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)

ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2010

The board of directors (the "Board") of Glorious Property Holdings Limited (the "Company") is pleased to announce the consolidated results of the Company and its subsidiaries (together, the "Group") for the year ended 31 December 2010 ("2010 Annual Results"). The 2010 Annual Results have been reviewed by the audit committee of the Company (the "Audit Committee") and approved by the Board on 23 March 2011.

- In 2010, the Group realised contracted sales of RMB12,680.3 million, representing an increase of 89.1% over last year.
- Revenue was RMB7,114.0 million, representing an increase of 15.3% over last year, and total GFA sold and delivered was 0.5 million square meters. Gross profit margin was 48.1%.
- In contrast to the significant increase in total contract sales, selling and marketing expenses only rose 30.3% to RMB197.1 million over last year.
- For the year ended 31 December 2010, profit attributable to the Company's equity holders was RMB3,608.6 million, representing an increase of 52.5% over last year.
- Diluted earnings per share were RMB0.46.

OVERALL RESULTS

For the year ended 31 December 2010, the Group recorded consolidated revenue of RMB7,114.0 million, representing a growth of 15.3% compared to RMB6,171.1 million in 2009. The Group's profit attributable to equity holders for the year ended 31 December 2010 was RMB3,608.6 million, representing an increase of 52.5% compared to RMB2,366.1 million for 2009. Profit attributable to the equity holders for the year ended 31 December 2010, excluding the fair value gain of investment properties and the related tax effect, amounted to RMB1,769.2 million, representing a growth of 10.9% from RMB1,595.9 million for 2009.

Earnings per share for the year ended 31 December 2010 were RMB0.46, representing an increase of 21.1% compared to RMB0.38 per share in 2009.

The Board has resolved not to recommend for shareholders' approval at its forthcoming annual general meeting on 20 May 2011 the payment of a final dividend for the year ended 31 December 2010.

BUSINESS REVIEW

In 2010, the contracted sales of the Group was RMB12,680 million, representing an increase of 89.1% over the same period last year, while contracted sales area totaled 1,146,851 sq.m., up 74.5% from the same period last year. During the period under review, the sales of the Group's projects performed well, especially in the second-tier and third-tier cities including Nantong, Hefei, Shenyang and Harbin. It was mainly due to the Group's sales and promotion effort in the second-tier and third-tier cities and the Group speeded up the construction progress which enabled more projects in second-tier and third-tier cities to obtain pre-sale permits in the period under review. As a result, the sales amount in second-tier and third-tier cities increased from RMB2,624 million in 2009 to RMB5,980 million in 2010, representing an increase of 127.9%.

In 2011, the Group plans to launch 20 projects in the four regions which the Group's projects are located, namely the Shanghai region, Yangtze River Delta, Pan Bohai Rim and Northeast China, including Shanghai Bay, Royal Lakefront in the Shanghai region; Nantong Royal Bay, Nantong Villa Glorious, Hefei Villa Glorious and Hefei Royal Garden in Yangtze River Delta; Sunshine Bordeaux, Tianjian Royal Bay Seaside and Tianjin Royal Bay Lakeside in Pan Bohai Rim; and Harbin Villa Glorious, Sunny Town and Changchun Villa Glorious in Northeast China. Therefore, the Group's contracted sales contribution will be relatively well balanced in the four regions in 2011.

Contracted sales and gross floor area ("GFA") sold by cities in 2009 and 2010 are set out below:

City	**2010 GFA Sold sq.m.**	**Contracted Sales Amount RMB'000**	2009 GFA Sold sq.m.	Contracted Sales Amount RMB'000
Shanghai	**242,448**	**5,723,574**	100,279	2,937,390
Beijing	**83,881**	**976,836**	93,321	1,142,956
Tianjin	**38,533**	**363,346**	85,535	659,607
Nantong	**284,166**	**2,272,735**	—	—
Hefei	**178,726**	**1,113,232**	47,867	245,781
Wuxi	**19,075**	**131,964**	124,441	601,952
Suzhou	**—**	**—**	16,347	115,730
Shenyang	**98,188**	**561,677**	80,592	351,796
Harbin	**201,834**	**1,536,909**	108,848	648,941
Total	**1,146,851**	**12,680,273**	657,230	6,704,153

As for land bank replenishment, the Group continued to replenish land bank through various channels. In 2010, the acquired lands were distributed in locations with good economic foundations and high development potential. In 2010, the Group acquired a total of 6 land parcels in five cities, including Changchun, Beijing, Hefei, Harbin and Dalian. Changchun and Dalian were the two cities that the Group newly entered. Total consideration and GFA for the land acquisitions in 2010 was RMB3,087 million and 2,456,593 sq.m. respectively, and the average land cost was RMB1,257 per sq.m..

As at 31 December 2010, the total land bank of the Group stood at 19.15 million sq.m., sufficient to meet its development needs in the coming five to seven years. The low-cost land bank of RMB1,270 per sq.m. provides the Group with a strong foundation for sustaining higher profit margins in the years to come. The Group's existing land bank is distributed over first-tier, second-tier and third-tier cities, of which 23% is in first-tier cities, including Shanghai and Beijing; while 77% is in second-tier and third-tier cities. The strategic distribution of the Group's land bank will facilitate its long-term development.

FUTURE OUTLOOK

In 2011, the global economy is expected to continue recovering in an unbalanced manner and affected by issues such as quantitative easing monetary policies, surplus liquidity and inflation. The economy of the United States will continue to recover, although the unemployment rate will still be hovering at high levels. The sovereign debt crisis in Europe is expected to be lessen, but there are still chances of recurrence in future, which will pose a potential threat to the recovery of global economy and the stability of financial markets.

In the PRC, it is expected the PRC government will persist to strengthen the macroeconomic control efforts. The PRC government implemented new measures since January this year, which will result in greater uncertainties to the market and more fluctuations in the housing prices and volume. It is expected that the real estate market in PRC will still be in a steady and healthy situation.

2011 is the year of beginning for the implementation of the “12th Five-Year Plans” of the PRC government. With the further acceleration of industrialization and urbanization, it will provide a strong demand for the development of real estate business. The reforms on property tax, social welfare housing policies, and the plans to significantly increase land supply will contribute to the long-term and stable development of the real estate industry.

In 2011, the sales strategy of the Group will follow closely to the market, and utilize active and flexible sales strategies to promote sales growth. According to the different characteristics of the real estate market between the first-tier cities and the second-tier and third-tier cities, the Group will adopt focused and differentiated marketing strategies.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

RMB'000	Note	Year ended 31 December **2010**	2009
Revenue	2	**7,114,025**	6,171,127
Cost of sales		**(3,694,934)**	(3,201,760)
Gross profit		**3,419,091**	2,969,367
Other income	3	**803,239**	27,366
Other gains, net	4	**2,410,578**	1,218,817
Selling and marketing expenses		**(197,133)**	(151,333)
Administrative expenses		**(421,057)**	(351,397)
Finance costs		**(3,750)**	(27,068)
Share of profit of an associate		**1,351**	—
Share of loss of a jointly controlled entity		**(50,090)**	—
Profit before income tax		**5,962,229**	3,685,752
Income tax expenses	5	**(2,353,451)**	(1,319,608)
Profit for the year		**3,608,778**	2,366,144
Profit for the year attributable to:			
– the Company's equity holders		**3,608,552**	2,366,144
– non-controlling interests		**226**	—
		3,608,778	2,366,144
Other comprehensive income:			
Gain/loss recognised directly in equity		**—**	—
Total comprehensive income for the year		**3,608,778**	2,366,144
Total comprehensive income for the year attributable to:			
– the Company's equity holders		**3,608,552**	2,366,144
– non-controlling interests		**226**	—
		3,608,778	2,366,144
Earnings per share for profit attributable to the Company's equity holders (expressed in RMB per share)			
– Basic	6	**0.46**	0.38
– Diluted	6	**0.46**	0.38
Dividend	7	**—**	233,779
Dividend per share (expressed in RMB per share)	7	**—**	0.03

CONSOLIDATED BALANCE SHEET

RMB'000	Note	As at 31 December 2010	2009
ASSETS			
Non-current assets			
Property, plant and equipment		**573,753**	497,653
Investment properties		**7,223,208**	2,485,200
Intangible asset		**3,360**	2,087
Investment in an associate		**5,851**	4,500
Investment in a jointly controlled entity		**29,910**	—
Deferred income tax assets		**201,167**	202,970
		8,037,249	3,192,410
Current assets			
Properties under development		**16,791,838**	11,130,003
Completed properties held for sale		**1,989,004**	1,390,132
Inventories		**6,636**	6,165
Trade and other receivables and prepayments	8	**7,672,916**	4,538,191
Amount due from a jointly controlled entity		**1,903,472**	—
Prepaid taxes		**89,706**	58,430
Restricted cash		**1,683,880**	1,039,058
Cash and cash equivalents		**4,151,420**	5,013,296
		34,288,872	23,175,275
Total assets		**42,326,121**	26,367,685
EQUITY			
Capital and reserves attributable to the Company's equity holders			
Share capital		**68,745**	68,745
Share premium		**7,822,982**	7,822,982
Reserves		**6,907,191**	3,462,125
		14,798,918	11,353,852
Non-controlling interests		**493,051**	492,825
Total equity		**15,291,969**	11,846,677

RMB'000	Note	As at 31 December **2010**	2009
LIABILITIES			
Non-current liabilities			
Borrowings	9	**7,780,952**	5,041,084
Deferred income tax liabilities		**1,212,088**	486,037
Obligation under finance lease		**17,232**	17,074
		9,010,272	5,544,195
Current liabilities			
Advanced proceeds received from customers		**6,565,180**	3,627,603
Trade and other payables	10	**2,458,068**	1,871,174
Income tax payable		**2,994,321**	1,670,365
Borrowings	9	**6,005,443**	1,806,860
Obligation under finance lease		**868**	811
		18,023,880	8,976,813
Total liabilities		**27,034,152**	14,521,008
Total equity and liabilities		**42,326,121**	26,367,685
Net current assets		**16,264,992**	14,198,462
Total assets less current liabilities		**24,302,241**	17,390,872

NOTES:

1 BASIS OF PREPARATION

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). The consolidated financial statements have been prepared in accordance with the HKFRSs under the historical cost convention, as modified by the revaluation of investment properties and financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss.

(i) Change in accounting policy

- Investment in a jointly controlled entity

  For the preparation of the condensed consolidated financial information for the six months ended 30 June 2010, the Group adopted the proportionate consolidation method as set out in HKAS 31 "Interests in Joint Ventures" for the recognition of interest in a jointly controlled entity. The Board of Directors of the Company considered that the use of proportionate consolidation method better reflected the substance and economic reality of the Group's interest in such jointly controlled entity and presented more reliable and relevant information of the Group.

  The HKICPA has published Exposure Draft ("ED") 9 "Joint Arrangements", which proposes to eliminate the choice of proportionate consolidation as a method to account for an entity's investment in a jointly controlled entity. For the purpose of consistently apply the same method of accounting in respect of the investment in the jointly controlled entity, the Group has changed its accounting policy to equity method. The change in accounting policy has no impact on the retained earnings as at 1 January 2009 and 31 December 2009 and the profits for the current and prior years.

- Land use right

  In the current year, the Group changed its accounting policy of land use rights included in properties held for/under development and completed properties held for sale. These land use rights meet the definition of both inventories under HKAS 2 "Inventories" and leasehold land under HKAS 17 "Leases". Previously, these land use rights were classified as prepaid operating leases which were amortised on a straight-line basis over the period of the lease in accordance with HKAS 17. Such amortisation was capitalised as part of the cost of properties under development during the course of development. With the change of the accounting policy, these land use rights are classified as inventories in accordance with HKAS 2 and are measured at the lower of cost and net realisable value.

  Management believes that the classification of land use rights as inventories can result in a more relevant presentation of the financial position of the Group, and of its performance for the year. The revised treatment reflects management's intent regarding the use of the land use rights and results in a presentation consistent with industry practice. The change in accounting policy has no material impact on the retained earnings as at 1 January 2009 and 31 December 2009, and the profit for the current and prior years.

(ii) New and amended standards adopted by the Group

The HKICPA has issued certain new standards and amendments which are effective for accounting periods beginning on or after 1 January 2010, which are mandatory for the first time for the financial year beginning 1 January 2010.

- HKFRS 3 (revised), "Business combinations", and consequential amendments to HKAS 27, "Consolidated and separate financial statements", HKAS 28, "Investments in associates", and HKAS 31, "Interests in joint ventures", are effective prospectively to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1 July 2009.

  The revised standard continues to apply the acquisition method to business combinations but with some significant changes compared with HKFRS 3. For example, all payments to purchase a business are recorded at fair value at the acquisition date, with contingent payments classified as debt subsequently re-measured through the statement of comprehensive income. There is a choice on an acquisition-by-acquisition basis to measure the non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets. All acquisition-related costs are expensed.

  HKAS 27 (revised) requires the effects of all transactions with non-controlling interests to be recorded in equity if there is no change in control and these transactions will no longer result in goodwill or gains and losses. The standard also specifies the accounting when control is lost. Any remaining interest in the entity is re-measured to fair value, and a gain or loss is recognised in profit or loss. HKAS 27 (revised) has had no impact on the current year, as none of the non-controlling interests have a deficit balance; there have been no transactions whereby an interest in an entity is retained after the loss of control of that entity, and there have been no transactions with non-controlling interests.

- HKAS 17 (amendment), "Leases", deletes specific guidance regarding classification of leases of land, so as to eliminate inconsistency with the general guidance on lease classification. As a result, leases of land should be classified as either finance or operating lease using the general principles of HKAS 17, i.e. whether the lease transfers substantially all the risks and rewards incidental to ownership of an asset to the lessee. Prior to the amendment, land interest which title is not expected to pass to the Group by the end of the lease term was classified as operating lease under "Land use rights", and amortised over the lease term.

  The amendment has been applied retrospectively for annual periods beginning 1 January 2010 in accordance with the effective date and transitional provisions of the amendment. The Group has reassessed the classification of unexpired land use rights as at 1 January 2010 on the basis of information existing at the inception of those leases, and considered the leasehold land in the PRC remained as operating lease. As a result of the reassessment, the Group has not reclassified any leasehold land from operating lease to finance lease.

- HK Int-5 – The HKICPA issued on 29 November 2010 HK Interpretation 5 “Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause”. This Interpretation, as a clarification of an existing standard, is effective immediately. According to the Interpretation, the classification of a term loan in accordance with paragraph 69(d) of HKAS 1 shall depend on whether or not the borrower has an unconditional right to defer payment for at least twelve months after the reporting period. Consequently, amounts repayable under a loan agreement which includes a clause that gives the lender the unconditional right to call the loan at any time shall be classified by the borrower as current in its balance sheet. This Interpretation did not have a material impact on the Group’s consolidated financial statements.

(iii) Standards, amendments and interpretations that are not yet effective and have not been early adopted by the Group

The following standards, amendments and interpretations have been published and are mandatory for the accounting periods beginning on or after 1 January 2011 or later periods, and the Group has not early adopted:

HKFRS 9	Financial Instruments
HKAS 12 (amendment)	Income taxes
HKAS 24 (Revised)	Related Party Disclosures
HKAS 32 Amendment	Financial Instruments: Presentation in Classification of Rights Issues
HK (IFRIC)-Int 14 (Amendment)	Prepayments of a Minimum Funding Requirement
HK (IFRIC)-Int 19	Extinguishing Financial Liabilities with Equity Instruments
Improvements to HKFRSs 2010	

The Group has already commenced an assessment of the impact of these new HKFRSs but is not yet in a position to state whether these new HKFRSs would have a significant impact on its results of operations and financial position.

2 SEGMENT INFORMATION

The Board of Directors considers the business from geographical perspective and assesses the performance of property development in four reportable operating segments, namely Shanghai, Yangtze River Delta (excluding Shanghai), Pan Bohai Rim and Northeast China.

RMB'000	Shanghai	Yangtze River Delta (excluding Shanghai)	Pan Bohai Rim	Northeast China	All other segments	Total
Year ended 31 December 2010						
Total revenue	**3,867,240**	**249,370**	**1,900,206**	**1,310,163**	**—**	**7,326,979**
Inter-segment revenue	**(212,954)**	**—**	**—**	**—**	**—**	**(212,954)**
Revenue (from external customers)	**3,654,286**	**249,370**	**1,900,206**	**1,310,163**	**—**	**7,114,025**
Segment results	**2,257,301**	**(5,263)**	**684,981**	**245,278**	**(387,449)**	**2,794,848**
Depreciation and amortisation	**(6,625)**	**(1,704)**	**(2,663)**	**(749)**	**(480)**	**(12,221)**
Fair value changes of investment properties	**2,452,402**	**—**	**—**	**—**	**—**	**2,452,402**
Grant income	**—**	**—**	**—**	**—**	**665,160**	**665,160**
Interest income	**85,409**	**3,497**	**3,154**	**1,921**	**5,577**	**99,558**
Finance costs	**(2,430)**	**(672)**	**(447)**	**(171)**	**(30)**	**(3,750)**
Income tax expenses	**(1,858,220)**	**294**	**(253,368)**	**(75,867)**	**(166,290)**	**(2,353,451)**
Year ended 31 December 2009						
Total revenue	4,361,811	730,777	983,959	101,559	—	6,178,106
Inter-segment revenue	(6,979)	—	—	—	—	(6,979)
Revenue (from external customers)	4,354,832	730,777	983,959	101,559	—	6,171,127
Segment results	2,346,477	67,952	220,653	(23,378)	(115,713)	2,495,991
Depreciation and amortisation	(9,622)	(1,488)	(2,302)	(968)	(209)	(14,589)
Fair value changes of investment properties	1,026,985	—	—	—	—	1,026,985
Interest income	1,364	862	826	243	2,409	5,704
Finance costs	(23,882)	(2,154)	(818)	(200)	(14)	(27,068)
Income tax expenses	(1,205,580)	(17,643)	(103,058)	6,673	—	(1,319,608)

RMB'000	Shanghai	Yangtze River Delta (excluding Shanghai)	Pan Bohai Rim	Northeast China	All other segments	Elimination	Total
As at 31 December 2010							
Total segment assets	**24,253,724**	**19,408,164**	**6,272,495**	**4,288,017**	**9,296,739**	**(24,218,153)**	**39,300,986**
Total segment assets include:							
Investment in an associate	**5,851**	**—**	**—**	**—**	**—**	**—**	**5,851**
Investment in a jointly controlled entity	**29,910**	**—**	**—**	**—**	**—**	**—**	**29,910**
Deferred income tax assets							**201,167**
Other unallocated corporate assets							**2,823,968**
Total assets							**42,326,121**
As at 31 December 2009							
Total segment assets	13,202,524	10,239,052	6,173,669	2,317,958	8,867,847	(16,792,627)	24,008,423
Total segment assets include:							
Investment in an associate	4,500	—	—	—	—	—	4,500
Deferred income tax assets							202,970
Other unallocated corporate assets							2,156,292
Total assets							26,367,685

RMB'000	**2010**	2009
Segment results	**2,794,848**	2,495,991
Fair value changes of investment properties	**2,452,402**	1,026,985
Grant income	**665,160**	—
Depreciation and amortisation	**(12,221)**	(14,589)
(Loss)/gain on redemption/extinguishment of a financial liability	**(33,768)**	198,729
Operating profit	**5,866,421**	3,707,116
Interest income	**99,558**	5,704
Finance costs	**(3,750)**	(27,068)
Profit before income tax	**5,962,229**	3,685,752
Additions to:		
– Property, plant and equipment	**93,618**	116,002
– Investment properties	**169,068**	52,511
– Intangible assets	**1,800**	2,500

Analysis of revenue by category

RMB'000	**2010**	2009
Sales of properties	**7,109,960**	6,163,793
Others	**4,065**	7,334
Total	**7,114,025**	6,171,127

3 OTHER INCOME

RMB'000	**2010**	2009
Interest income from banks	**18,526**	5,704
Interest income from a jointly controlled entity	**81,032**	—
Grant income (a)	**665,160**	—
Rental income	**30,961**	20,513
Others	**7,560**	1,149
	803,239	27,366

(a) The amount represented the grant income from the local government authorities as an appreciation of the Group's contribution.

4 OTHER GAINS, NET

RMB'000	**2010**	2009
Fair value changes of investment properties	**2,452,402**	1,026,985
(Loss)/gain on redemption/extinguishment of a financial liability	**(33,768)**	198,729
Exchange losses, net	**(8,056)**	(6,897)
	2,410,578	1,218,817

5 INCOME TAX EXPENSES

RMB'000	2010	2009
Current income tax		
– PRC corporate income tax	**598,699**	460,619
– PRC land appreciation tax	**1,026,898**	722,039
	1,625,597	1,182,658
Deferred income tax		
– Origination and reversal of temporary differences	**727,854**	136,950
	727,854	136,950
	2,353,451	1,319,608

PRC corporate income tax is provided at the rate of 25% for each of the years ended 31 December 2009 and 2010 of the profits for the PRC statutory financial reporting purpose, adjusted for those items, which are not assessable or deductible for the PRC corporate income tax purpose.

No Hong Kong profits tax has been provided for the years ended 31 December 2009 and 2010 as there is no assessable profit for these years.

PRC land appreciation tax ("LAT") is levied at progressive rates ranging from 30% to 60% on the appreciation of land value, being the proceeds of sales of properties less deductible expenditures including lease charges of land use rights and all property development expenditures, which is included in the consolidated statement of comprehensive income as income tax. The Group has estimated the tax provision for LAT according to the requirements set forth in the relevant PRC tax laws and regulations. The actual LAT liabilities are subject to the determination by the tax authorities upon completion of the property development projects and the tax authorities might disagree with the basis on which the provision for LAT is calculated.

6 EARNINGS PER SHARE

(a) Basic

Basic earnings per share is calculated by dividing the profit attributable to the equity holders of the Company by the weighted average number of ordinary shares in issue during the year.

	Year ended 31 December	
RMB'000	**2010**	2009
Profit attributable to the Company's equity holders	**3,608,552**	2,366,144
Weighted average number of ordinary shares in issue (thousands) (i)	**7,792,646**	6,201,711

(i) The newly issued shares of 5,525,000,000 under the capitalisation on 9 September 2009 are adjusted in the weighted average number of ordinary shares in issue as if the issue had occurred at the beginning of the earliest period reported.

(b) Diluted

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. For the year ended 31 December 2009 and 2010, the Company only has share options that have dilutive potential ordinary shares.

	Year ended 31 December	
	2010	2009
Earnings (RMB'000)		
Profit attributable to the Company's equity holders	**3,608,552**	2,366,144
Number of Shares		
Weighted average number of ordinary shares in issue (thousands)	**7,792,646**	6,201,711
Adjustment for share options (thousands)	**27,237**	10,626
Weighted average number of ordinary shares for diluted earnings per share (thousands)	**7,819,883**	6,212,337

7 DIVIDEND

RMB'000	Year ended 31 December **2010**	2009
Proposed final dividend (2009: paid of RMB0.03 per ordinary share)	**—**	233,779

The Board has resolved not to recommend for shareholders' approval at its forthcoming annual general meeting on 20 May 2011 the payment of a final dividend for the year ended 31 December 2010.

8 TRADE AND OTHER RECEIVABLES AND PREPAYMENTS

RMB'000	As at 31 December **2010**	2009
Trade receivables due from third parties (a)	**549,951**	215,991
Other receivables due from third parties	**220,056**	383,393
Prepayments:	**6,902,909**	3,938,807
Related parties	**1,317,199**	1,495,659
Third parties	**5,585,710**	2,443,148
	7,672,916	4,538,191

(a) Trade receivables are mainly arisen from sales of properties. Proceeds in respect of sales of properties are to be received in accordance with the terms of the related sales and purchase agreements and customers are generally required to settle the receivables within 30 days after the date of signing the sales and purchase agreements. The ageing analysis of trade receivables at the balance sheet dates by due date is as follows:

RMB'000	2010	2009
Not yet due	**—**	10,594
Within 6 months	**533,699**	201,292
Between 7 and 12 months	**2,520**	2,438
Between 13 months and 3 years	**13,732**	1,667
	549,951	215,991

9 BORROWINGS

RMB'000	As at 31 December **2010**	 2009
Borrowings included in non-current liabilities:		
Bank borrowings - secured	**5,811,335**	2,970,149
Shanghai Bay Arrangement - secured	**—**	2,070,935
Senior Notes due 2015 - secured	**1,969,617**	—
	7,780,952	5,041,084
Borrowings included in current liabilities:		
Bank borrowings - secured	**3,918,435**	1,161,388
Shanghai Bay Arrangement – secured	**2,087,008**	—
Promissory Notes - secured	**—**	447,034
Other borrowings - unsecured	**—**	198,438
	6,005,443	1,806,860
Total borrowings	**13,786,395**	6,847,944

The maturities of the Group's total borrowings at the balance sheet date are as follows:

RMB'000	As at 31 December **2010**	 2009
Within 1 year	**6,005,443**	1,806,860
After 1 and within 2 years	**3,465,631**	3,555,529
After 2 and within 5 years	**3,754,548**	939,606
After 5 years	**560,773**	545,949
	13,786,395	6,847,944

10 TRADE AND OTHER PAYABLES

RMB'000	As at 31 December **2010**	 2009
Trade payables (a):	**1,458,718**	707,339
Related parties	**5,510**	44,057
Third parties	**1,453,208**	663,282
Other payables due to third parties	**906,214**	1,076,845
Other taxes payable	**93,136**	86,990
	2,458,068	1,871,174

(a) The ageing analysis of trade payables at the balance sheet date is as follows:

RMB'000	As at 31 December **2010**	 2009
Within 6 months	**1,215,891**	611,388
Between 7 and 12 months	**97,651**	36,734
Between 13 months and 5 years	**145,176**	59,217
	1,458,718	707,339

FINANICAL REVIEW

For the year ended 31 December 2010, the Group recorded consolidated revenue of RMB7,114.0 million, representing a growth of 15.3% compared to RMB6,171.1 million in 2009. The higher revenue in 2010 was mainly driven by the higher average selling price of RMB14,071 per sq.m. in 2010 compared to RMB10,802 per sq.m. in 2009. During the current year, the Group delivered properties of 505,295 sq.m., as compared to 570,597 sq.m. for the year ended 31 December 2009. Shanghai Bay (Phase 1) was completed in December 2009 and continued to contribute revenue to the Group in 2010 with an average selling price of RMB43,723 per sq.m., and contributed 45.1% of the Group's total revenue for the year ended 31 December 2010. Other new projects, including Royal Mansion in Beijing, Royal Lakefront in Shanghai and Harbin Villa Glorious, started to contribute revenue for the Group in 2010 and the revenue from these new projects accounted for 32.4% of the Group's total revenue in 2010.

The Group's consolidated gross profit for 2010 was RMB3,419.1 million, representing an increase of 15.1% from a gross profit of RMB2,969.4 million in 2009. The increase in consolidated gross profit was mainly due to the increase in revenue in 2010. The Group's gross profit margin was 48.1% for both of the years ended 31 December 2009 and 2010.

Other income for the year ended 31 December 2010 was RMB803.2 million, which mainly included a grant income from the local government authorities of RMB665.2 million (2009: Nil) as an appreciation of the Group's contribution. Other income also included interest income of RMB81.0 million (2009: Nil) from a jointly controlled entity.

Other gains, net for the year ended 31 December 2010 were RMB2,410.6 million, which were primarily due to a fair value gain on the Group's investment properties of RMB2,452.4 million (2009: RMB1,027.0 million) and a loss on redemption of RMB33.8 million in connection with the early redemption of the Promissory Notes (2009: gain on extinguishment of a financial liability of RMB198.7 million).

The Group's profit before income tax for the year ended 31 December 2010 was RMB5,962.2 million, representing an increase of 61.8% compared to RMB3,685.8 million for 2009. The higher profit before income tax for 2010 was primarily due to higher fair value gain from investment properties and the grant income recorded in 2010.

Income tax expenses for the year ended 31 December 2010 were RMB2,353.5 million, representing an increase of 78.3% as compared to RMB1,319.6 million for 2009. The increase was primarily due to the increase in pre-tax income in current year as a result of the higher gross profit and the higher fair value gain on the Group's investment properties. The effective income tax rate was 39.5% for the year ended 31 December 2010, compared to 35.8% for 2009. The higher effective tax rate in 2010 was mainly due to the use of higher land appreciation tax rate as a result of higher average selling prices achieved for the properties delivered in 2010.

The Group's profit attributable to the Company's equity holders for the year ended 31 December 2010 was RMB3,608.6 million, representing an increase of 52.5% compared to RMB2,366.1 million for 2009. Profit attributable to the equity holders as a percentage of revenue was 50.7% for the year ended 31 December 2010, compared to 38.3% in 2009.

Current Assets and Liabilities

As at 31 December 2010, the Group held total current assets of approximately RMB34,288.9 million (2009: RMB23,175.3 million), comprising mainly properties under development, trade and other receivables and prepayments and cash and bank balances. Properties under development increased by 50.9% from RMB11,130.0 million as at 31 December 2009 to RMB16,791.8 million as at 31 December 2010, mainly attributable to the continuous progress of the Group's property development projects in 2010 and an increase in the number of projects under construction. Trade and other receivables and prepayments increased by 69.1% from RMB4,538.2 million as at 31 December 2009 to RMB7,672.9 million as at 31 December 2010, mainly due to higher balance of prepayment for land premium as at 31 December 2010 whereby the relevant land use right certificates had yet to be obtained as at 31 December 2010. Total cash and bank balances slightly decreased from RMB6,052.4 million as at 31 December 2009 to RMB5,835.3 million as at 31 December 2010.

Total current liabilities as at 31 December 2010 amounted to RMB18,023.9 million, compared with RMB8,976.8 million as at 31 December 2009, which was mainly due to an increase in advanced proceeds from customers during the current year and an increase in borrowings as certain of the Group's long-term debts are becoming due for repayment in 2011.

As at 31 December 2010, the current ratio (calculated as the total current assets divided by the total current liabilities) was 1.9 (2009: 2.6). The decrease in the current ratio in 2010 was mainly due to higher level of current borrowings.

Liquidity and Financial Resources

During the year of 2010, the Group funded its property development projects principally from proceeds from pre-sales of properties, bank loans, debt financing and proceeds from the listing of the shares of the Company on The Stock Exchange of Hong Kong Limited.

As at 31 December 2010, the Group had cash and cash equivalents of RMB4,151.4 million as compared to RMB5,013.3 million as at 31 December 2009. The Group's total borrowings amounted to RMB13,786.4 million, representing an increase of 101.3% compared to RMB6,847.9 million as at 31 December 2009. The Group monitors its capital on the basis of the gearing ratio. Gearing ratio is calculated as net debt divided by total equity attributable to the Company's equity holders. Net debt is calculated as total borrowings less cash and bank balances (including cash and cash equivalents and restricted cash). The gearing ratios as at 31 December 2010 and 2009 were as follows:

RMB'000	**2010**	2009
Total borrowings	**13,786,395**	6,847,944
Less: cash and bank balances	**(5,835,300)**	(6,052,354)
Net debt	**7,951,095**	795,590
Total equity attributable to the Company's equity holders	**14,798,918**	11,353,852
Gearing ratio	**53.7%**	7.0%

The increase in gearing ratio for 2010 was resulted from the increase in the Group's borrowings in the current year to finance the payment of land premium and construction expenditures.

Pledge of Assets

As at 31 December 2010, the Group had construction in progress, investment properties, properties under development and completed properties held for sale of an aggregate carrying value of RMB7,507.0 million (2009: RMB6,750.7 million) which had been pledged for the Group's borrowings. Besides, the Group had also pledged the equity interest of certain of its subsidiaries and a jointly controlled entity for its borrowings.

As at 31 December 2010, there was no properties under development of the Group being pledged as collateral for third party companies' borrowings (2009: RMB193.4 million).

Financial Guarantee

The Group has arranged bank financing for certain purchasers of the Group's property units and provided guarantees to secure the repayment obligations of such purchasers. As at 31 December 2010, the amount of outstanding guarantees for mortgages was RMB4,389.5 million (2009: RMB2,749.8 million).

EMPLOYEES

As at 31 December 2010, the Group had approximately 1,192 employees. Salaries of employees are maintained at competitive levels while bonuses are granted on a discretionary basis. Other employee benefits include provident fund, insurance, medical cover as well as share option scheme.

In order to attract, retain and motivate executives and key employees serving any members of the Group or other persons contributing to the Group, the Company adopted a share option scheme (the "Share Option Scheme") on 9 September 2009 in addition to a pre-IPO share option scheme (the "Pre-IPO Share Option Scheme") which was adopted by the Company on the same day. As at 31 December 2010, there were 78,000,000 share options that were granted to the directors and employees of the Company under the Pre-IPO Share Option Scheme and remained outstanding. As at 31 December 2010, there was no share option being granted under the Share Option Scheme.

CORPORATE GOVERNANCE

Corporate Governance Practices

During the year ended 31 December 2010, the Company had complied with the applicable code provisions of the Code on Corporate Governance Practices as set out in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"), save for the deviation under the code provision E.1.2 which stipulates that the chairman of the board should attend the annual general meeting. The chairman of the Board did not attend the annual general meeting of the Company held on 31 May 2010 ("AGM") due to other business engagements. The vice chairman of the Company attended and chaired the AGM and answered shareholders' questions.

Directors' Securities Transactions

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Listing Rules as its own code of conduct regarding securities transactions by the directors of the Company (the "Directors"). All Directors have confirmed, following specific enquiries being made by the Company, that they have complied with the required standard set out in the Model Code during the year ended 31 December 2010.

AUDIT COMMITTEE

The Audit Committee was established on 9 September 2009 with written terms of reference, and comprises four independent non-executive Directors, namely, Mr. Yim Ping Kuen (chairman of the Audit Committee), Mr. Liu Shun Fai, Mr. Wo Rui Fang and Mr. Han Ping (appointed on 30 August 2010).

The Audit Committee has reviewed with management the 2010 Annual Results and took the view that the Company was in full compliance with all applicable accounting standards and regulations and has made adequate disclosure.

ANNUAL GENERAL MEETING

The 2011 annual general meeting of the Company will be held at 10:00 a.m. on Friday, 20 May 2011 at Harbour View Ballroom II & III (Level 4), Four Seasons Hotel Hong Kong, 8 Finance Street, Central, Hong Kong.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Friday, 13 May 2011 to Friday, 20 May 2011 (both days inclusive), during which no transfer of shares will be effected. In order to qualify for attending the 2011 annual general meeting of the Company, all share transfers accompanied by the relevant share certificates must be lodged with the Company's share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, for registration not later than 4:30 p.m. on Thursday, 12 May 2011.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities during the year ended 31 December 2010.

PUBLICATION OF ANNUAL REPORT

The 2010 annual report of the Company containing all the applicable information required by the Listing Rules will be dispatched to the shareholders of the Company and published on the websites of the Stock Exchange at www.hkexnews.hk and the Company at www.gloriousphl.com.cn in due course.

By Order of the Board
Zhang Zhi Rong
Chairman

Hong Kong, 23 March 2011

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