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恒盛地產
GLORIOUS PROPERTY

Glorious Property Holdings Limited
恒盛地產控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 845)

ANNOUNCEMENT

UPDATE ON SHANGHAI BAY ARRANGEMENT

This announcement is made by the Company pursuant to Rule 13.09(1) of the Listing Rules.

Reference is made to Appendix VIII to the Prospectus in relation to the Shanghai Bay Arrangement, under which Bright New (a wholly-owned subsidiary of the Company) has transferred Better Score (which indirectly holds the entire interest in the Projects) to S.I. Properties subject to the arrangement for the buy-back and management of the Projects by the Group.

To provide an alternative mechanism to unwind the arrangement outside the PRC, on 29 July 2011, Bright New, S.I. Properties and the Company entered into the Agreement, pursuant to which Bright New has agreed to acquire from S.I. Properties the entire issued share capital of Better Score and the shareholder's loans owed by Better Score to S.I. Properties at a total consideration of RMB2,000,000,000 subject to the terms and conditions of the Agreement.

This announcement is made by the Company pursuant to Rule 13.09(1) of the Listing Rules.

BACKGROUND

Reference is made to Appendix VIII to the Prospectus in relation to the Shanghai Bay Arrangement, under which Bright New (a wholly-owned subsidiary of the Company) has transferred Better Score (which holds the entire interest in the Projects) to S.I. Properties subject to the arrangement for the buy-back and management of the Projects by the Group. As disclosed in the Prospectus, the Directors were of the view that the Shanghai Bay Arrangement was effectively a financing arrangement for the reasons set out therein.

To provide an alternative mechanism to unwind the arrangement outside the PRC, on 29 July 2011, Bright New, S.I. Properties and the Company entered into the Agreement, pursuant to which Bright New has agreed to acquire from S.I. Properties the entire issued share capital of Better Score and the shareholder's loans owed by Better Score to S.I. Properties at a total consideration of RMB2,000,000,000 subject to the terms and conditions of the Agreement.

The principal terms of the Agreement are set out below:

THE AGREEMENT

Date

29 July 2011

Parties

- (1) S.I. Properties as vendor
- (2) Bright New as purchaser
- (3) The Company as guarantor of Bright New

Subject Matter

Pursuant to the Agreement, Bright New has agreed to purchase from S.I. Properties, and S.I. Properties has agreed to sell to Bright New, the Sale Share, representing the entire issued share capital of Better Score, and the shareholder's loan owed by Better Score to S.I. Properties at a total consideration of RMB2,000,000,000, subject to the terms and conditions of the Agreement.

Consideration and payment

On the date of completion of the Acquisition, Bright New will pay to S.I. Properties RMB2,000,000,000 or the HK\$ Equivalent or the US\$ Equivalent of such amount in Hong Kong by crediting for same day value the account specified by S.I. Properties.

As the Acquisition is an alternative mechanism to unwind the arrangement outside the PRC, the consideration was determined with reference to the principal amount of the financing arrangement under the Shanghai Bay Arrangement.

Conditions precedent and Completion

Completion of the Acquisition will take place on the 3rd business day after the date on which Bright New notifies S.I. Properties in writing that sufficient financing has been obtained by Bright New to fund the payment of the consideration.

In the event that completion of the Acquisition does not take place on or prior to the Long Stop Date, the Agreement will become null and void and of no further effect whatsoever, and the parties will procure unwinding of the Shanghai Bay Arrangement in accordance with the Onshore Share Acquisition Agreement as originally planned.

Guarantee provided by the Company

In consideration of S.I. Properties agreeing to enter into the Agreement at the request of the Company and to complete the transaction contemplated thereunder, the Company unconditionally and irrevocably guarantees to S.I. Properties the due and punctual performance and discharge by Bright New of all obligations due, owing or incurred to S.I. Properties by Bright New under or pursuant to the Agreement to the intent that should Bright New fail to perform or discharge any of its obligations under the Agreement duly and punctually the Company would upon demand perform and discharge or procure the performance and discharge of such obligations.

INFORMATION ON THE GROUP

The Group is principally engaged in the development and sale of high quality properties in key economic cities across the PRC. As at the date of this announcement, the Group has developed or is developing projects in twelve key economic cities across the PRC, namely Shanghai, Beijing, Tianjin, Harbin, Wuxi, Suzhou, Hefei, Shenyang, Nanjing, Nantong, Changchun and Dalian. Bright New is a direct wholly-owned subsidiary of the Company principally engaged in investment holding.

INFORMATION ON BETTER SCORE AND ITS SUBSIDIARIES

Better Score is a limited liability company incorporated under the laws of the British Virgin Islands and is principally engaged in investment holding. As of the date of this announcement, S.I. Properties holds the entire issued share capital of Better Score, which in turn indirectly holds the Projects through the Holding Company, WOFE and the Project Company.

Based on the unaudited consolidated accounts of Better Score which consolidated the financial results of Better Score, the Holding Company and WOFE, Better Score had (i) an unaudited consolidated net asset value of approximately HK\$613,000 as at 31 December 2010; and (ii) unaudited consolidated net losses (both before and after tax) of approximately HK\$146,000 and HK\$28,000 for each of the two years ended 31 December 2010, respectively. As disclosed in the Prospectus, the results and balance sheet of the Project Company has been fully consolidated into the consolidated financial statements of the Group.

INFORMATION ON S.I. PROPERTIES

S.I. Properties is a wholly-owned subsidiary of Shanghai Industrial Holdings Limited principally engaged in investment holding. Shanghai Industrial Holdings Limited and its subsidiaries are principally engaged in the business of infrastructure facilities, real estate and consumer products.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, S.I. Properties and its ultimate beneficial owner(s) are third parties independent of the Company and its connected persons.

REASONS AND BENEFITS FOR THE ACQUISITION

As disclosed in the Prospectus, the Directors were of the view that whilst the legal and beneficial interest in Better Score and the Projects were transferred to S.I. Properties pursuant to the Original SPA, the whole arrangement was effectively a financing arrangement for the reasons set out in the Prospectus.

It is the intention of the parties to the Shanghai Bay Arrangement that the financing amount will be repaid and the arrangement will be unwound in the PRC through the buy-back of the entire equity interest in the Project Company, which directly holds the Projects, by Shanghai Xintai pursuant to the Onshore Share Acquisition Agreement. By entering into the Agreement, an alternative mechanism to unwind the arrangement under the Shanghai Bay Arrangement outside the PRC was made available to the Group subject to its obtaining of sufficient financing, failing which the parties will still be able to unwind the arrangement in accordance with the Onshore Share Acquisition Agreement as originally planned.

Based on the above, the Directors (including the independent non-executive Directors) are of the view that the terms of the Agreement and the transactions contemplated thereunder are fair and reasonable and in the best interests of the Company and its shareholders as a whole.

DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise:

“Acquisition”	the acquisition of the Sale Share by Bright New from S.I. Properties pursuant to the terms and conditions of the Agreement which in substance provides an offshore alternative to the Company to unwind the financing arrangement under the Shanghai Bay Arrangement
“Agreement”	the sale and purchase agreement dated 29 July 2011 among S.I. Properties, Bright New and the Company in relation to the Acquisition
“Better Score”	Better Score Limited, a limited liability company incorporated under the laws of the British Virgin Islands
“Board”	the board of Directors
“Bright New”	Bright New Investments Limited, a limited liability company incorporated under the laws of the British Virgin Islands and a wholly-owned subsidiary of the Company
“Company”	Glorious Property Holdings Limited (恒盛地產控股有限公司), a company incorporated under the laws of the Cayman Islands with limited liability and whose shares are listed on the Stock Exchange
“Directors”	the directors of the Company
“Group”	the Company and its subsidiaries
“HK\$ Equivalent”	in respect of an amount in RMB, the HK\$ equivalent of such RMB amount determined with reference to the mid-point of the exchange rate published by the People’s Bank of China on the second business day prior to the date of completion of the Acquisition

“HK\$” or “Hong Kong Dollars”	Hong Kong dollars, the lawful currency of Hong Kong
“Holding Company”	Greater Base Limited (基鉅有限公司), a limited liability company incorporated under the laws of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Long Stop Date”	1 December 2011 or such other date as may be agreed between the parties to the Agreement in writing
“Onshore Share Acquisition Agreement”	the share acquisition agreement (股權買賣協議) for the acquisition of the entire equity interest in the Project Company dated 5 August 2009 entered into by and among Shanghai Xintai, WOFE, the Project Company, Shanghai Industrial Holdings Limited and Mr. Zhang Zhi Rong (who has entered into the release agreement dated 11 September 2009 with Shanghai Xintai, WOFE, the Project Company, Bright New, S.I. Properties, Shanghai Industrial Holdings Limited and 恒盛陽光鑫地(天津) 投資有限公司 (previously known as 天津陽光鑫地投資有限公司) (Glorious Yangguang Xindi (Tianjin) Investment Co., Ltd.*) whereby his obligations and liabilities under the Onshore Share Acquisition Agreement as guarantor have been released)
“Original SPA”	the sale and purchase agreement dated 11 June 2009 among Bright New, S.I. Properties, Shanghai Industrial Holdings Limited and Mr. Zhang Zhi Rong, as varied and modified by two supplemental agreements dated 30 July 2009 and 16 December 2009 entered into between the same parties
“PRC”	the People’s Republic of China (excluding, for the purpose of this announcement, Hong Kong, the Macao Special Administrative Region of the People’s Republic of China and Taiwan)

“Project Company”	上海鵬暉置業有限公司 (Shanghai Penghui Property Development Co., Ltd.*), a limited liability company established under the laws of the PRC which is wholly-owned by WOFE
“Projects”	Block Nos. 2 and 8, and Block Nos. 9 and 10 if the same have actually been transferred to the Project Company pursuant to the terms and conditions of the Original SPA prior to completion of the Acquisition, of Shanghai Bay (尚海灣豪庭) located on No. 1441, Wan Ping South Road, Xuhui District, Shanghai, the PRC, together with the piece of land on which the Project situates and the ancillary facilities and equipment
“Prospectus”	the prospectus issued by the Company dated 21 September 2009 in relation to the initial public offering of the ordinary shares of nominal value of HK\$0.01 each in the capital of the Company
“RMB”	Renminbi, the lawful currency of the PRC
“S.I. Properties”	S.I. Properties Holdings Limited (上實地產控股有限公司), an indirect wholly-owned subsidiary of Shanghai Industrial Holdings Limited (a company incorporated under the laws of Hong Kong with limited liability and whose shares are listed on the Stock Exchange)
“Sale Share”	the one (1) issued share of US\$1.00 in the capital of Better Score, being the entire issued share capital of Better Score
“Shanghai Bay Arrangement”	the transfer of the Projects to S.I. Properties and the arrangement for the buy-back and management of the Projects by the Group as described in Appendix VIII to the Prospectus
“Shanghai Xintai”	上海鑫泰房地產發展有限公司 (Shanghai Xintai Property Development Co., Ltd.*), a limited liability company established in the PRC and an indirect wholly-owned subsidiary of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“US\$ Equivalent”	in respect of an amount in RMB, the US\$ equivalent of such RMB amount determined with reference to the mid-point of the exchange rate published by the People’s Bank of China on the second business day prior to the date of completion of the Acquisition
“US\$” or “United States Dollars”	United States dollars, the lawful currency of the United States of America
“WOFE”	南通基鉅基礎設施建設有限公司 (Nantong Jiju Infrastructure Development Co., Ltd.*), a wholly foreign owned enterprise established under the laws of the PRC which is wholly-owned by Holding Company

* *For identification purpose only.*

By order of the Board
Glorious Property Holdings Limited
Tai Wing Kwan, Catherine
Company Secretary

Hong Kong, 29 July 2011

As at the date of this announcement, the executive Directors are Messrs. Zhang Zhi Rong, Ding Xiang Yang, Cheng Li Xiong, Liu Ning, Xia Jing Hua, Yan Zhi Rong and Yu Xiu Yang; the independent non-executive Directors are Messrs. Yim Ping Kuen, Liu Shun Fai, Wo Rui Fang and Han Ping.