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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)

**CONNECTED TRANSACTION —
PROVISION OF FINANCIAL ASSISTANCE**

Reference is made to the announcement of the Company dated 27 April 2011.

Dalian Hesheng obtained certain loan facilities with a principal amount of not exceeding RMB240,000,000 from Dalian Branch of Shengjing Bank to fund its repayment obligation under the Entrusted Loan to Huarong Trust. In order to facilitate the obtain of the said loan facilities, on 15 December 2011, Huarong Trust released the No. 200 Land Pledge and Glorious Yangguang entered into the New No. 200 Land Pledge and the Guarantee in favour of Dalian Branch of Shengjing Bank to secure the said loan facilities.

Glorious Yangguang is a subsidiary of the Company and is indirectly owned as to 70% by the Group and as to 30% by Dalian Hesheng. Dalian Hesheng, being a substantial shareholder of Glorious Yangguang, is a connected person of the Company under Chapter 14A of the Listing Rules. Therefore, the New No. 200 Land Pledge and the Guarantee constitute connected transactions of the Company in a form of provision of financial assistance to connected person.

As one or more of the applicable percentage ratios in respect of the maximum aggregate secured amount under the New No. 200 Land Pledge exceed 1% but are less than 5%, pursuant to Rule 14A.66(2) of the Listing Rules, the New No. 200 Land Pledge and the Guarantee are only subject to the annual review, reporting, announcement requirements and are exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

BACKGROUND

Reference is made to the announcement of the Company dated 27 April 2011.

Dalian Hesheng obtained certain loan facilities with a principal amount of not exceeding RMB240,000,000 from Dalian Branch of Shengjing Bank to fund its repayment obligation under the Entrusted Loan to Huarong Trust. In order to facilitate the obtain of the said loan facilities, on 15 December 2011, Huarong Trust released the No. 200 Land Pledge and Glorious Yangguang entered into the New No. 200 Land Pledge and the Guarantee in favour of Dalian Branch of Shengjing Bank to secure the said loan facilities.

PRINCIPAL TERMS OF THE NEW NO. 200 LAND PLEDGE AND THE GUARANTEE

(a) The New No. 200 Land Pledge

Date: 15 December 2011

Parties: (1) Glorious Yangguang as pledgor; and
(2) Dalian Branch of Shengjing Bank as pledgee.

Secured Amount: Pursuant to the New No. 200 Land Pledge, Glorious Yangguang has agreed to pledge the land use right in respect of a land slot with an area of approximately 120,576 sq.m. located at Eight Mile Village, Xianjin Road, Jinzhou District, Dalian City held by Glorious Yangguang in favour of Dalian Branch of Shengjing Bank in respect of the loan facilities with a principal amount of not exceeding RMB240,000,000 at 130% of the 1-3 years benchmark lending interest rate stipulated by the People's Bank of China. The liability of Glorious Yangguang under the No. 200 Land Pledge shall include the principal amount, any interests accrued thereon, stamp duty, handling fee, penalty and any legal or other costs and expenses incurred by Dalian Branch of Shengjing Bank for the recovery of the said loan facilities from Dalian Hesheng.

Pursuant to a memorandum of understanding dated 15 December 2011 entered into between Dalian Hesheng and 恒盛卓怡地產投資(大連)有限公司 (Glorious Zhouyi Property Investment (Dalian) Co., Ltd.*), an indirect wholly-owned subsidiary of the Company, Dalian Hesheng undertook that it will procure Shengjing Bank to release the New No. 200 Land Pledge before 31 March 2012.

(b) The Guarantee

Date: 15 December 2011

Parties: (1) Glorious Yangguang as guarantor; and
(2) Dalian Branch of Shengjing Bank as guarantee.

Secured Amount: Pursuant to the Guarantee, Glorious Yangguang has agreed to provide a joint and several liability guarantee to Dalian Branch of Shengjing Bank to secure the obligations of Dalian Hesheng in respect of the loan facilities with a principal amount of not exceeding RMB240,000,000 at 130% of the 1-3 years benchmark lending interest rate stipulated by the People's Bank of China. The obligation of Glorious Yangguang under the Guarantee shall include the principal amount, any interests accrued thereon, stamp duty, handling fee, penalty and any legal or other costs and expenses incurred by Dalian Branch of Shengjing Bank for the recovery of the said loan facilities from Dalian Hesheng.

REASONS AND BENEFITS FOR PROVIDING FINANCIAL ASSISTANCE

The Directors consider that it is in the interest of Glorious Yangguang to enter into the New No. 200 Land Pledge and the Guarantee to facilitate the financing process of Dalian Hesheng.

The terms of the New No. 200 Land Pledge and the Guarantee were negotiated on an arm's length basis, and the Directors are of the view that the terms of the New No. 200 Land Pledge and the Guarantee are similar to those requested by other banks and are on normal commercial terms. In light of the above reasons, the Directors (including the independent non-executive Directors) consider that the New No. 200 Land Pledge and the Guarantee, and their terms are fair and reasonable and are in the interest of the Company and its shareholders as a whole.

None of the Directors has a material interest in the New No. 200 Land Pledge and the Guarantee or is required to abstain from voting from the board resolutions for considering and approving the same pursuant to the articles of association of the Company.

LISTING RULES IMPLICATIONS

Glorious Yangguang is a subsidiary of the Company and is indirectly owned as to 70% by the Group and as to 30% by Dalian Hesheng. Dalian Hesheng, being a substantial shareholder of Glorious Yangguang, is a connected person of the Company under Chapter 14A of the Listing Rules. Therefore, the New No. 200 Land Pledge and the Guarantee constitute connected transactions of the Company in a form of provision of financial assistance to connected person.

As one or more of the applicable percentage ratios in respect of the maximum aggregate secured amount under the New No. 200 Land Pledge and the Guarantee exceed 1% but are less than 5%, pursuant to Rule 14A.66(2) of the Listing Rules, the New No. 200 Land Pledge and the Guarantee are only subject to the annual review, reporting, announcement requirements and are exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

Since the New No. 200 Land Pledge and the Guarantee were only provided to the legal and compliance team of the Company on 16 December 2011, the Company has endeavoured to release an announcement pursuant to Chapter 14A of the Listing Rules as soon as possible. Going forward the Company shall endeavor to strengthen internal communication amongst different teams of the Group.

INFORMATION ON THE GROUP AND THE COUNTERPARTIES

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 cities across the PRC, namely Shanghai, Tianjin, Beijing, Hefei, Shenyang, Harbin, Wuxi, Suzhou, Dalian, Nanjin, Changchun and Nantong. Glorious Yangguang is an indirect 70%-owned subsidiary of the Company and is principally engaged in investment holding.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, Shengjing Bank is a company established under the laws of the PRC. Shengjing Bank is primarily engaged in the business of provision of banking and financial services. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, Shengjing Bank and its ultimate beneficial owner(s) are third parties independent of the Company and its connected persons.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, Dalian Hesheng is a company established under the laws of the PRC. Dalian Hesheng is primarily engaged in project investment and general trading.

DEFINITIONS

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

“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
“Dalian Hesheng”	大連和升控股集團有限公司 (Dalian Hesheng Holding Group Co., Ltd.*), a company established under the laws of the PRC
“Entrusted Loan”	The RMB500,000,000 loan made available by Huarong Trust to Dalian Hesheng for a period from 11 August 2010 to 6 February 2012 with an fixed interest rate of 9.5% per annum
“Glorious Yangguang”	恒盛陽光鑫地(大連)置業有限公司 (Glorious Yangguang Xindi (Dalian) Property Development Co., Ltd.*) (formerly known as 中城建(大連)房地產開發有限公司 (Zhong Cheng Jian (Dalian) Real Estate Development Co., Ltd.*), a company established under the laws of the PRC and an indirect 70%-owned subsidiary of the Company
“Group”	the Company and its subsidiaries
“Guarantee”	the guarantee dated 15 December 2011 entered into by Glorious Yangguang in favour of Dalian Branch of Shengjing Bank in respect of the loan facilities with a principal amount not exceeding RMB240,000,000
“Huarong Trust”	華融國際信託有限公司 (Huarong International Trust Limited Co., Ltd.*), a limited company established under the laws of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“New No. 200 Land Pledge”	the land pledge agreement dated 15 December 2011 entered into by Glorious Yangguang in favour of Dalian Branch of Shengjing Bank in respect of the Letter of Credit

“No. 200 Land Pledge”	the land pledge agreement dated 11 August 2010 entered into by Glorious Yangguang in favour of Huarong Trust in respect of the Entrusted Loan
“PRC”	the People’s Republic of China (excluding, for the purpose of this announcement, the Hong Kong Special Administrative Region of the People’s Republic of China, the Macao Special Administrative Region of the People’s Republic of China and Taiwan)
“RMB”	Renminbi, the lawful currency of the PRC
“Shengjing Bank”	Shengjing Bank (盛京銀行股份有限公司), a company established under the laws of the PRC

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

Hong Kong, 16 December 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.

* *For identification purpose only.*