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Glorious Property Holdings Limited

恒盛地產控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 00845)

INSIDE INFORMATION PROFIT ALERT – REDUCTION IN LOSS

This announcement is made by Glorious Property Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(2)(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board of directors of the Company (the “**Board**”) wishes to inform the shareholders of the Company and potential investors that, based on the information currently available to the Board, as compared to the loss attributable to the owners of the Company of RMB5,150.0 million for the year ended 31 December 2021, the Group is expected to record a loss attributable to the owners of the Company not exceeding RMB500.0 million for the year ended 31 December 2022. The reduction in loss was primarily attributable to the combined effect of, among others:

- (i) the Group newly completed and delivered properties of two projects in Shanghai and Beijing during 2022 such that the recognised revenue for the year ended 31 December 2022 increased by approximately 100% as compared to that of 2021. Because these properties completed and delivered are premium properties with high profit margin, as compared to a negative gross margin of 32.9% and gross loss of RMB1,091.1 million for 2021, the Group is expected to improve with positive gross margin of exceeding 60% and gross profit of approximately RMB4,000.0 million for the current year;
- (ii) the Group is expected to record a small amount of provision for impairment for the Group’s properties during the year ended 31 December 2022, which was substantially lower than RMB977.4 million for 2021;

- (iii) the Group wrote off certain aged prepayments and deposits of RMB955.6 million during the year ended 31 December 2021. Such write-off was one-off and did not recur for the year ended 31 December 2022;
- (iv) the Group's gross finance costs decreased during the year ended 31 December 2022. The amount of finance costs not capitalised and being recorded directly as current year expenses in 2022 decreased by more than 20% as compared to 2021, but it remained as a significant expense item for the Group's results for the current year;

partly offset by:

- (v) for the year ended 31 December 2022, the Group is expected to record a fair value loss for its investment properties that is approximately 5 times to the fair value loss of RMB213.8 million for the year ended 31 December 2021; and
- (vi) the Group's income tax expenses for the year ended 31 December 2022 is expected to increase significantly by 6 times as compared to 2021 due to higher tax provision made for land appreciation tax and corporate income tax associated with the higher-priced properties completed and delivered in the current year.

The Company is still in the process of preparing and finalising the consolidated financial information of the Group for the year ended 31 December 2022. The information contained in this announcement is only a preliminary assessment by the management of the Company based on information currently available to the Company and has not been reviewed or audited by the Company's external auditors nor approved by the audit committee of the Company. The actual results may be different from the information disclosed herein. Shareholders of the Company and potential investors should read the Group's results announcement for the year ended 31 December 2022 carefully, which will be published on 30 March 2023.

Shareholders of the Company and potential investors should exercise caution when dealing in the shares of the Company.

By order of the Board
Glorious Property Holdings Limited
Ding Xiang Yang
Chairman

Hong Kong, 22 March 2023

As at the date of this announcement, the executive directors of the Company are Mr. Ding Xiang Yang, Ms. Lu Juan and Mr. Yan Zhi Rong; the independent non-executive directors of the Company are Prof. Liu Tao, Dr. Hu Jinxing and Mr. Han Ping.