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, 2026

FINANCIAL HIGHLIGHTS

- Achieved contracted sales for the six months ended June 30, 2026 (the "**Reporting Period**") was RMB380.3 million;
- Affected by market conditions, the rental market is under pressure. Revenue for the Reporting Period from property development was RMB32.3 million;
- Land reserves reached a total gross floor area ("**GFA**") of 6,207,797 square meters ("**sq.m.**") as at June 30, 2026; and
- 40.1% of the certified saleable land reserve was distributed in Beijing as at June 30, 2026.

INTERIM RESULTS FOR THE SIX MONTHS ENDED JUNE 30, 2026

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, 2026, together with comparative figures for the corresponding period in 2025. 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, 2026

	NOTES	**Six months ended June 30,** **2026** *RMB'000* *(Unaudited)*	**2025** *RMB'000* *(Unaudited)*
Revenue			
Contract with customers		**37,312**	184,737
Leases		**102,228**	139,441
Total revenue	*3*	**139,540**	324,178
Cost of sales and services		**(31,925)**	(319,809)
Gross profit		**107,615**	4,369
Other gains and losses		**83,147**	20,136
Other income		**518**	1,342
Distribution and selling expenses		**(18,901)**	(43,322)
Administrative expenses		**(121,795)**	(86,490)
Other expenses		**(6,148)**	(37,040)
(Loss) on disposal of subsidiaries		**–**	(8,373)
Finance costs	*5*	**(117,037)**	(38,958)
(Loss) before tax		**(72,601)**	(188,336)
Income taxation	*6*	**(199,479)**	18,317
Total comprehensive (loss) for the period		**(272,080)**	(170,019)
(Loss) and total comprehensive (loss) for the period attributable to:			
Owners of the Company		**(325,107)**	(225,179)
Non-controlling interests		**53,027**	55,160
		(272,080)	(170,019)
(LOSS) PER SHARE	*7*		
–Basic and diluted (RMB cents)		**(7.31)**	(5.07)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT JUNE 30, 2026

	NOTES	As at June 30, 2026 RMB'000 (Unaudited)	As at December 31, 2025 RMB'000 (Audited)
Non-current assets			
Investment properties		**20,142,000**	20,142,000
Property, plant and equipment		**1,867,569**	1,886,570
Right-of-use assets		**235,316**	238,257
Other non-current assets		**1,434,375**	1,433,889
Equity instruments at fair value through other comprehensive income		**13,481**	13,481
Deferred tax assets		**602,794**	714,682
Restricted bank deposits		**81,543**	105,470
Value added tax and tax recoverable		**733,075**	738,871
		25,110,153	25,273,220
Current assets			
Inventories		**786**	786
Deposits paid for land acquisition		**107,534**	107,534
Properties under development for sale		**17,723,827**	17,589,741
Properties held for sale		**2,719,353**	2,628,876
Trade and other receivables, deposits and prepayments	9	**3,333,420**	3,687,470
Contract assets		**2,442,422**	2,436,218
Contract cost		**33,338**	33,360
Value added tax and tax recoverable		**399,866**	390,670
Amounts due from related parties		**1,916,188**	1,900,385
Restricted bank deposits		**33,709**	90,992
Bank balances and cash		**94,561**	47,131
		28,805,004	28,913,163

	NOTES	As at June 30, 2026 RMB'000 (Unaudited)	As at December 31, 2025 RMB'000 (Audited)
Current liabilities			
Trade and other payables	*10*	**6,166,913**	6,319,616
Contract liabilities		**5,389,690**	5,130,046
Amounts due to related parties		**2,688,878**	2,788,558
Tax payable		**3,341,100**	3,326,926
Bank and trust borrowings - due within one year		**6,390,369**	7,569,066
Senior notes		**3,720,889**	3,700,397
		27,697,839	28,834,609
Net current assets		**1,107,165**	78,554
Total assets less current liabilities		**26,217,318**	25,351,774
Non-current liabilities			
Rental deposits received	*10*	**106,861**	104,736
Bank and trust borrowings - due after one year		**13,728,747**	12,545,924
Deferred tax liabilities		**2,053,274**	2,100,598
		15,888,882	14,751,258
Net assets		**10,328,436**	10,600,516
Capital and reserves			
Share capital		**3,520**	3,520
Reserves		**7,777,592**	8,102,699
Equity attributable to owners of the Company		**7,781,112**	8,106,219
Non-controlling interests		**2,547,324**	2,494,297
Total equity		**10,328,436**	10,600,516

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") 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) on 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 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 INTERIM CONDENSED 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 except for 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, 2026 use the same accounting policies and calculation methods as those presented in the Group's annual financial statements for the year ended December 31, 2025.

Application of amendments to IFRSs

During the current interim period, the Group applied for the first time the revised IFRS issued by the IASB, which are mandatorily effective for annual periods beginning on or after January 1, 2026 to prepare the Group's interim condensed consolidated financial statements.

The application of the revised IFRS 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 on 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. In order to improve the Group's financial position, real-time available liquidity and cash flows, and otherwise to sustain the Group as a going concern, 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 followings:

(i) For borrowings which will be maturing before June 30, 2027, 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 will sell some of its investment properties to improve the financial position, liquidity and cash flow of the Group;

(iii) The Group will 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 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 fall due. Accordingly, the Directors are of the opinion that it is 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, 2026				
	Property development *RMB'000* (Unaudited)	**Primary land construction and development services** *RMB'000* (Unaudited)	**Property investment** *RMB'000* (Unaudited)	**Property management and related services** *RMB'000* (Unaudited)	**Total** *RMB'000* (Unaudited)
Timing of revenue recognition					
At a point in time	**32,328**	**–**	**–**	**–**	**32,328**
Over time	**–**	**500**	**–**	**4,484**	**4,984**
Revenue from contracts with customers	**32,328**	**500**	**–**	**4,484**	**37,312**
Rental income	**–**	**–**	**102,228**	**–**	**102,228**
Total revenue	**32,328**	**500**	**102,228**	**4,484**	**139,540**

	For the six months ended June 30, 2025				
	Property development *RMB'000* (Unaudited)	**Primary land construction and development services** *RMB'000* (Unaudited)	**Property investment** *RMB'000* (Unaudited)	**Property management and related services** *RMB'000* (Unaudited)	**Total** *RMB'000* (Unaudited)
Timing of revenue recognition					
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
Total revenue	182,672	2,064	139,440	2	324,178

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 *RMB'000* *(Unaudited)*	Primary land construction and development services *RMB'000* *(Unaudited)*	Property investment *RMB'000* *(Unaudited)*	Property management and related services *RMB'000* *(Unaudited)*	Total *RMB'000* *(Unaudited)*
Six months ended June 30, 2026					
Revenue from external customers and segment revenue	**32,328**	**500**	**102,228**	**4,484**	**139,540**
Segment (loss)/profit	**(34,083)**	**(507)**	**51,871**	**3,314**	**20,595**
Six months ended June 30, 2025					
Revenue from external customers and segment revenue	182,672	2,064	139,440	2	324,178
Segment (loss)/profit	(173,367)	(2,063)	79,737	(4,317)	(100,010)

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

	Six months ended June 30, 2026 *RMB'000* *(Unaudited)*	2025 *RMB'000* *(Unaudited)*
Segment (loss)/profit	**20,595**	(100,010)
Other gains and losses, net	**83,147**	20,136
Other income	**518**	1,342
Unallocated administrative expenses	**(53,676)**	(25,433)
Other expenses	**(6,148)**	(37,040)
(Loss) on disposal of subsidiaries	**-**	(8,373)
Finance costs	**(117,037)**	(38,958)
(Loss) before income tax	**(72,601)**	(188,336)

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, other expenses, 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)/profit:

	Property development *RMB'000* (Unaudited)	Property investment *RMB'000* (Unaudited)	Property management and related services *RMB'000* (Unaudited)	Unallocated amount *RMB'000* (Unaudited)	Total *RMB'000* (Unaudited)
Six months ended June 30, 2026					
Depreciation and amortisation	**(66)**	**(20,035)**	**(6)**	**(2,984)**	**(23,091)**
Six months ended June 30, 2025					
Depreciation and amortisation	(416)	(20,060)	(28)	(2,998)	(23,502)

No segment assets and liabilities are presented as they were not regularly provided to the chief operating decision makers 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, 2026 and 2025.

5. FINANCE COSTS

	Six months ended June 30, 2026 *RMB'000* *(Unaudited)*	Six months ended June 30, 2025 *RMB'000* *(Unaudited)*
Interest on bank borrowings	**22,801**	13,708
Interest on loans from financial institutions	**7,073**	12,932
Interest on contract liabilities	–	65,699
Interest on senior notes	**107,269**	20,136
Interest on lease liabilities	–	25
Total borrowing costs	**137,143**	112,500
Less: Amounts capitalised in the cost of qualifying assets	**(20,106)**	(73,542)
	117,037	38,958

Capitalised interest is derived from borrowings obtained specifically for the construction of qualifying assets at an interest rate of 4.25% to 18% per annum (six months ended June 30, 2025: 4.8% to 18%) and general borrowings is calculated at the capitalised annual interest rate of 9.1% (six months ended June 30, 2025: 8.7%) of eligible asset expenses.

6. INCOME TAXATION

	Six months ended June 30,	
	2026	**2025**
	RMB'000	*RMB'000*
	(Unaudited)	*(Unaudited)*
Current tax		
PRC Enterprise Income Tax	**20,820**	78
Land appreciation tax	**109,769**	6,682
	130,589	6,760
Deferred tax	**68,890**	(25,077)
	199,479	(18,317)

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,	
	2026	**2025**
	RMB'000	*RMB'000*
	(Unaudited)	*(Unaudited)*
(Loss)		
(Loss) for the purposes of basic and diluted (loss) per share ((loss) for the period attributable to the owners of the Company)	**(325,107)**	(225,179)

	Six months ended June 30,	
	2026	**2025**
	'000	*'000*
Number of shares		
Weighted average number of ordinary shares for the purpose of basic (loss) per share	**4,444,418**	4,444,418
Weighted average number of ordinary shares for the purpose of diluted (loss) per share	**4,444,418**	4,444,418

8. DIVIDENDS

No dividend was proposed by the Board in respect of the six months ended June 30, 2026 and 2025.

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, 2026 *RMB'000* *(Unaudited)*	**As at December 31, 2025** *RMB'000* *(Audited)*
Trade receivables		
– Contracts with customers	**277,052**	321,908
– Lease receivables	**200,470**	144,722
	477,522	466,630
Less: Provision for credit losses	**(175,405)**	(175,405)
Trade receivables, net	**302,117**	291,225
Other receivables, deposits and prepayments, gross		
Advances to contractors and suppliers	**379,151**	539,451
Performance guarantee deposit paid	**14,940**	14,940
Other receivables and prepayment	**2,836,203**	3,077,109
Deposits	**133,946**	97,682
	3,364,240	3,729,182
Less: Provision for credit losses	**(332,937)**	(332,937)
Other receivables, deposits and prepayments, net	**3,031,303**	3,396,245
Total trade and other receivables, deposits and prepayments, net	**3,333,420**	3,687,470

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

0 to 60 days	**17,401**	12,953
61 to 180 days	**30,981**	133,029
181 to 365 days	**114,743**	10,616
1 to 2 years	**20,748**	10,137
Over 2 years	**293,649**	299,895
	477,522	466,630

All other receivables from independent third-parties are of non-trade nature, unsecured, interest-free and repayable on demand as at June 30, 2026.

As at June 30, 2026, included in the Group's trade receivables balances are debtors with aggregate carrying amount of approximately RMB195,883,000 (December 31, 2025: RMB198,244,000) 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, 2026	**As at December 31, 2025**
	RMB'000	*RMB'000*
	(Unaudited)	*(Audited)*
Trade payables	**1,836,639**	1,853,374
Deposits received	**220,031**	226,561
Rental received in advance	**129,694**	81,879
Refund liabilities	**270,972**	232,648
Accrued payroll	**25,654**	59,253
Value added tax and other tax payables	**668,996**	691,938
Other payables and accruals	**2,986,288**	3,143,199
Dividends payables	**135,500**	135,500
	6,273,774	6,424,352
Analysed for reporting purposes as:		
Non-current *(Note)*	**106,861**	104,736
Current	**6,166,913**	6,319,616
	6,273,774	6,424,352

The following is an aging analysis of trade payables based on invoice date:

0 to 60 days	**1,176**	10,474
61 to 365 days	**4,846**	113,681
1 to 2 years	**101,474**	292,984
Over 2 years	**1,729,143**	1,436,235
	1,836,639	1,853,374

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

Note: Pursuant to the relevant agreements, rental deposits received as at June 30, 2026 are to be settled after twelve months from the end of the Reporting Period and are therefore classified as non-current liabilities.

11. CONTINGENT LIABILITIES

	As at June 30, 2026 *RMB'000* *(Unaudited)*	As at December 31, 2025 *RMB'000* *(Unaudited)*
Guarantees provided by the Group in respect of loan facilities *(Note)*	1,896,976	1,959,483

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, 2026, 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 RMB204,510,000 (June 30, 2025: RMB215,440,000) in aggregate, with the maturity date in July 2031 and March 2029, respectively.

As at June 30, 2026, the Group was the defendant of certain non-material litigations, and also a party to certain litigations arising from the ordinary course of business. The likely outcome of these contingent liabilities, litigations or other legal proceedings cannot be ascertained at present, but the Directors believe that any possible legal liability which may be incurred from these cases will not have any material impact on the financial performance and financial position of the Group.

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, 2026.

INTERIM RESULTS AND REVIEW FOR THE FIRST HALF OF 2026

Interim Results

During the Reporting Period, the revenue of the Group was RMB139.5 million. Revenue from property development was RMB32.3 million.

Market Review

In terms of industry-specific policies, with the overarching objective of stabilising the real estate market, the authorities adhere to city-specific policy-making. Shifting from the past focusing on stimulating housing purchase demand, efforts are made to coordinate both the supply and demand sides, curb new inventory growth, destock existing inventory, optimise supply and foster a new development model for the real estate sector. The sector is steered to transit from an era of large scale incremental development to one focused on improving the quality of existing stock assets, balancing multiple objectives including market stabilisation, risk prevention, social housing development and industry transformation.

For real estate enterprises, developers are encouraged to transform their businesses and actively participate in urban village redevelopment, old community renewal, the construction of indemnificatory housing and the operation of existing property assets. Sound operating real estate enterprises are supported in accessing reasonable financing, while distressed developers are supported for mergers and reorganisation. The traditional high-leverage and high-turnaround business model is deemphasised to guide the industry towards prudent operations.

For local governments, city-specific policy-making is strengthened. Cities may adjust their property market policies autonomously according to their respective inventory levels, demographic conditions and industrial landscape, without adopting one-size-fits-all stimulus measures. Land acquisition reserve and urban renewal instruments shall be properly utilised to mitigate reliance on land-related fiscal revenue. While stabilising the market, bottom-line requirements for indemnificatory-housing construction and risk prevention and control shall be upheld.

With regard to market expectation guidance, it is clarified that fundamental shifts have taken place in real estate supply-demand dynamics. The sector has moved past the era of general housing price appreciation with growing market divergence. Policy objectives target the stable and healthy development of the market, rather than fueling sharp housing-price surges. The significance of second-hand housing and stock assets has increased, and the stock-focused era will constitute the long-term main theme of the industry.

A series of boosting policies have been jointly rolled out by the central authorities and local governments, whose underpinning effects continue to materialise. The market is characterised by "partial stabilisation and structural divergence" — the second-hand-housing market has rebounded first; housing prices in first-tier cities have halted declines and edged up with continuous inventory draw-downs. Nevertheless, new-home sales and development investment remain on a downward trajectory, and the industry as a whole is still in a bottom-forming phase.

In respect of financial policies, the real estate related financial policies for 2026 uphold the principle that "housing is for living in, not for speculation" and city-specific policy-making. Priorities are given to support rigid and improved housing demand, prudently resolving risks of real estate enterprises and advancing the new development model for the real estate sector.

On the household side, differentiated down-payment requirements and low-level mortgage interest rates are implemented. The minimum down-payment ratio for commercial property mortgages is lowered. The transfer of second-hand properties with existing mortgages is promoted, and policies for existing mortgage loans are continuously optimised.

On the corporate side, the financing whitelist mechanism for real estate enterprises is implemented on a regular basis. Financing extension policies are maintained. High-quality developers are supported in direct financing. The lead-bank system is introduced and pre-sale fund supervision is enhanced. Meanwhile, instruments such as the special re-lending facility for indemnificatory housing are deployed to support the acquisition and conversion of commercial housing stock assets, urban village redevelopment and urban renewal. Alongside the revised implementation of the Regulations on Housing Provident Funds, the coverage of contribution participants is expanded and withdrawal and usage scenarios are broadened. Overall, policies focus on inventory destocking, revitalisation of stock assets and improvement of the housing security system, with flexible implementation allowed across regions in light of local circumstances. Policies including the real estate enterprise financing whitelist and merger and acquisition financing support have alleviated funding pressure for certain sound operating developers. Nonetheless, industry-wide credit contraction has not yet been reversed, and declining sales proceeds remain the largest source of funding pressure for real estate enterprises.

Real Estate Development

In the first half of 2026, the Group has fully suspended new investments, focused its efforts on boosting sales, improved capital liquidity through sales proceeds, and remained committed to debt reduction and accelerated asset disposal. The Group is making every endeavour to ensure project completion and handover of completed properties, whilst stepping up its pace of transformation.

Investment Properties

During the Reporting Period, the Group's total rental income amounted to RMB102.2 million. Affected by the macroeconomic downturn, the Group's rental income decreased. The Group holds 9 self-owned investment properties located in prime locations of first-tier and second-tier cities including Beijing and Shenzhen, with a total planned GFA of approximately 809,940 sq.m.. Notwithstanding the overall downward trend prevailing in the current leasing market, the Group's self-owned properties enjoy premium geographical locations. Should the macroeconomy stabilise and recover in due course, rental income will grow accordingly.

Land Reserves

As of June 30, 2026, the Group's land reserve total GFA was 6.2 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 3 million sq.m. in Shenzhen. Strengthening urban renewal and the upgrading of existing residential stock represents a new shift in the stock-asset-oriented market. Urban renewal projects will constitute an important source for the Group to replenish its land bank within the Greater Bay Area upon industry recovery in future.

Capital Structure

Through communications with banks and financial institutions, the Group continuously optimises its liability structure, eases short-term debt repayment pressure, reduces financing costs, effectively manages foreign exchange risks and achieves meaningful debt reduction. Meanwhile, the Group further strengthens its risk-control functions, enhances the financial risk monitoring system and ensures risk early warning and prevention.

Business Transformation

The Group is gradually scaling down its property development business and steadily advancing transformation towards the healthcare industry.

The Group is optimistic about the future development and the potential of the healthcare industry. Responding to the needs of the times, the Group endeavours to explore innovations in human settlement business formats and develop industries such as senior care and wellness communities, online health living services and regenerative medicine incubation. On one hand, the Group continuously upgrades product quality and launches health-oriented living offerings to achieve comprehensive reshaping of the Group's product portfolio and service model. On the other hand, the Group will strive to deliver online health living services. By developing innovative businesses including Guorui Hospital, online medical services, remote wellness care services and regenerative medicine initiatives, the Group will comprehensively lift its overall operational and service capabilities to realise full-fledged transformation into the healthcare industry.

OUTLOOK FOR THE SECOND HALF OF 2026

Looking ahead to the second half of 2026, the real estate sector as a whole will continue along a path of bottom-forming recovery with structural divergence. No nationwide across-the-board housing price surge is expected. Policies will continue to uphold the principle that "housing is for living in, not for speculation" and adopt city-specific policy-making. On the demand side, instruments such as low down-payment ratios, low mortgage rates, new Housing Provident Fund rules and policies for "selling old homes to purchase new ones" will be deployed to sustainably unlock rigid housing demand and upgrade related replacement demand. On the supply side, priority will be given to implementing the RMB300 billion special re-lending facility for indemnificatory housing, stepping up efforts for the acquisition and conversion of existing commercial residential properties, and pushing forward urban village redevelopment and urban renewal projects. Supportive policies including the financing whitelist mechanism for real estate enterprises and financing extension arrangements will remain effective. Meanwhile, institutional frameworks for new model real estate practices such as pilot completed property sales and the lead-bank system will be rolled out.

At market level, transaction volumes in core districts of first-tier cities and high growth second-tier cities with net population inflow are expected to stabilise, accompanied by a higher proportion of upgrade-oriented housing transactions. Most third-tier and fourth-tier cities will remain in a destocking phase, with volume driven price adjustments remaining mainstream. Divergence across cities, sub-markets and property types will intensify further.

At enterprise level, real estate enterprises will continue to push forward debt restructuring and risk resolution. Prudent operating developers will scale back their footprint in lower-tier cities and focus on high quality land parcels in core cities. New construction starts and development investment across the industry will stay at subdued levels. Central and local state-owned enterprises will dominate the land market. The industry is gradually shifting away from high turnaround development towards stock asset operation and indemnificatory housing construction. The substitution effect of second-hand housing against new build properties will keep manifesting. Market recovery will rely heavily on the unlocking of policy dividends and improvements in household income expectations.

The Group is of the view that the real estate industry remains at a cyclical trough and is gradually entering a phase of bottom-forming stabilisation. The stimulating effect of policies targeting market demand has become very limited. Since 2024, successive policies have mainly anchored on stimulating market demand; however, due to the economic downturn and weak home buyer sentiment, policy boosts have yielded muted outcomes. Current “quality-first housing” policies that seek to attract purchasers via improved housing quality carry positive implications for quality uplift within the real estate sector, yet their capacity to rapidly halt market declines and underpin stabilisation remains limited.

In the short run, macroeconomic recovery and improved household income expectations constitute the fundamental prerequisites for bottom-forming stabilisation in the real estate sector. The property market has transitioned from past heavy policy-led guidance towards market-oriented supply demand dynamics, with the industry undergoing rapid market-oriented transformation.

Following several years of substantial housing price corrections, home purchase entry thresholds for rigid demand residential properties in first-tier cities have declined markedly. Rigid housing demand is being unlocked and prices are bottoming-out and stabilising. Nonetheless, this trend is not universal and pronounced city-level divergence prevails. High quality cities see buoyant rigid housing demand and early recovery in transaction volumes. Regions with lower-tier-city profiles have experienced sharp property price falls and face massive existing stock pressure, currently trapped in a state of quoted prices without actual transactions.

The real estate industry of the future will enter a fiercely competitive landscape featuring survival-of-the-fittest. Enterprises weathering the current cyclical trough will still face multiple tests including reshaping of industry models and iterative upgrading of product quality. Market participants must continuously enhance corporate image, product quality, comprehensive services and operational management capabilities to cope with the harsh competitive environment. The Group will maintain prudent operations amid the current cyclical trough. At the same time, adapting to industry shifts and pursuing internal and external advancement, the Group will boost corporate and product competitiveness from multiple dimensions to secure a viable position amid intense industry competition. Going forward, the Group will continuously upgrade service standards and operational management capabilities. It will also prioritise adjusting its debt structure, resolving debt risks, striving to cut financing expenses and enhancing the Group’s core competitiveness so as to secure sustained and sound future development.

Against the complex and challenging market environment, the Group will further accelerate its transformation into the healthcare industry and explore the broad market opportunities within the healthcare sector.

ACKNOWLEDGEMENT

On behalf of the Board, I take this opportunity to express my sincere gratitude 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 31, 2026

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review

For the Reporting Period, the Group's revenue was approximately RMB139.5 million. Revenue from property development was approximately RMB32.3 million. As of June 30, 2026, the Group's gross profit was approximately RMB107.6 million, and the net loss was approximately RMB272.1 million.

Contracted Sales

The contracted sales of the Group for the first half of 2026 amounted to approximately RMB380.3 million. Contracted sales of the Group in the first half of 2026, by geographical location, were mainly from Beijing, Shenyang and Langfang and the contracted sales amounting to approximately RMB322.4 million, RMB24.0 million and RMB22.2 million, respectively, representing 84.8%, 6.3% and 5.8% of the Group's total contracted sales, respectively.

The following table sets out the Group's contracted sales by region for the six months ended June 30, 2026 and 2025:

	For the Six Months Ended June 30,			
	2026		2025	
City	**Contracted Sales** ***(RMB million)***	**Percentage of Total Contracted Sales** ***(%)***	Contracted Sales *(RMB million)*	Percentage of Total Contracted Sales *(%)*
Beijing	**322.4**	**84.8**	571.3	87.8
Shenyang	**24.0**	**6.3**	18.5	2.8
Langfang	**22.2**	**5.8**	14.5	2.2
Guizhou	**6.4**	**1.7**	17.7	2.7
Foshan	**2.5**	**0.7**	17.8	2.7
Haikou	**1.5**	**0.4**	3.1	0.5
Suzhou	**0.8**	**0.2**	-	-
Xi'an	**0.2**	**0.1**	6.5	1.0
Shantou	**0.2**	**0.0**	1.5	0.2
Zhengzhou	**0.1**	**0.0**	0.2	0.0
Total	**380.3**	**100.0**	651.1	100.0

Notes:

1. The sales in the first half of 2026 were approximately RMB380.3 million. The sales in the first half of 2025 were approximately RMB651.1 million, representing a year-on-year decrease of approximately 41.6%.

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 of June 30, 2026, the Group had completed a total unsold GFA of approximately 1,097,539 sq.m. and had land reserves with a total GFA of approximately 6,207,797 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, 2026, 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, 2026:

	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.)*	*(%)*
Haikou	148,809	140,639	862,405	1,151,853	18.6
Langfang	-	101,019	986,574	1,087,593	17.5
Tongren	20,400	65,097	966,830	1,052,328	17.0
Chongming Island	-	9,307	761,358	770,665	12.4
Beijing	437,683	93,912	-	531,595	8.6
Shenyang	191,948	9,288	276,470	477,705	7.7
Shantou	2,176	360,154	-	362,330	5.8
Shenzhen	-	42,763	274,213	316,976	5.0
Foshan	146,344	149,973	-	296,317	4.8
Xi'an	150,127	-	-	150,127	2.4
Zhengzhou	-	9,562	-	9,562	0.2
Suzhou	-	694	-	694	0.0
Wuxi	52	-	-	52	0.0
Total	**1,097,539**	**982,408**	**4,127,850**	**6,207,797**	**100.0**
Total Attributable GFA	**926,470**	**956,593**	**3,712,113**	**5,595,176**	

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, 2026, 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 six months ended June 30, 2026, the Group's revenue was approximately RMB139.5 million, representing a decrease of approximately 57% from approximately RMB324.2 million for the six months ended June 30, 2025.

Revenue from property development for the six months ended June 30, 2026 was approximately RMB32.3 million, representing a decrease of approximately 82.3% 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, 2026, the Group's cost of sales and services was approximately RMB31.9 million, representing a decrease of approximately 90% 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, 2026, the Group's gross profit was approximately RMB107.6 million, as compared to the gross profit of approximately RMB4.4 million in corresponding period of last year, which was primarily due to the significant decrease in property development cost.

Loss Attributable to Owners of the Company

For the six months ended June 30, 2026, the loss attributable to owners of the Company was approximately RMB325.1 million, representing an increase of approximately RMB99.9 million from the loss attributable to owners of the Company of approximately RMB225.2 million for the six months ended June 30, 2025.

Other Gains

Other gains were approximately RMB83.1 million for the six months ended June 30, 2026 and approximately RMB20.1 million for the six months ended June 30, 2025, respectively, mainly due to the changes in foreign exchange rate of USD bonds.

Other Income

Other income decreased from approximately RMB1.3 million for the six months ended June 30, 2025 to approximately RMB0.5 million for the six months ended June 30, 2026.

Distribution and Selling Expenses

Distribution and selling expenses decreased by approximately RMB24.4 million from approximately RMB43.3 million for the six months ended June 30, 2025 to approximately RMB18.9 million for the six months ended June 30, 2026. The decrease is mainly attributable to a reduction in sales revenue during the Reporting Period.

Administrative Expenses

Administrative expenses increased by approximately RMB35.3 million from approximately RMB86.5 million for the six months ended June 30, 2025 to approximately RMB121.8 million for the six months ended June 30, 2026. The increase is primarily due to the legal and advisory expenses incurred.

Finance Costs

Finance costs increased by approximately RMB78.0 million from approximately RMB39.0 million for the six months ended June 30, 2025 to approximately RMB117.0 million for the six months ended June 30, 2026.

Income Taxation

Income tax credit was approximately RMB18.3 million for the six months ended June 30, 2025 as compared to the income tax expense of approximately RMB199.5 million for the six months ended June 30, 2026. The PRC corporate income tax and land appreciation tax of the Group for the six months ended June 30, 2026 were approximately RMB20.8 million and approximately RMB109.8 million, respectively.

Total Comprehensive Loss

As a result of the foregoing reasons, the Group's total comprehensive loss increased from approximately RMB170.0 million for the six months ended June 30, 2025 to the total comprehensive loss of approximately RMB272.1 million for the six months ended June 30, 2026.

Liquidity, Financial and Capital Resources

Cash Position

As at June 30, 2026, the Group's cash, restricted bank deposits and bank balances were approximately RMB209.8 million as compared to approximately RMB243.6 million as at December 31, 2025.

Borrowings

As of June 30, 2026, the Group's outstanding loans amounted to approximately RMB23,840.0 million, consisting of bank loans and other borrowings of approximately RMB20,119.1 million, and senior notes of approximately RMB3,720.9 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, 2026, the assets pledged to secure certain borrowings granted to the Group amounted to approximately RMB26,096.7 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, 2026, the Group's outstanding guarantees in respect of the mortgages of its customers amounted to approximately RMB1,897.0 million.

Save as disclosed in this announcement, the Group had no other significant contingent liabilities as at June 30, 2026.

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, 2026, the Group had 319 employees, and incurred employee costs of approximately RMB63.6 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 for the Reporting Period.

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, 2026 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 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 six months ended June 30, 2026. 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 six months ended June 30, 2026.

Purchase, Sale or Redemption of Listed Securities of the Company

For the six months ended June 30, 2026, 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. The unaudited interim financial results of the Group for the six months ended June 30, 2026 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, 2026 and 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, 2026 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, 2026 containing all the information about the Company set out in this results announcement for the six months ended June 30, 2026 will be despatched to the Shareholders and published on the respective websites of the Stock Exchange and the Company in due course.

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

Beijing, the PRC, August 31, 2026

As at the date of this announcement, the Board comprises Mr. Zhang Zhangsun (Chairman), Ms. Ruan Wenjuan, Mr. Yuan Haibin, Mr. Zhao Yuhong and Ms. Zhang Xiaoqian as executive Directors; and Ms. Chen Jinrong, Mr. Deng Zhidong and Mr. Wang Shiyu as independent non-executive Directors.

**For identification purpose only*