand-side burdens and alleviating supply-side pressures. On the demand side, the People’s Bank of China and the China Banking and Insurance Regulatory Commission continuously launched multiple financial measures, including lowering the loan prime rate base points, reducing the minimum down payment ratio, removing the lower limit for commercial loan interest rates, lowering the interest rate for provident fund loans, and increasing the loan quota for provident funds, aiming to lower the purchase threshold, reduce residents’ mortgage burdens, promote home purchases, and stimulate the recovery of the real estate market. On the supply side, the urban real estate financing coordination mechanism and “white list” became regular means to activate distressed projects and ensure completion and delivery.

Real Estate Development

In 2025, the Group fully promoted sales, seizing market share in the limited market capacity. It further contracted the scale of real estate development, adhered to debt reduction and accelerated asset disposal to improve liquidity. The Group made every effort to ensure project completion and delivery, and at the same time, accelerated the pace of transformation.

Investment Properties

During the Reporting Period, the total rental income of the Group was RMB247.4 million. Due to the impact of e-commerce and the downturn of the real economy, the Group’s rental income decreased. The Group has 10 investment self-owned properties in core areas of first-and second-tier cities, with a total planned construction area of approximately 809,940 sq.m.. Although the current rental market is generally in a downward trend, the self-owned properties of the Group have superior geographical locations. If the macro economy stabilizes and recovers in the future, rental income will increase accordingly.

Land Reserves

As of December 31, 2025, the total planned GFA of the land reserves of the Group was 6.2 million sq.m.. The Group has existing primary land development projects. The Group undertook primary land development projects and urban renewal projects in Beijing and Shenzhen. During the Reporting Period, the development area of primary land development projects and urban redevelopment projects without affirmed ownership of the Group was 5.81 million sq.m., 51.6% of which was in Shenzhen. Strengthening urban renewal and upgrading of existing housing is a new trend in the existing market. Urban renewal projects require relatively less investment but offer high profit margins. They are an important source for the Group to replenish land reserves within the Greater Bay Area. In the second half of 2025, some projects of the Group completed cash recovery, and urban renewal projects will be completed successively in 2026 and subsequent years, becoming a new source of profit growth.

Capital Structure

The Group has continuously optimized its debt structure, alleviated short-term debt repayment pressure, reduced financing costs, effectively controlled exchange rate risks, and achieved effective debt reduction through communication with banks and financial institutions. Meanwhile, it has further strengthened its risk management functions, improved the financial risk monitoring system and did a good job in risk early warning and prevention.

Business Transformation

The Group is gradually reducing its real estate business and steadily promoting the transformation of its business towards the health industry.

The Group is optimistic about the future development and potential of the health industry. It will adapt to the needs of the times and strive to explore the innovation of human settlement business models, develop health living communities, health living online services and regenerative medical incubation industries. On one hand, it will continuously upgrade the quality of residential products and launch health living products to achieve a comprehensive reshaping of the product form and service model of the Group. On the other hand, the Group will be committed to providing online services for a healthy life. By building Guorui Hospital and various online medical services, online health care services, and regenerative medical businesses, it will comprehensively enhance the Group's comprehensive operation and service levels and achieve a comprehensive transformation of the Group into the health industry.

OUTLOOK FOR 2026

Looking ahead to 2026, the policy support for the real estate will continue to increase, and policies of purchase restrictions, sales restrictions, and loan restrictions will be completely relaxed. From the central government to local governments, the policy direction of "promoting the stabilization and recovery of the real estate market" will not change. Both the supply and demand sides will jointly exert efforts to alleviate risks in the real estate industry. Although policies keeps intensifying, due to the impact of the macroeconomic environment and the long duration of this market downturn, buyers have lost confidence, and the market reshaping and the reshaping of residents' confidence still require a period of time. It is expected that the real estate market will remain in a downward adjustment stage and it will be difficult to quickly form a recovery trend. The investment confidence has bottomed out, the market size has shrunk, housing prices continue to decline in an intense competitive environment, and real estate enterprises still urgently need to release strong financial support policies.

The improvement of the financing environment for real estate enterprises is crucial for the recovery of the industry and the market. Although the “white list” policy provides financial support for individual projects, the sector still urgently needs financial policies to restore the normal capital circulation of the industry.

The Group believes that the real estate industry is still in the trough of the industry, the boosting measures for the demand side by policies have almost exhausted, and now it has turned to introduce supply-side policies. However, the coverage of supply-side policies is still very limited, and most of them provide relief support for projects to ensuring the completion of construction. The real estate industry is still in a cruel struggle and elimination state. As the tentative policies receive market feedback, the policies will continue to be adjusted and redirected. It is expected that future policies will shift their focus from boosting the market to prioritizing the stability of real estate enterprises. When the business environment of enterprises is improved, the current vicious market competition be changed, and the generally pessimistic market judgment be altered. The cooperation between enterprises and policies will alleviate the vicious competition situation, thereby stabilizing the market and restoring it.

The real estate industry has entered a strong competitive environment of survival of the fittest. The enterprises that have survived the industry downturn will also face various tests such as industry model reshaping and product quality iteration in the future. Each enterprise needs to continuously improve in multiple aspects such as corporate image, product quality, comprehensive services, and management capabilities to cope with the harsh competitive environment. The Group will persist in operating in the current industry downturn while adapting to industry changes, strengthening both internally and externally, and continuously improving the competitiveness of the enterprise and products from multiple perspectives. In the fierce industry competition, we will continue to develop. In the future, the Group will continuously enhance service levels and management capabilities. Seize market opportunities, with continuously improved product structure, excellent product quality, and thoughtful project services, attract more customers and promote project sales and collection. In addition, we will focus on adjusting the debt structure, striving to reduce financing costs, and enhance the core competitiveness of the Group to ensure sustainable and stable development in the future.

In the complex and intricate market environment, the Group will shift its development towards the health industry and explore the vast market of the health industry.

ACKNOWLEDGEMENT

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

Zhang Zhangsun
Chairman

Beijing, the PRC, March 31, 2026

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review

For the year ended December 31, 2025, the Group's revenue was RMB1,035.6 million. Revenue from property development was RMB606.6 million. As of December 31, 2025, the gross loss of the Group was RMB308.1 million.

Contracted Sales

The contracted sales of the Group for 2025 amounted to approximately RMB2,122.7 million. Contracted sales of the Group in 2025, by geographical location, were mainly from Beijing, Xi'an and Haikou, with signed sales of approximately RMB1,446.3 million, RMB382.0 million and RMB162.8 million respectively. It accounted for 68.1%, 18.0%, and 7.7% of the Group's total contracted sales.

The following table sets out the Group's contracted sales by region for 2025 and 2024:

City	2025		2024	
	Contracted Sales (RMB million)	Percentage of Total Contracted Sales (%)	Contracted Sales (RMB million)	Percentage of Total Contracted Sales (%)
Beijing	1,446.3	68.1	1,538.6	47.2
Xi'an	382.0	18.0	884.9	27.1
Haikou	162.8	7.7	154.7	4.7
Foshan	42.6	2.0	10.6	0.3
Langfang	41.2	1.9	44.7	1.4
Shenyang	22.6	1.1	177.8	5.4
Guizhou	21.7	1.0	32.1	1.0
Shantou	3.2	0.2	1.7	0.1
Zhengzhou	0.3	0.0	0.2	0.0
Qidong	-	-	285.6	8.8
Cooperation projects	-	-	109.4	3.4
Suzhou	-	-	22.0	0.7
Total	2,122.7	100.0	3,262.4	100.0

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 December 31, 2025, the Group had land reserves with a total GFA of 6,224,278 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 December 31, 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, Foshan Glory Shengping Commercial Center and Guorui Xi'an Financing Center.

Land Reserves

The following table sets out a summary of the Group's land reserves by geographic location as at December 31, 2025:

	Completed	Under Development	Future Development	Total Land Reserves	Of Total Land Reserves
	Saleable/ Rentable GFA (sq.m.)	GFA Under Development (sq.m.)	Planned GFA (sq.m.)	Total GFA (sq.m.)	(%)
Haikou	148,833	140,639	862,405	1,151,876	18.5
Langfang	-	101,019	986,574	1,087,593	17.5
Tongren	21,070	65,097	966,830	1,052,998	16.9
Chongming Island	-	9,307	761,358	770,665	12.4
Beijing	440,211	94,699	-	534,910	8.6
Shenyang	203,852	9,288	276,470	489,609	7.9
Shantou	2,746	360,154	-	362,899	5.8
Shenzhen	-	42,763	274,213	316,976	5.1
Foshan	146,344	149,973	-	296,317	4.8
Xi'an	-	150,127	-	150,127	2.4
Zhengzhou	-	9,562	-	9,562	0.1
Suzhou	-	694	-	694	0.0
Wuxi	52	-	-	52	0.0
Total	<u>963,107</u>	<u>1,133,322</u>	<u>4,127,849</u>	<u>6,224,278</u>	<u>100.0</u>
Total attributable GFA	<u>817,939</u>	<u>1,076,166</u>	<u>3,696,818</u>	<u>5,590,923</u>	

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 December 31, 2025, the land listing and trading work for the Land No. 4 and the Land No. 5 have been completed.

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 year ended December 31, 2025, the Group's revenue was RMB1,035.6 million, representing a decrease of RMB1,669.7 million compared to RMB2,705.3 million as of December 31, 2024.

The property development revenue for the Reporting Period, was RMB606.6 million, and the property investment revenue was RMB247.4 million.

Cost of Sales and Services

For the year ended December 31, 2025, the Group's cost of sales and services was RMB1,343.7 million, representing a decrease of approximately 37.5% 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 (Loss) / Profit

For the year ended December 31, 2025, the Group's gross loss was RMB308.1 million, compared to a gross profit of RMB555.6 million in the same period last year.

Changes in Fair Value Gains on Investment Properties

The fair value gain on investment properties at the Group level decreased from a fair value change loss of RMB498.9 million for the year ended December 31, 2024, to a fair value change gain of RMB47.9 million for the year ended December 31, 2025.

Other Losses, Net

Other losses, net were RMB31.4 million for the year ended December 31, 2024, while other losses, net were RMB293.8 million for the year ended December 31, 2025. It was mainly due to the confirmation of auction losses for the Qidong project in 2025.

Other Income

Other income decreased from RMB116.9 million for the year ended December 31, 2024 to RMB7.1 million for the year ended December 31, 2025, which was mainly due to the termination of recognition of patent income from associated companies and joint ventures in the current year.

Distribution and Selling Expenses

Distribution and selling expenses decreased by approximately 33.7% from RMB88.4 million for the year ended December 31, 2024 to RMB58.6 million for the year ended December 31, 2025.

Administrative Expenses

Administrative expenses decreased by approximately 2.1% from RMB189.0 million for the year ended December 31, 2024 to RMB185.0 million for the year ended December 31, 2025.

Finance Costs

Finance costs decreased by approximately 26.2% from RMB1,061.7 million for the year ended December 31, 2024 to RMB783.8 million for the year ended December 31, 2025, which was primarily due to the decrease in expensed financing costs during the Reporting Period of the Group.

Income Tax Credit

Income tax credit for the year ended December 31, 2024 was RMB20.8 million, while the amount of income tax credit for the year ended December 31, 2025 was RMB132.2 million.

Total Comprehensive (Loss)

As a result of the foregoing reasons, the Group's total comprehensive loss was RMB1,769.4 million for the year ended December 31, 2025. While the total comprehensive loss was RMB1,415.5 million for the year ended December 31, 2024.

Liquidity, Financial and Capital Resources

Cash Position

As at December 31, 2025, the Group's cash, restricted bank deposits and bank balances were approximately RMB243.6 million, while as at December 31, 2024, the Group's cash, restricted bank deposit and bank balances were approximately RMB201.9 million.

Net Operating Cash Flow

The Group recorded net operating cash flow in the amount of RMB75.0 million for the year ended December 31, 2025, while we had recorded net operating cash flow of RMB679.5 million for the year ended December 31, 2024.

Borrowings

As at December 31, 2025, the Group had outstanding borrowings of RMB23,815.4 million, consisting of bank and other borrowings of RMB20,115.0 million and senior notes of RMB3,700.4 million.

As at December 31, 2025, other outstanding borrowings of the Group accounted for 18.9% of the total outstanding borrowings of the Group.

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 December 31, 2025, the assets pledged to secure certain borrowings granted to the Group amounted to RMB27,116.3 million.

Financial Guarantees and Contingent Liabilities

In line with market practice, the Group has entered into agreements and arrangements with multiple banks to provide mortgage financing to customers. The Group will not conduct independent credit reviews on customers, but will rely on credit reviews conducted by the underwriting bank. Like other Chinese property developers, banks generally require the Group to provide guarantees for customers to repay their property mortgage loans. The guarantee period generally lasts until the bank receives the customer's separate ownership certificate as collateral for the granted mortgage loan. On December 31, 2025, the Group provided an outstanding guarantee of RMB1,959.5 million for customer mortgages. Except as disclosed in this announcement, the Group had no other significant contingent liabilities as of December 31, 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 year ended December 31, 2025, the Group had approximately 328 employees, and incurred employee costs of approximately RMB92.3 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.

FINAL DIVIDEND

The Board did not recommend any payment of final dividend for the year ended December 31, 2025.

SUBSEQUENT EVENTS AFTER THE REPORTING PERIOD

Save as disclosed in this announcement, there is no material post balance sheet event undertaken by the Group after December 31, 2025 and up to the date of this announcement.

CORPORATE GOVERNANCE PRACTICES AND OTHER INFORMATION

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

The Company has 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 year ended December 31, 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 organization structure of the Company, Mr. Zhang Zhongsun ("**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 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.1.7 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 year ended December 31, 2025. The Company will continue to review and enhance its corporate governance practices to ensure compliance with the CG Code.

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

The Company 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 year ended December 31, 2025.

Purchase, Sale or Redemption of Listed Securities of the Company

For the year ended December 31, 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 of the Company (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. The Audit Committee has reviewed the audited financial statements of the Group for the year ended December 31, 2025 and is of the opinion that such financial statements complied with the applicable accounting standards, the Listing Rules and other applicable legal requirements and that adequate disclosures have been made.

Action Plan of Solving Disclaimer of Opinion

Reference is made to the annual report of the Company for the year ended December 31, 2024 (the “**Annual Report**”) published on April 30, 2025, the supplementary announcement published on June 30, 2025 (the “**June 30 Announcement**”) and the quarterly update announcement published on September 30, 2025 (the “**Sept 30 Announcement**”) and January 6, 2026 (the “**Jan 6 Announcement**”, together with the June 30 Announcement and the Sept 30 Announcement, the “**Announcements**”). Unless otherwise defined herein, capitalized terms used in this announcement have the same meanings as those defined in the Annual Report and the Announcements.

As disclosed in the Annual Report, the Auditors issued the Disclaimer on the Group's consolidated financial statements for the year ended December 31, 2024, mainly because the Auditors considered that the Group might not be able to realize its assets and settle its liabilities in the ordinary course of business. From the date of publication of the Announcements and up to the date of this announcement, the latest progress of the actions taken by the Company to address the Disclaimer is as follows:

- (a) Except that a RMB1,314,000,000 loan of the Group has been approved for extension by Bank of Tianjin, the Group's restructuring negotiations with financial institutions and other creditors are still in progress, including debt forgiveness, debt-for-equity swaps, extensions and interest rate reductions.
- (b) The transactions disclosed by the Group in its announcement dated January 6, 2026, namely the overall transfer of the Shenyang company, the overall transfer of the Foshan Shengpingli Project and the disposal of Beijing North Fifth Building property, are still at the stage of sourcing potential purchasers and negotiations. During the first quarter of 2026, the Hainan Yunlong Property of the Group was in the stage of seeking potential buyers. Upon completion of the above transactions, the Company's liquidity position will be effectively eased and its total debt will be substantially reduced.
- (c) The Group's application to the relevant government authorities for the return of land in respect of the Shenyang Project and the Chongming Island Project is still ongoing.

EXTRACT OF INDEPENDENT AUDITOR'S REPORT

The below sections set out an extract of the report by WM CPA Limited, the auditor of the Company, regarding the consolidated financial statements of the Group for the year ended December 31, 2025:

Disclaimer of opinion

We do not express an opinion on the consolidated financial statements of the Group. Because of the significance of the matter described in the Basis for Disclaimer of Opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these consolidated financial statements. In all other respects, in our opinion the consolidated financial statements have been properly prepared in compliance with the Companies Ordinance.

BASIS FOR DISCLAIMER OF OPINION

Scope limitation relating to the going concern basis of preparing the consolidated financial statements

As set out in note 3 to the consolidated financial statements, the Group incurred a loss of approximately RMB1,769,386,000 for the year ended December 31, 2025, and as of that date, the Group has net current assets of approximately RMB78,554,000. As at December 31, 2025, the Group's bank and other borrowings with the aggregate carrying amount of approximately RMB7,569,066,000 was due on demand or within one year, while its cash and cash equivalents amounted to only approximately RMB47,131,000 and restricted bank deposits for construction of pre-sale properties and for mortgage loans granted to customers amounted to approximately RMB155,853,000 which can be used for payments for project costs when approval from related government authority is obtained. As at December 31, 2025, the Group had not repaid senior notes and bank and other borrowings of approximately RMB3,700,397,000 and RMB5,766,308,000 respectively according to their scheduled repayment dates, and as a result, these borrowings might be demanded for early repayment.

The above conditions indicate the existence of material uncertainties which may cast significant doubt about the Group's ability to continue as a going concern, and therefore, it may be unable to realise its assets and discharge its liabilities in the normal course of business.

As detailed in note 3 to the consolidated financial statements, in view of the above circumstances, the Directors have prepared a cash flow forecast of the Group which takes into account certain plans and measures. The validity of the going concern assumption is dependent on the successful and favourable outcomes of these plans and measures being undertaken by the management of the Company, which are subject to uncertainties including (i) successful negotiation with the senior notes holders and the banks for the extension of the repayment schedules; (ii) successful disposal of certain investment properties and timely collection of the relevant sales proceeds; (iii) successful implementation of the plans and measures to the pre-sales and sales of properties under development for sale and properties held for sales and timely collection of the relevant sales proceeds; and (iv) control the administrative costs and capital expenditures. The Directors are of the opinion that the Group will have sufficient working capital to meet its operating and financing needs as and when they fall due within the twelve months from December 31, 2025 and would be able to continue as a going concern. Therefore, the consolidated financial statements have been prepared on a going concern basis.

The appropriateness of the preparation of the consolidated financial statements on the going concern basis depends on whether the above-mentioned assumptions and other assumptions set out in note 3 to the consolidated financial statements taken into account by the Directors in the going concern assessment are achievable.

However, in respect of the assumptions regarding the successful and favourable outcomes of the plans and measures being undertaken by the management of the Company as detailed in note 3 to the consolidated financial statements and the development of the events, we were unable to obtain sufficient and appropriate audit evidence regarding the assumptions used in the going concern basis. There were no other satisfactory audit procedures that we could adopt to conclude whether it is appropriate to use the going concern assumption to prepare these consolidated financial statements.

Should the Group fail to achieve the above-mentioned plans and measures, it might not be able to continue to operate as a going concern, and adjustments would have to be made to write down the carrying value of the Group's assets to their recoverable amounts, to provide for any further liabilities which might arise, and to reclassify non-current assets and non-current liabilities as current assets and current liabilities. The effect of these adjustments has not been reflected in these consolidated financial statements.

Publication of the Annual Results and Annual Report for the Year ended December 31, 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 annual report for the year ended December 31, 2025 containing all the information about the Company set out in this results announcement for the year ended December 31, 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, March 31, 2026

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, Mr. Deng Zhidong and Mr. Wang Shiyu as independent non-executive Directors.

**For identification purpose only*