



GLORY 国瑞

GLORY HEALTH INDUSTRY LIMITED

國瑞健康產業有限公司



(前稱「Glory Land Company Limited (国瑞置业有限公司)」
並以「Guorui Properties Limited」的名稱在香港經營業務)
(於開曼群島註冊成立的有限公司)

(formerly known as "Glory Land Company Limited (国瑞置业有限公司)"
and carrying on business in Hong Kong as "Guorui Properties Limited")
(Incorporated in the Cayman Islands with limited liability)

香港聯合交易所股份代號 Stock Code : 2329

中期報告
Interim Report

2026

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Corporate Information

DIRECTORS

Executive Directors

Mr. Zhang Zhangsun (*Chairman*)
Ms. Ruan Wenjuan
Mr. Yuan Haibin (appointed on June 2, 2026)
Mr. Zhao Yuhong
Ms. Zhang Xiaoqian (appointed on June 2, 2026)
Mr. Yang Huabin (resigned on June 2, 2026)
Mr. Feng Yang (resigned on June 2, 2026)

Independent Non-Executive Directors

Ms. Chen Jinrong
Mr. Deng Zhidong
Mr. Wang Shiyu

COMPANY SECRETARY

Ms. Chan Lok Tung

AUTHORIZED REPRESENTATIVES

Mr. Zhang Zhangsun
Mr. Zhao Yuhong

AUDIT COMMITTEE

Ms. Chen Jinrong (*Committee Chairman*)
Mr. Deng Zhidong
Mr. Wang Shiyu

REMUNERATION COMMITTEE

Mr. Deng Zhidong (*Committee Chairman*)
Ms. Ruan Wenjuan
Ms. Chen Jinrong

NOMINATION COMMITTEE

Mr. Zhang Zhangsun (*Committee Chairman*)
Ms. Chen Jinrong
Mr. Deng Zhidong

INTERNAL CONTROL COMMITTEE

Mr. Wang Shiyu (*Committee Chairman*)
Ms. Chen Jinrong
Ms. Ruan Wenjuan

AUDITOR

WM CPA Limited
Unit B, 10/F, Tower B
Billion Centre
1 Wang Kwong Road
Kowloon Bay, Hong Kong

PRINCIPAL BANKERS

Industrial and Commercial Bank of China Limited
Agricultural Bank of China Limited
Bank of China Limited
China Construction Bank Corporation

LEGAL ADVISORS

As to Hong Kong Law

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REGISTERED OFFICE

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Cayman Islands

CORPORATE HEAD OFFICE IN HONG KONG

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Hong Kong

CORPORATE HEADQUARTERS IN PEOPLE'S REPUBLIC OF CHINA (THE "PRC")

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Dongcheng District, Beijing
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CAYMAN ISLANDS PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Conyers Trust Company (Cayman) Limited
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Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Computershare Hong Kong Investor Services Limited
Shops 1712-1716, 17th Floor
Hopewell Centre
183 Queen's Road East
Wan Chai
Hong Kong

LISTING INFORMATION

Share Listing

The Company's ordinary shares
The Stock Exchange of Hong Kong Limited
Stock Code: 02329

WEBSITE

<http://www.glorypty.com>

Financial Highlights

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 financial statements have not been audited but have been reviewed by the audit committee of the Company (the "**Audit Committee**").

- 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.

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 RMB300billion 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:

City	For the Six Months Ended June 30,			
	2026	Percentage of Total	2025	Percentage of Total
	Contracted Sales (RMB million)	Contracted Sales (%)	Contracted Sales (RMB million)	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 report, 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 report, the Group did not have any future plans for material investments or capital assets as at the date of this report.

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.

Disclosure of Interests

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at June 30, 2026, the interests and short positions of the Directors and the chief executive of the Company in the shares, underlying shares and debentures of the Company or of any associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "**SFO**")), which were required to be notified to the Company and The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he or she is taken or deemed to have under such provisions of the SFO) or which were required, as recorded in the register maintained by the Company pursuant to Section 352 of the SFO; or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix C3 to the Rules Governing the Listing of Securities (the "**Listing Rules**") on the Stock Exchange were as follows:

(a) Interest in Shares of the Company

Name of Director	Nature of interest	Number of shares	Approximate percentage of interest in the Company
Zhang Zhangsun (" Chairman Zhang ") ⁽¹⁾	Interest of a controlled corporation	3,409,431,570	76.71%
Ruan Wenjuan ⁽¹⁾	Interest of spouse	3,409,431,570	76.71%

Note:

- (1) Alltogether Land Company Limited ("**Alltogether**") is wholly-owned by Chairman Zhang. As such, Chairman Zhang, through Alltogether, is indirectly interested in the shares held by Alltogether. Further, as Ms. Ruan Wenjuan, an executive Director, is the spouse of Chairman Zhang, Ms. Ruan Wenjuan is also deemed to be interested in the shares held by Alltogether under the SFO.

(b) Interest in Shares of Associated Corporation

Name of Director	Nature of interest	Name of associated corporation	Approximate percentage of shareholding
Chairman Zhang	Beneficial owner	Alltogether	100%

(c) Interest in Debentures of the Company

2022 Senior Notes: (see note 18 to the condensed consolidated financial statements for details)

Director	Nature of interest	Amount of debentures of the Company held	Approximate percentage of interest of 2022 Senior Notes as at June 30, 2026
Chairman Zhang ⁽¹⁾	Interest of a controlled corporation	US\$125,110,000	37.4% ⁽²⁾
Ruan Wenjuan ⁽¹⁾	Interest of spouse	US\$125,110,000	37.4% ⁽²⁾

Notes:

- (1) Alltogether is wholly-owned by Chairman Zhang. As such, Chairman Zhang, through Alltogether, is indirectly interested in the debentures held by Alltogether.
- (2) Proportionate interests is calculated based on the principal amount in aggregate of 2022 Senior Notes.

All interests in the shares of the Company and its associated corporation are long positions

Save as disclosed above, as at June 30, 2026, none of the Directors and chief executives of the Company had any interests or short positions in the shares, underlying shares and debentures of the Company or any associated corporation (within the meaning of Part XV of the SFO) which were required to be immediately notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO) or which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or which were required to be notified to the Company and the Stock Exchange, pursuant to the Model Code.

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS SHARES

As at June 30, 2026, the following persons had an interest or short position in shares or underlying shares which would be required to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or, directly or indirectly, be interested in 5% or more of the issued share capital of the Company, as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO:

Interest in Shares of the Company

Name of substantial shareholder	Nature of interest	Number of Shares	Approximate percentage of interest in the Company
Chairman Zhang ⁽¹⁾	Interest of a controlled corporation	3,409,431,570	76.71%
Ruan Wenjuan ⁽¹⁾	Interest of spouse	3,409,431,570	76.71%
Alltogether ⁽¹⁾	Beneficial owner	3,409,431,570	76.71%

Note:

- (1) Alltogether is wholly-owned by Chairman Zhang. As such, Chairman Zhang, through Alltogether, is indirectly interested in the shares held by Alltogether. Further, as Ms. Ruan Wenjuan, an executive Director, is the spouse of Chairman Zhang, Ms. Ruan Wenjuan is deemed to be interested in the shares held by Alltogether under the SFO.

Corporate Governance Practices and Other Information

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, 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 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 report, 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).

SUBSEQUENT EVENT AFTER THE REPORTING PERIOD

Save as disclosed in this report, there is no material post balance sheet event undertaken by the Group after June 30, 2026 and up to the date of this report.

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 statements of the Group for the six months ended June 30, 2026 have been reviewed by the Audit Committee.

Condensed Consolidated Statement of Profit and Loss and Other Comprehensive Income

	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	5	83,147	20,136
Other income	5	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	6	(117,037)	(38,958)
(Loss) before tax		(72,601)	(188,336)
Income taxation	7	(199,479)	18,317
Total comprehensive (loss) for the period	8	(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			
– Basic and diluted (RMB cents)	9	(7.31)	(5.07)

Condensed Consolidated Statement of Financial Position

		As at June 30, 2026 RMB'000 (Unaudited)	As at December 31, 2025 RMB'000 (Audited)
	Notes		
Non-current assets			
Investment properties	11	20,142,000	20,142,000
Property, plant and equipment	12	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	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	14	3,333,420	3,687,470
Contract assets	15	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	23(b)	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

Condensed Consolidated Statement of Financial Position

		As at June 30, 2026 RMB'000 (Unaudited)	As at December 31, 2025 RMB'000 (Audited)
	Notes		
Current liabilities			
Trade and other payables	16	6,166,913	6,319,616
Contract liabilities		5,389,690	5,130,046
Amounts due to related parties	23(c)	2,688,878	2,788,558
Tax payable		3,341,100	3,326,926
Bank and trust borrowings-due within one year	17	6,390,369	7,569,066
Senior notes	18	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	16	106,861	104,736
Bank and other borrowings-due after one year	17	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

Condensed Consolidated Statement of Changes in Equity

Six months ended June 30, 2026

	Attributable to owners of the Company										Total RMB'000
	Share capital RMB'000	Share premium RMB'000	Capital reserve RMB'000	Revaluation reserve RMB'000	FVTOCI Reserve RMB'000	Other reserve RMB'000 (note (i))	Statutory surplus reserve RMB'000 (note (ii))	Retained earnings RMB'000	Sub-total RMB'000	Non- controlling interests RMB'000	
At January 1, 2026 (Audited)	3,520	8,027	133,379	168,181	(10,143)	194,725	1,347,626	6,260,904	8,106,219	2,494,297	10,600,516
Loss and total comprehensive expense for the period	–	–	–	–	–	–	–	(325,107)	(325,107)	53,027	(272,080)
At June 30, 2026(Unaudited)	3,520	8,027	133,379	168,181	(10,143)	194,725	1,347,626	5,953,797	7,781,112	2,547,324	10,328,436
At January 1, 2025 (Audited)	3,520	8,027	133,379	168,181	(10,143)	194,725	1,347,626	8,083,376	9,928,691	2,441,211	12,369,902
Loss and total comprehensive expense for the period		–	–	–	–	–	–	(225,179)	(225,179)	55,160	(170,019)
At June 30, 2025(Unaudited)	3,520	8,027	133,379	168,181	(10,143)	194,725	1,347,626	7,858,197	9,703,521	2,496,371	12,199,883

Notes:

- (i) Other reserve mainly represents (a) the differences between the amount by which non-controlling interests are adjusted and the fair value of consideration paid or received when the Group (as defined in note 1) in acquiring or disposal of partial interests in existing subsidiaries or capital contribution from non-controlling equity holders of subsidiaries; and (b) deemed contribution from a related party of approximately RMB187,460,000 arising from acquisition of businesses during the year ended December 31, 2018.
- (ii) In accordance with the Articles of Association of all subsidiaries established in the People's Republic of China, those subsidiaries are required to transfer 10% of the profit after taxation to the statutory surplus reserve until the reserve reaches 50% of the registered capital. Transfer to this reserve must be made before distributing dividends to equity holders. The statutory surplus reserve can be used to make up for previous years' losses, expand the existing operations or convert into additional capital of the subsidiaries.

Condensed Consolidated Statement of Cash Flows

Six months ended June 30,

	2026 RMB' 000 (Unaudited)	2025 RMB'000 (Unaudited)
Net cash from operating activities	84,871	420,510
Cash flows from investing activities		
Placement of restricted bank deposits	(9,581)	(120,017)
Withdrawal of restricted bank deposits	90,791	23,016
Purchase of property, plant and equipment and other non-current assets	(1,620)	(73)
Interest received	–	161
Advances to related parties	(12,136)	(591,024)
Net cash used in investing activities	67,454	(687,937)
Cash flows from financing activities		
New borrowings from financial institutions	–	36,397
Repayments of bank loans	(1,000)	(117,062)
Repayments of borrowings from financial institutions	(150)	(32,370)
Repayment of senior notes	–	(84,065)
Repayments of leases liabilities	–	(600)
Interest paid	(407)	(43,607)
Advances from/(repayments to) related parties	(103,338)	543,788
Net cash used in financing activities	(104,895)	302,481
Net (decrease) in cash and cash equivalents	47,430	35,054
Cash and cash equivalents at January 1	47,131	70,451
Cash and cash equivalents at June 30, represented by bank balances and cash	94,561	105,505

Notes to the Condensed Consolidated Financial Statements

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

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

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

Except for the application of amendments to International Financial Reporting Standards ("**IFRSs**"), 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 interim period, the Group applied for the first time the revised IFRS issued by the IASB and mandatory for annual periods beginning on or after 1 January 2026 to prepare the Group's interim condensed consolidated financial statements.

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

2. BASIS OF PREPARATION AND PRINCIPAL ACCOUNTING POLICIES (Continued)

Going concern

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

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

- (i) For borrowings maturing before 30 June 2027, the Group is in the process of rearranging its borrowing plans with its banks. The Directors have assessed the relevant facts available to them and are of the opinion that the Group will be able to renew the borrowings when they become due;
- (ii) The Group will sell some of its investment properties to improve the financial position, liquidity and cash flow of the Group;
- (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 become due. Accordingly, the Directors consider it appropriate to prepare these condensed consolidated financial statements on a going concern basis.

3. REVENUE

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

For the six months ended June 30, 2026

	Property development	Primary land construction and development services	Property investment	Property management and related services	Total
	RMB'000 (Unaudited)	RMB'000 (Unaudited)	RMB'000 (Unaudited)	RMB'000 (Unaudited)	RMB'000 (Unaudited)
Timing of revenue recognition					
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	Primary land construction and development services	Property investment	Property management and related services	Total
	RMB'000 (Unaudited)	RMB'000 (Unaudited)	RMB'000 (Unaudited)	RMB'000 (Unaudited)	RMB'000 (Unaudited)
Timing of revenue recognition					
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
Rental income	–	–	139,440	–	139,440
Total revenue	182,672	2,064	139,440	2	324,178

4. 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 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)

4. SEGMENT INFORMATION (Continued)

Segment revenue and results (Continued)

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

	Six months ended June 30,	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(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)/profit earned by each segment without allocation of other gains and losses, net, other income, change in fair value of investment properties, other expenses, share of loss of joint ventures, share of loss of associates, finance costs, loss on disposal of subsidiaries and unallocated administrative expenses, including auditor's remuneration and Directors' emoluments. This is the measure reported to the Group's chief operating decision makers for the purpose of resources allocation and performance assessment.

4. SEGMENT INFORMATION (Continued)

Other segment information

Amounts included in the measurement of segment (loss):

	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 amortization	(66)	(20,035)	(6)	(2,984)	(23,091)
Six months ended June 30, 2025					
Depreciation and amortization of	(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 decisionmakers 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 six months ended June 30, 2026 and 2025.

5. OTHER INCOME AND OTHER (LOSS)

	Six months ended June 30,	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Other income		
Interest income	84	161
Others	434	1,181
	518	1,342
Other (loss)		
Net foreign exchange (losses) on operating activities	86,777	20,136
Losses on disposal of property, plant and equipment	(3,673)	-
Other (loss)	43	-
	83,147	20,136

6. FINANCE COSTS

	Six months ended June 30,	
	2026	2025
	RMB'000 (Unaudited)	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 lease liabilities	-	25
Interest on senior notes	107,269	20,136
Total borrowing costs	137,143	112,500
Less: Amounts capitalized in the cost of qualifying assets	(20,106)	(73,542)
	117,037	38,958

Capitalized 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 30 June 2025 :4.8% to 18%) and general borrowings, Is calculated at the capitalized annual interest rate of 9.1%(six months ended 30 June 2025 :8.7%) of eligible asset expenses.

7. 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)
Income taxation	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.

8. (LOSS) FOR THE PERIOD

(Loss) for the period has been arrived at after charging/(crediting):

	Six months ended June 30,	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Directors' remunerations:		
– Salaries and other benefits	1,897	3,403
– Retirement benefit	69	86
contributions		
Other staff costs:		
– Salaries and other benefits	59,129	40,622
– Retirement benefit contributions	2,484	3,453
Total staff costs	63,579	47,564
Less: Amounts capitalized to properties under development and investment properties under construction (<i>note</i>)	(7,343)	(11,576)
	56,236	35,988
Cost of properties sold recognized as expense	26,985	303,203
Depreciation of property, plant and equipment	20,102	20,446
Depreciation of right-of-use assets	2,941	3,470
Amortization of intangible assets (included in administrative expenses)	49	115
Amortization of contract costs	22	24,399
Expense relating to short-term leases	321	984
Gross rental income from investment properties	(102,228)	(139,440)
Less: direct operating expenses incurred for investment properties that generated rental income during the period	50,357	59,703
	(51,871)	(79,737)

Note: The amount capitalized mainly represents costs of certain staff of the project management department and the design department, who were assigned to construction sites and engaged in specific construction projects directly.

9. (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 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
(Loss)		
(Loss) for the purposes of basic and diluted (loss)		
per share ((loss) for the period attributable to owners of the Company)	(325,107)	(225,179)
	Six months ended June 30,	
	2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
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

As there were no dilutive potential ordinary shares in existence during the six months ended June 30, 2026 and 2025. Therefore, the amount of diluted (loss) per share is the same as the amount of basic (loss) per share for the six months ended June 30, 2026 and 2025.

10. DIVIDENDS

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

11. INVESTMENT PROPERTIES

The Group leased out various offices, shopping mall and retail stores under operating leases with rentals payable monthly. The leases typically run for an initial period of 1 to 20 years, with unilateral rights to extend the lease beyond initial period held by lessees only. Majority of the lease contracts contain market review clauses in the event the lessee exercises the option to extend.

The Group is not exposed to foreign currency risk as a result of the lease arrangements, as all leases are denominated in the functional currency of group entities. The lease contracts do not contain residual value guarantee and/or lessee's option to purchase the property at the end of lease term.

	Investment Properties	Investment properties under construction	Total
	RMB'000	RMB'000	RMB'000
At January 1, 2025 (Audited)	15,607,270	3,776,000	19,383,270
Net (decrease) in fair value recognized in profit or loss	244,093	(58,000)	186,093
Disposal	(159,311)	—	(159,311)
Transfer from PPE	731,948	—	731,948
At December 31, 2025 and January 1, 2026 (Audited)	16,424,000	3,718,000	20,142,000
At June 30, 2026 (Unaudited)	16,424,000	3,718,000	20,142,000

The investment properties are all situated in the PRC. The fair value of the Group's investment properties as at June 30, 2026 has been arrived at on the basis of valuations carried out on December 31, 2025 by Colliers Appraisal & Advisory Services Co., Ltd., a firm of independent qualified external valuer not connected with the Group, who have appropriate qualifications and recent experiences in the valuation of similar properties in the relevant locations.

The valuations of investment properties are arrived at with adoption of direct comparison approach assuming sale of each of these properties in its existing state by making reference to comparable sales transactions as available in the relevant market and also consider income approach by undertaking an estimation of future cash flows and taking into account the time value of money. The income is projected over the investment cycle and the net income is calculated after the deduction of capital, operating, and other necessary expenses.

Fair values of the investment properties under construction are generally derived using the residual method. This valuation method is essentially a means of valuing the land and building by reference to its development potential by deducting development costs together with developer's profit and risk from the estimated capital value of the proposed development assuming completed in accordance with the existing development plans as at the date of valuation, which duly reflected the risks associated with the development.

In estimating the fair value of the properties, the highest and best use of the properties is their current use. The fair value of the Group's investment properties at June 30, 2026 and December 31, 2025 are grouped into Level 3 of fair value measurement. There were no transfers into or out of Level 3 in both years.

12. MOVEMENTS IN PROPERTY, PLANT AND EQUIPMENT AND RIGHT-OF-USE

ASSETS

For the six months ended 30 June 2026, additions to property, plant and equipment (mainly comprising works in progress and electrical equipment and furniture) were RMB1,137,000 (six months ended June 30 2025: RMB898,000)

13. EQUITY INSTRUMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME ("FVTOCI")

	As at June 30, 2026 RMB'000 (Unaudited)	As at December 31, 2025 RMB'000 (Audited)
Unlisted investments:		
– Equity securities (<i>note</i>)	13,481	13,481

Note:

The above unlisted equity securities represent the Group's equity interest in private entities: (1) 0.15% (December 31, 2025: 0.15%) equity interest in Bohai Life Insurance Co., Ltd.* (渤海人壽保險股份有限公司) ("Bohai Life"), a private entity established in the PRC, which is principally engaged in insurance business, with a carrying amount of approximately RMB8,481,000 (December 31, 2025: RMB8,481,000); and (2) 10% (December 31, 2025: 10%) equity interest in Yongqing Jiyin Rural Bank Co., Ltd.* (永清吉銀村鎮銀行股份有限公司) ("Yongqing Jiyin Rural Bank"), a private entity established in the PRC, which is principally engaged in banking operation, with a carrying amount of approximately RMB5,000,000 (December 31, 2025: RMB5,000,000). The equity investments were irrevocably designated at FVTOCI as the Group considers these investments to be strategic in nature.

* The English name of the companies which were established in the PRC are for reference only and have not been registered.

14. 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, gross		
– contracts with customers (<i>note (i)</i>)	277,052	321,908
– lease receivables	200,470	144,722
	477,522	466,630
Less: Allowance 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 (<i>note (ii)</i>)	379,151	539,451
Performance guarantee deposit paid	14,940	14,940
Other receivables and prepayment (<i>note (iii)</i>)	2,836,203	3,077,109
Deposits	133,946	97,682
	3,364,240	3,729,182
Less: Allowance 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

Notes:

- (i) As at June 30, 2026 and December 31, 2025, trade receivables from contract with customers mainly comprise trade receivables from property development.
- (ii) Advances to contractors and suppliers mainly included prepayment to contractors and suppliers for the construction of properties under development for sale. All of the advances to contractors and suppliers are expected to be utilized within the normal operating cycle of the Group.
- (iii) Other receivables mainly included payment on behalf of and receivables from independent third-parties which are mainly the project partners. All other receivables from independent third-parties are of non-trade nature, unsecured, interest-free and repayable on demand as at June 30, 2026 and December 31, 2025.

14. TRADE AND OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS (Continued)

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:

	As at June 30, 2026 RMB'000 (Unaudited)	As at December 31, 2025 RMB'000 (Audited)
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 balance 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.

15. CONTRACT ASSETS

	As at June 30, 2026 RMB'000 (Unaudited)	As at December 31, 2025 RMB'000 (Audited)
Construction and development services	2,499,450	2,493,246
Less: Allowance for credit losses	(57,028)	(57,028)
	2,442,422	2,436,218

The contract assets primarily related to the Group's right to consideration for work completed and not billed because the rights are conditional upon the Group's future performance. The contract assets are transferred to trade receivables when the rights become unconditional.

All contract assets are expected to be settled within the Group's normal operating cycle, and are classified as current.

16. TRADE AND OTHER PAYABLES

	As at June 30, 2026 RMB'000 (Unaudited)	As at December 31, 2025 RMB'000 (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 (<i>note</i>)	106,861	104,736
Current	6,166,913	6,319,616
	6,273,774	6,424,352

Note:

Pursuant to the relevant agreements, rental deposits received as at June 30, 2026 and December 31, 2025 are to be settled after twelve months from the end of the reporting period and are therefore classified as non-current liabilities.

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

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

	As at June 30, 2026 RMB'000 (Unaudited)	As at December 31, 2025 RMB'000 (Audited)
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

17. BANK AND OTHER BORROWINGS

	As at June 30, 2026 RMB'000 (Unaudited)	As at December 31, 2025 RMB'000 (Audited)
Bank borrowings, secured	16,623,741	16,638,023
Loans from financial institutions, secured	3,362,421	3,344,013
Other borrowing, secured	132,954	132,954
	20,119,116	20,114,990
The borrowings are due to be repayable (note):		
On demand and within one year	6,390,369	7,569,066
More than one year, but not exceeding two years	1,914,015	3,033,458
More than two years, but not exceeding five years	2,486,668	2,672,313
More than five years	9,328,064	6,840,153
	20,119,116	20,114,990
Less: Amount due within one year shown under current liabilities	(6,390,369)	(7,569,066)
Amount due after one year shown under non-current liabilities	13,728,747	12,545,924

Note: The amounts due are based on scheduled repayment dates set out in the loan agreements.

The Group's bank and other borrowings and loans from financial institutions are all denominated in RMB. Details of assets that have been pledged to secure bank and other borrowings are set out in note 19.

Borrowings of approximately RMB 6,842,889,000 (December 31, 2025: RMB 5,847,891,000), bearing interest at variable rate ranging from 4.25% to 18.00% (December 31, 2025: 4.25% to 18.00%) per annum as at June 30, 2026 exposed the Group to cash flow interest rate risk. The remaining borrowings, bearing interest at fixed rate, ranging from 2.80% to 13.00% (December 31, 2025: 2.80% to 13.00%) per annum as at June 30, 2026, exposed the Group to fair value interest rate risk.

18. SENIOR NOTES

	As at June 30, 2026 RMB'000 (Unaudited)	As at December 31, 2025 RMB'000 (Audited)
2019 Senior Notes (<i>note (a)</i>)	55,853	54,693
2021 Senior Notes (<i>note (b)</i>)	97,253	94,992
2021 Private Placement Notes (<i>note (c)</i>)	361,793	372,688
2022 Senior Notes (<i>note (d)</i>)	3,205,990	3,178,024
Amount due after one year shown under non-current liabilities	3,720,889	3,700,397

Notes:

(a) 2019 Senior Notes

On February 27, 2019, the Company issued senior notes with an aggregate nominal value of United States dollars ("**US\$**") 160,000,000 ("**2019 Original Notes**") at 97.0% of the principal amount of the 2019 Original Notes. The 2019 Original Notes bearing interest at 13.50% per annum, payable semi-annually in arrears from August 28, 2019, will mature on February 28, 2023. The effective interest rate is approximately 15.74% per annum after the adjustment for transaction costs. The 2019 Original Notes are listed on the Stock Exchange.

On March 15, 2019, the Company issued senior notes with an aggregate nominal value of US\$295,000,000 ("**2019 Additional Notes**") at 97.0% of the principal amount of the 2019 Additional Notes plus accrued interest from February 27, 2019 to March 14, 2019. The 2019 Additional Notes is to be consolidated and form a single series with the 2019 Original Notes (collectively referred to as the "**2019 Senior Notes**"). The principal terms of the 2019 Additional Notes are identical to the terms of the 2019 Original Notes, other than the aggregated principal amount and offer price. The effective interest rate is approximately 15.53% per annum after the adjustment for transaction costs.

On January 12, 2021, the Company commenced the exchange offer for the minimum acceptance amount of the outstanding 2019 Senior Notes and the consent solicitation from eligible holders to the amendments to the indenture governing the 2019 Senior Notes ("**Exchange Offer**"). The Exchange Offer and consent solicitation are being made upon the terms and subject to the conditions set forth in the Exchange Offer and Consent Solicitation Memorandum. On January 20, 2021, holders of US\$300,600,000 of the 2019 Senior Notes, representing approximately 66.80% of the total aggregate principal amount of the outstanding 2019 Senior Notes, have been validly tendered for exchange (and deemed to have given Consents to the proposed amendments) and accepted pursuant to the Exchange Offer and consent solicitation.

18. SENIOR NOTES (Continued)

Notes: (Continued)

(a) 2019 Senior Notes (Continued)

On January 25, 2021, the Company completed the exchange offering of US\$300,600,000 of the 2019 Senior Notes ("**Exchange Notes**") with US\$323,745,000 of new issue of senior notes due January 25, 2024 (the "**2021 Senior Notes**") which bearing interest at 14.25% per annum (detailed in note (b)). After the completion of the exchange offering, the remaining aggregate principal amount of US\$154,400,000 of the 2019 Senior Notes and an aggregate principal amount of US\$323,745,000 of the 2021 Senior Notes remain outstanding.

The Directors consider that the terms of the 2021 Senior Notes are not substantially different as the discounted present value of the cash flows under the new terms discounted using the original effective interest rate is different from the discounted present value of the remaining cash flows of the original financial liability by less than 10 per cent. Accordingly, such modification of terms is not accounted for as an extinguishment of the original financial liability. Therefore, the carrying amount of the relevant financial liabilities will be calculated at the present value of the modified contractual cash flows discounted at the financial liabilities' original effective interest rate. An adjustment to the carrying amount of the financial liability of RMB41,661,000 is recognised in finance costs at the date of modification during the year ended December 31, 2021.

As at March 1, 2021, certain holders, whom have not accepted the Exchange Offer, of the 2019 Senior Notes exercised their redemption options. Therefore, the Company redeemed part of the 2019 Senior Notes, at a price of US\$159,591,000 equal to the aggregate principal amount of US\$149,500,000 plus accrued interest to the date of redemption.

Upon the completion of the redemption and as at December 31, 2021, the remaining outstanding principal amount of the 2019 Senior Notes were US\$4,900,000 ("**2019 Outstanding Notes**") with the maturity date on February 28, 2023. On June 30, 2026 and up to the date of authorization of these condensed consolidated financial statements, the 2019 Outstanding Notes are not yet settled and might be demanded for immediate repayment.

The fair value of 2019 Senior Notes as at December 31, 2021 is approximately RMB41,069,000 based on quoted market price and classified as level 1 of fair value hierarchy. As at June 30, 2026, the Directors consider that the carrying amounts of 2019 Senior Notes approximate their fair values.

(b) 2021 Senior Notes

Pursuant to note (a) above, the Company issued 2021 Senior Notes to settle part of the 2019 Senior Notes of US\$300,600,000 on January 25, 2021. The 2021 Senior Notes bearing interest at 14.25% per annum, payable semi-annually in arrears from July 25, 2021, will mature on January 25, 2024. The effective interest rate is approximately 15.74% per annum after the adjustment for transaction costs. The 2021 Senior Notes are listed on the Stock Exchange and Singapore Exchange Securities Trading Limited.

On February 23, 2023, the Company completed the exchange offering of US\$315,159,000 of the 2021 Senior Notes with US\$334,790,000 of new issue of senior notes due August 23, 2024 (the "**2023 Senior Notes**") which bearing interest at 14.25% per annum (detailed in note (d)). After the completion of the exchange offering, the remaining aggregate principal amount of US\$8,586,000 of the 2021 Senior Notes and an aggregate principal amount of US\$334,790,000 of the 2023 Senior Notes remain outstanding.

During the year ended June 30, 2026, interest for the outstanding 2021 Senior Notes are not repaid in accordance with their scheduled repayment dates and the outstanding 2021 Senior Notes might be demanded for immediate repayment. On June 30, 2026 and up to the date of authorization of these consolidated financial statements, the outstanding 2021 Senior Notes are not yet settled and the Group is actively negotiating with the note holders so as to extend the repayment date of the principal and interest. The Directors do not consider that it is probable that the holders of the 2021 Senior Notes will exercise their discretion to demand immediate repayment.

18. SENIOR NOTES (Continued)

Notes: (Continued)

(c) 2021 Private Placement Notes

On March 26, 2021, the Company issued the notes with an aggregate nominal value of US\$50,000,000 ("**2021 Private Placement Notes**"). 2021 Private Placement Notes bearing interest at 16.0% per annum, is payable quarterly in advance on March 26, June 26, September 26 and December 26 in each year, commencing on June 26, 2021.

During the year ended June 30, 2026, interest for the outstanding 2021 Private Placement Notes are not repaid in accordance with their scheduled repayment dates and the outstanding 2021 Private Placement Notes might be demanded for immediate repayment. On June 30, 2026 and up to the date of authorization of these consolidated financial statements, the remaining outstanding principal amount of the 2021 Private Placement Notes are not yet settled and the Group is actively negotiating with the note holders so as to extend the repayment date of the principal and interest. The Directors do not consider that it is probable that the holders of the 2021 Private Placement Notes will exercise their discretion to demand immediate repayment.

(d) 2022 Senior Notes

Pursuant to note (b) above, the Company issued 2022 Senior Notes to settle part of the 2021 Senior Notes of US\$315,159,000 on February 23, 2022. The 2022 Senior Notes bearing interest at 14.25% per annum, payable semi-annually in arrears from August 23, 2022, will mature on August 23, 2024. The effective interest rate is approximately 15.74% per annum after the adjustment for transaction costs. The 2022 Senior Notes are listed on Singapore Exchange Securities Trading Limited.

The 2022 Senior Notes may be redeemed in the following circumstances:

- (1) At any time prior to May 25, 2024, the Company may at its option redeem the 2022 Senior Notes, in whole but not in part, at a redemption price equal to 100% of the principal amount of the redeemed 2022 Senior Notes plus accrued and unpaid interest, if any, to (but not including) the redemption date.
- (2) At any time on or after May 25, 2024, the Company may at its option redeem the 2022 Senior Notes, in whole but not in part, at a redemption price equal to 106.63% of the principal amount of the redeemed 2022 Senior Notes plus accrued and unpaid interest, if any, to (but not including) the redemption date.

18. SENIOR NOTES (Continued)

Notes: (Continued)

(d) 2022 Senior Notes (Continued)

- (3) Under the mandatory redemption clause, the Company shall redeem the 2022 Senior Notes in aggregate principal amount equal to at least (i) US\$9,600,000 by April 25, 2022; (ii) an additional 7.5% of the principal amount of the 2022 Senior Notes by November 30, 2022; (iii) an additional 10% of the principal amount of the 2022 Senior Notes by August 31, 2023; (iv) an additional 15% of the principal amount of the principal amount of the 2023 Senior Notes by November 30, 2023 and (v) an additional 15% of the principal amount of the 2023 Senior Notes by May 31, 2024, in each case, at a redemption price equal to 100% of the principal amount thereof plus accrued and unpaid interest, if any, to (but not including) the redemption date.

The Company will give not less than 15 days' nor more than 30 days' notice of any redemption to the 2022 Senior Notes holders and the trustee.

The Directors consider that the fair value of the above early redemption options was insignificant on initial recognition and as at June 30, 2022.

On April 25, 2022, the Company and the holders of the 2022 Senior Notes entered into the Supplemental Indenture to extend the deadline for the first instalment of US\$9,600,000 for three months to July 25, 2022.

The Directors consider that the terms of the 2022 Senior Notes are not substantially different as the discounted present value of the cash flows under the new terms discounted using the original effective interest rate is different from the discounted present value of the remaining cash flows of the original financial liability by less than 10 per cent. Accordingly, such modification of terms is not accounted for as an extinguishment of the original financial liability. Therefore, the carrying amount of the relevant financial liabilities will be calculated at the present value of the modified contractual cash flows discounted at the financial liabilities' original effective interest rate.

During the period ended June 30, 2026, principal amount and interest for 2022 Senior Notes are not repaid according to their scheduled repayment dates and might be demanded for immediate repayment. Up to the date of authorization of these condensed consolidated financial statements, the Company and the holders of the 2022 Senior Notes are still negotiating the extension of the repayment schedules of the 2022 Senior Notes. The Directors do not consider that it is probable that the holders of the 2022 Senior Notes will exercise their discretion to demand immediate repayment.

19. PLEDGE OF ASSETS

The following assets were pledged to secure certain bank and other borrowings facilities granted to the Group at the end of each reporting period:

	As at June 30, 2026 RMB'000 (Unaudited)	As at December 31, 2025 RMB'000 (Audited)
Investment properties	14,137,971	14,707,107
Property, plant and equipment	1,922,613	2,278,904
Other non-current assets	50,000	50,000
Properties under development for sale	9,613,448	9,668,084
Properties held for sale	372,437	412,021
Restricted bank deposits	200	200
	26,096,669	27,116,316

As at June 30, 2026, bank deposits of approximately RMB 13,930,000 (December 31, 2025: RMB26,271,000) were pledged as security for mortgage loans of the Group's customers.

19. PLEDGE OF ASSETS (Continued)

The equity interest of the following subsidiaries were pledged to secure certain bank and other loans facilities granted to the Group and the senior notes of the Group:

	As at June 30, 2026 % (Unaudited)	As at December 31, 2025 % (Audited)
Foshan Glory Southern Real Estate Development Co., Ltd.* (佛山市國瑞南方地產開發有限公司)	99.8	99.8
Glory Xingye (Beijing) Investment Co., Ltd.* (國瑞興業(北京)投資有限公司)	100	100
Beijing Wenhushengda Real Estate Development Co., Ltd.* (北京文華盛達房地產開發有限公司)	80	80
Shantou Guorui Hospital Co., Ltd.* (汕頭市國瑞醫院有限公司)	100	100
Suzhou Glory Real Estate Co., Ltd.* (蘇州國瑞地產有限公司)	80	80
Beijing Guorui Deheng Real Estate Development Co., Ltd.* (北京國瑞德恒房地產開發有限公司)	80	80
Hainan Junhe Co., Ltd.* (海南駿和實業有限公司)	99.8	99.8
Glory Xingye (Beijing) Industrial Co., Ltd.* (國瑞興業(北京)實業股份有限公司)	91	91
Original Beijing Glory 原北京國瑞	80	80
Langfang Guoxing Real Estate Development Co., Ltd.* (廊坊國興房地產開發有限公司)	100	100
Qidong Glory Properties Limited* (啟東市國瑞置業有限公司)	100	100
Shaanxi Huawei Shida Industrial Co., Ltd.* (陝西華威世達實業有限公司)	80	80
Shenzhen Guorui Technology Investment Co., Ltd.* (深圳國瑞科技投資有限公司)	80	80
Shenyang Great Eastern Real Estate Co., Ltd.* (瀋陽大東方置業有限公司)	80	80

In addition to the information disclosed above, the Group pledged 100% equity interest in Hainan Glory Investment & Development Co., Ltd.* (海南國瑞投資開發有限公司) ("Hainan Glory Investment") to Hainan Haidao Linkong Industry Group Co., Ltd.* (海南海島臨空產業集團有限公司) in order to secure the performance obligation as at June 30, 2026 and December 31, 2025. The pledge shall be released within 10 days after the completion of the construction contract.

* The English name of the companies which were established in the PRC are for reference only and have not been registered.

20. COMMITMENTS

	As at June 30, 2026 RMB'000 (Unaudited)	As at December 31, 2025 RMB'000 (Audited)
Contracted but not provided for in the condensed		
-Expenditure in respect of investment properties under construction	111,467	115,471
-Construction of properties for own use	812,014	813,470
	923,481	928,941

In addition to the above capital commitments, the Group had contracted expenditure in respect of properties under development for sale of approximately RMB 3,909,280,000 (December 31, 2025: RMB 3,965,203,000) as at June 30, 2026, which have not provided for in the consolidated financial statements.

21. CONTINGENT LIABILITIES

	As at June 30, 2026 RMB'000 (Unaudited)	As at December 31, 2025 RMB'000 (Audited)
Guarantees provided by the Group in respect of loan facilities utilized by		
-Individual property buyers (note)	1,889,688	1,952,712
-Corporate property buyers (note)	7,288	6,771
	1,896,976	1,959,483

Note:

The Group has pledged certain 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 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 is not significant and the Directors consider the default rate is low and a large portion of consideration from property pre-sales contract has been received and recognized as contract liabilities. Accordingly, no loss allowance has been recognized as at June 30, 2026 and December 31, 2025.

21. CONTINGENT LIABILITIES (Continued)

As at June 30, 2026, Shantou Garden Group Co., Ltd.* (汕頭花園集團有限公司) (the "Garden Group") 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) with the maturity date in July 2031 and March 2029, respectively.

As at June 30, 2026 and December 31, 2025, 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.

* The English name of the companies which were established in the PRC are for reference only and have not been registered.

22. LIQUIDITY RISK MANAGEMENT

The Group's objective is to maintain a balance between continuity of funding and the flexibility through the use of borrowings and its available credit facilities. The Directors closely monitor the liquidity position and ensure it has adequate sources of funding to finance the Group's projects and operations.

As at June 30, 2026, the Group's bank and other borrowings with aggregate carrying amount of approximately RMB 6,390,369,000 was due within one year, while its cash and cash equivalents amounted to only approximately RMB 94,561,000 and restricted bank deposits for construction of pre-sale properties and for mortgage loans granted to customers amounted to approximately RMB 96,603,000, which can be used for payments for project costs when approval from related government authority is obtained. The Group monitored its compliance with covenants and repayment schedules of bank and other borrowings and senior notes, and took measures to improve the Group's financial position.

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. As there is no assurance that proceeds received from future pre-sales of the Group's current real estate projects will be sufficient to meet the Group's needs, the Group's operating plan requires it to raise additional funds to finance the development and construction of its current real estate projects. If the Group is unable to raise additional equity or debt financing, the Group's operations might need to be curtailed.

22. LIQUIDITY RISK MANAGEMENT(Continued)

The management of the Group performed cash flow forecasts for the Group's operations and monitors the forecasts of the Group's liquidity requirements from time to time to ensure the Group has sufficient cash to meet its operational needs and settle liabilities when they fall due. The management of the Group takes into account the following considerations in projecting their cash flow forecasts: (a) successful negotiation with the senior noteholders and the banks for the extension of the repayment schedules; (b) successful disposal of certain investment properties and timely collection of the relevant sales proceeds; (c) 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 (d) control the administrative costs and capital expenditures. The Directors consider that the Group will be able to maintain sufficient financial resources to meet its operational needs. However, the current economic conditions continue to create uncertainty particularly over the level of demand for the Group's properties for sale and the availability of banking facility for the foreseeable future. Any delay or unavailability of any of the above measure or sources of finance would impact the Group's liquidity position. The management of the Group will closely monitor the liquidity position and set out alternative measures which include adjusting the construction progress as appropriate, reducing the Group's spending on land investments, accelerating sales with more flexible pricing and obtaining other external financing through security market.

23. RELATED PARTY TRANSACTIONS

Save as disclosed elsewhere in the condensed consolidated financial statements, the Group has the following related party balances and transactions.

- a) **The following parties are identified as related parties to the Group and the respective relationships are set out below:**

Name of related parties	Relationship
Mr. Zhang Zhangsun	Executive Director and controlling shareholder of the Group
Ms. Ruan Wenjuan	Executive Director and spouse of Mr. Zhang Zhangsun
Ms. Zhang Jin	Daughter of Mr. Zhang Zhangsun
Ms. Lin Yaoquan	Brother-in-law of Mr. Zhang Zhangsun
Mr. Zhang Zhangqiao	Younger brother of Mr. Zhang Zhangsun
Beijing Glory Commercial Management Co., Ltd.* (北京國瑞興業商業管理有限公司) ("Glory Commercial Management")	Controlled by Ms. Zhang Jin
Jinming Wujin Material Co., Ltd.* (汕頭市金明五金材料有限公司) ("Jinming Wujin")	Controlled by Ms. Zhang Zhangsun
Foshan Yinhe Ruixing Commercial Management Co., Ltd.* (佛山市銀和瑞興商業管理有限公司) ("Foshan Yinhe")	Controlled by Ms. Zhang Jin
Shenyang Glory Xingda ManagementCo., Ltd.* (瀋陽國瑞興達企業管理有限公司) ("Shenyang Xingda")	Controlled by Ms. Zhang Jin
Longhu Huamu Market Co., Ltd.* (汕頭市龍湖花木市場有限公司) ("Longhu Huamu")	Controlled by Ms. Zhang Youxi, sister of Mr. Zhang Zhangsun

23. RELATED PARTY TRANSACTIONS (Continued)

- a) The following parties are identified as related parties to the Group and the respective relationships are set out below: (Continued)

Name of related parties	Relationship
Alltogether Land	Parent and ultimate holding company controlled by Mr. Zhang Zhangsun
Shenzhen Glory Industrial Development Co., Ltd.* (深圳國瑞興業發展有限公司) ("Shenzhen Glory Industrial")	Controlled by Mr. Zhang Zhangsun
Beijing Maorui Properties Co., Ltd.* (北京茂瑞置業有限公司) ("Maorui Zhiye")	Former Joint venture (deemed related party)
Zhongyu Properties (HK) Limited (中裕置業(香港)有限公司) ("Zhongyu")	Controlled by daughter and spouse of Mr. Zhang Zhangqiao
Well Ample Holding Ltd. (note (ii)) (國益控股有限公司)	Controlled by daughter and spouse of Mr. Zhang Zhangqiao
Well Ample Holding (HK) Ltd. (note(ii)) (國益控股(香港)有限公司)	Controlled by daughter and spouse of Mr. Zhang Zhangqiao
Shantou Guorui Zhiye Co., Ltd.* (note (ii)) (汕頭國瑞置業有限公司)	Controlled by daughter and spouse of Mr. Zhang Zhangqiao
Shantou Huirui Hotel Management Co., Ltd.* (note (ii)) (汕頭市薈瑞酒店管理有限公司)	Controlled by daughter and spouse of Mr. Zhang Zhangqiao
Ruida Zhiye	Associate

23. RELATED PARTY TRANSACTIONS (Continued)

a) The following parties are identified as related parties to the Group and the respective relationships are set out below: (Continued)

Name of related parties	Relationship
Beijing Ruimao Zhiye Co., Ltd.* (北京瑞茂房地產開發有限公司) ("Ruimao Real Estate")	Former Joint venture (deemed related party)
Guangdong Guosha Investment Holding Group Co., Ltd.* (廣東國廈投資控股集團有限公司) ("Guangdong Guosha Investment")	Controlled by Mr. Zhang Zhangqiao
Hainan Glory Commercial Management Co., Ltd.* (海南國瑞興業商業管理有限公司) ("Hainan Glory Commercial Management")	Controlled by Ms. Zhang Jin
Xi'an Ruihe Xingda Commercial Management Co., Ltd.* (西安瑞和興達商業管理有限公司) ("Xi'an Ruihe")	Controlled by Ms. Zhang Jin
Wuxi Glory Real Estate Co., Ltd.*	Associate
Shantou Garden Property Services Co., Ltd.* (汕頭市花園物業管理有限公司) ("Shantou Garden Services")	Controlled by Ms. Zhang Jin
Beijing Guoyin Investment Fund Management Co., Ltd.* (北京國銀投資基金管理有限公司) ("Guoyin Fund Investment Management")	Controlled by Ms. Zhang Jin
Beijing Yinhe Guorui Commercial Investment Co., Ltd.* (北京銀和國瑞商業投資有限公司) ("Beijing Yinhe")	Controlled by Ms. Zhang Jin
Beijing Dayuan Tongrui Investment Center (limited partnership)* (limited partnership)* (北京達源通瑞投資中心(有限合夥)) ("Beijing Dayuan Tongrui")	Controlled by Ms. Zhang Jin

23. RELATED PARTY TRANSACTIONS (Continued)

a) The following parties are identified as related parties to the Group and the respective relationships are set out below: (Continued)

Name of related parties	Relationship
Shenzhen Diyun Real Estate Consulting Co., Ltd.* (深圳地雲地產諮詢有限公司) ("Shenzhen Diyun")	Controlled by Mr. Zhang Zhangsun
Shenzhen Diyun Network Technology Co., Ltd. (深圳地雲網科技有限公司) ("Shenzhen Diyun Network")	Controlled by Ms. Zhang Jin
Shenzhen Kesong Investment Co., Ltd.* (深圳科松投資有限公司) ("Guangzhou Yipiantian")	Controlled by Ms. Zhang Jin
Shenzhen Ruibutler Electronic Commerce Co., Ltd.* (深圳瑞管家電子商務有限公司) ("Shenzhen Ruibutler")	Controlled by Mr. Zhang Zhangsun
Guangzhou Yipiantian Tourism Development Co., Ltd.* (廣州一片天旅遊開發有限公司) ("Guangzhou Yipiantian")	Controlled by Ms. Zhang Jin
Beijing Fangyun Online Network Technology Co., Ltd.* (北京房雲在線網絡科技有限公司) ("Beijing Fangyun")	Controlled by Ms. Zhang Jin
Beijing Guorui Commercial Operation Management Co., Ltd.* (北京國瑞商業運營管理有限公司) ("Beijing Guorui Commercial Operation")	Controlled by Ms. Zhang Jin
Shenzhen Xiangrui Investment Co., Ltd.* (深圳祥瑞投資有限公司) ("Shenzhen Xiangrui")	Non-controlling shareholders of a subsidiary
Guorui Better Life Health Technology (Shenzhen) Co., Ltd (國瑞美好生活健康科技(深圳)有限公司) ("Guorui Better Life")	Controlled by Ms. Zhang Jin

23. RELATED PARTY TRANSACTIONS (Continued)

a) The following parties are identified as related parties to the Group and the respective relationships are set out below: (Continued)

Name of related parties	Relationship
Langfang Guorui Agricultural Development Co., Ltd. (廊坊國瑞農業開發有限公司) ("Langfang Agricultural")	Controlled by Ms. Zhang Jin
Shenzhen Guole Cultural Industry Investment Co., Ltd. (深圳國樂文化產業投資有限公司) ("Shenzhen Guole Cultural")	Controlled by Mr. Zhang Zhangsun
Shantou Guoxia Real Estate Co., LTD (汕頭市國廈地產有限公司) ("Shantou Guoxia Real Estate)	Controlled by daughter and spouse of Mr. Zhang Zhangqiao
Shantou Liyi Real Estate Investment Co., LTD" (汕頭市利溢房地產投資有限公司) ("Shantou Liyi Real Estate")	Non-controlling shareholders of a subsidiary
Shenzhen Yinshengshi Industrial Development Co., LTD (深圳銀和盛世產業發展有限公司)	Controlled by Ms. Zhang Jin
Beijing Hengyou Housing Rental Co., Ltd.* (北京恆佑住房租賃有限公司) ("Hengyou")	Former subsidiary (deemed related party)
Beijing Fengyou Business Management Co., Ltd.* (北京豐佑商業管理有限公司) ("Fengyou")	Former subsidiary (deemed related party)

* The English name of the companies which were established in the PRC are for reference only and have not been registered.

23. RELATED PARTY TRANSACTIONS (Continued)

- b) At the end of the reporting period, the Group has amounts receivable from the following related parties and the details are set out below:

	As at June 30, 2026 RMB'000 (Unaudited)	As at December 31, 2025 RMB'000 (Audited)
Name of related parties		
Trade nature (<i>note (i)</i>):		
Foshan Yinhe	59,039	59,030
Non-trade nature (<i>note (ii)</i>):		
Ruida Zhiye	1,477,193	1,477,193
Maorui Zhiye	213,158	212,714
Wuxi Glory	47,107	47,107
Shenzhen Xiangrui	25,563	25,279
Shenzhen Diyun	23,879	25,271
Shenzhen Diyun Network	16,658	16,892
Shantou Chenghai	15,254	14,134
Shenzhen Glory Industrial	8,787	8,327
Beijing Huirui	7,474	270
Shenzhen Guoyu	6,987	7,081
Shenzhen Guorui Medical	5,526	5,526
Beijing Dayuan Tongrui	4,003	-
Jinming Wujin	2,833	2,773
Shenyang Xingda	2,800	-
Shantou Garden Services	2,475	2,437
Shenzhen Aiguoyi	1,842	1,843
Beijing Guorui Commercial Operation	1,672	1,533
Shenzhen Yinheshengshi	1,605	-
Guorui Better Life	851	851
Guangzhou Yipiantian	757	247
Shenzhen Kesong	635	2,000
Shantou Chenghai Glory	587	587
Guoyin Fund Investment Management	522	-
Shenzhen Ruibutler	6	17
Shenzhen Guole Cultural	-	298
Amounts due from related parties, gross	1,927,213	1,911,410
Allowance for credit losses	(11,025)	(11,025)
Amounts due from related parties, net	1,916,188	1,900,385

Notes:

i. Balances of trade nature are unsecured, interest-free and aged within one year.

ii. Balances of non-trade nature are unsecured and repayable on demand. Included in the balances were approximately RMB1,690,351,000 (December 31, 2025: RMB1,689,907,000) bearing interest ranging from 4.75% to 9.30% (December 31, 2025: 4.75% to 9.30%).

23. RELATED PARTY TRANSACTIONS (Continued)

- c) At the end of the reporting period, the Group has amounts due to the following related parties and the details are set out below:

Name of related parties	As at June 30, 2026 RMB'000 (Unaudited)	As at December 31, 2025 RMB'000 (Audited)
Trade nature: <i>(note (i))</i>		
Glory Commercial Management	32,711	32,711
	32,711	32,711
Non-trade nature: <i>(note (ii))</i>		
Alltogether Land <i>(note (iii))</i>	1,088,220	1,081,661
Longhu Huamu	563,575	666,543
Guangdong Guosha Investment	456,180	433,180
Ruimao Real Estate	239,821	236,163
Shijiazhuang Guolong	193,925	193,925
Guangdong Guosha Real Estate	76,000	76,000
Langfang Agricultural	13,371	13,371
Shantou Liyi Real Estate	10,000	-
Hengyou	8,717	-
Fengyou	3,824	-
Ms. Zhang Jin	1,810	3,469
Mr. Zhang Zhangsun	500	500
Beijing Yinhe	148	148
Shenyang Xingda	-	50,882
Guoyin Investment Fund Management	76	5
	2,656,167	2,755,847
Amounts due to related parties	2,688,878	2,788,558

Notes:

- Balances of trade nature are unsecured, interest-free and aged within one year.
- Balances of non-trade nature are unsecured, interest-free and repayable on demand.
- The amount represented dividend payable and advance from shareholder of the Company recorded under amounts due to related parties.

23. RELATED PARTY TRANSACTIONS (Continued)

d) Financial guarantees

Mr. Zhang Zhangsun and Ms. Ruan Wenjuan have provided guarantees for certain bank and other borrowings granted to certain subsidiaries of the Group and senior notes of the Company for nil consideration. As at June 30, 2026, the Group has bank and other borrowings amounting to approximately RMB16,716,696,000 (December 31, 2025: RMB16,824,846,000) and senior notes amounting to approximately RMB3,359,096,000 (December 31, 2025: RMB3,327,709,000) guaranteed by Mr. Zhang Zhangsun and Ms. Ruan Wenjuan.

As at June 30, 2026, Garden Group has provided guarantee to a bank for a banking facility granted to related parties, Jiangmen Yinghui Bay real estate Co., Ltd. and Huirui Hotel Management Co., Ltd., of which the bank borrowing guaranteed by the Group was amounting to approximately RMB204,510,000 (December 31, 2025: RMB204,510,000) with the maturity date in July 2026 and March 2026, respectively.

e) Key management personnel emoluments

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly, including Directors and other key management of the Group. The key management personnel compensation is as follows:

	Six months ended June 30,	
	2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
Short-term employee benefits	2,417	3,403
Retirement benefit contributions	102	86
	2,519	3,489

24. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

For financial reporting purposes, fair value measurements are categorized into Levels 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:

- i. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- ii. 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
- iii. Level 3 inputs are unobservable inputs for the asset or liability.

The Group's investment in unlisted investments were measured at fair value, and grouped into Level 3.

	Fair value as at		Fair value hierarchy
	June 30, 2026 RMB'000 (Unaudited)	December 31, 2025 RMB'000 (Audited)	
Financial assets			
Equity instruments at FVTOCI (see note 13)			
- 0.15% equity investment in Bohai Life	8,481	8,481	Level 3
- 10% equity investment in Yongqing Jiying Rural Bank	5,000	5,000	Level 3
	13,481	13,481	

The fair value of the unlisted equity instruments at FVTOCI, was determined by the Directors, based on market approach using the net book value of the investee multiply to the market price-to-book ratio, and adjusted for the lack of marketability. The change in unobservable inputs would not have significant impact to the fair value measurement.

24. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS (Continued)

The movements during the periods in the balance of Level 3 fair value measurement is as follows:

	0.15% equity investment in Bohai Life RMB'000	10% equity investment in Yongqing Ji Yin Rural Bank RMB'000	Total RMB'000
At December 31, 2025 and January 1, 2026 (Audited)	8,481	5,000	13,481
At December 31, 2025 ,January 1, 2026 (Audited) and June 30, 2026 (Unaudited)	8,481	5,000	13,481

During the six months ended June 30, 2026, there was no transfer between Level 1 and Level 2, or transfer into or out of Level 3 (December 31, 2025: Nil). The Group's policy is to recognize transfers between levels of fair value hierarchy as at the end of the reporting period in which they occur.

Except as disclosed in note 18, the Directors consider that the carrying amounts of financial assets and financial liabilities recorded at amortized cost in the condensed consolidated statement of financial position approximate their fair values.



GLORY 国瑞

GLORY HEALTH INDUSTRY LIMITED

國瑞健康產業有限公司