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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)

PROFIT WARNING

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 RMB297.4 million for the year ended 31 December 2022, the Group is expected to record a loss attributable to the owners of the Company not less than RMB2,500.0 million for the year ended 31 December 2023 (the “**Year**”). The increment in loss was primarily attributable to the combined effect of, among others:

- (i) the Group only newly completed and delivered properties of one project in Shanghai during the Year such that the recognised sales revenue for the Year decreased by approximately 60% as compared to that of 2022, mainly due to the decrease of GFA sold and delivered and average selling price during the Year;

- (ii) the Group is expected to record a gross profit margin of over 30% during the Year, representing a significant decrease as compared to a gross profit margin of 62.8% for that of 2022. Excluding the effect of the provision for impairment for the properties to the gross profit margin, the gross profit recorded as of 31 December 2023 decreased by approximately 60% as compared to that of 2022 because delivered GFA of higher-valued properties decreased;
- (iii) due to the impact of certain factors during the Year, the Group made provision for impairment of approximately RMB750.0 million for the Group's property projects during the Year, which had a significant impact on the Group's results for the Year. No further provision for impairment of property projects was made in 2022;
- (iv) for the Year, the Group is expected to record a fair value loss for its investment properties that is approximately 2 times to the fair value loss of RMB893.3 million in 2022; and
- (v) the Group's gross finance costs remained at a high level during the Year, and a significant portion of such finance costs was not capitalised as part of the property development costs. The amount of finance costs that are not expected to be capitalized and recorded directly as current year expenses during the Year increased by more than 40% as compared to 2022 and it remained as a major factor that resulted in the Group's increased operating loss for the Year.

The Company is still in the process of finalising the consolidated financial information of the Group for the Year. The information contained in this announcement is only based on the preliminary assessment by the Company's management according to the unaudited consolidated management accounts of the Group for the Year and the information currently available for the time being, which have not yet been confirmed by the auditor and the audit committee of the Company and may be subject to adjustments. Shareholders and potential investors should read the annual results announcement of the Group for the Year, which will be published on 28 March 2024.

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, 25 March 2024

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.