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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: 00845)

INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2013

The board of directors (the "Board") of Glorious Property Holdings Limited (the "Company") announces the unaudited consolidated results of the Company and its subsidiaries (together, the "Group") for the six months ended 30 June 2013 ("2013 Interim Results"). The 2013 Interim Results have been reviewed by the audit committee of the Company (the "Audit Committee") and approved by the Board on 29 August 2013.

FINANCIAL HIGHLIGHTS

- Revenue increased by 120.0% to RMB2,953.1 million and the average selling price was RMB7,301 per sq.m..
- Profit attributable to shareholders increased by 35.2% to RMB224.7 million.
- Equity attributable to shareholders increased by 1.3% to RMB18,379.1 million.
- The Group achieved contracted property sales of RMB4,044.6 million. The contracted GFA sold was 343,935 sq.m..
- The total land bank of the Group was 15.8 million sq.m. and the average land cost was RMB1,309 per sq.m..

OVERALL RESULTS

For the six months ended 30 June 2013, the Group recorded consolidated revenue of RMB2,953.1 million, representing an increase of 120.0% compared to RMB1,342.2 million for the corresponding period in 2012. The Group's profit attributable to shareholders of the Group for the period under review was RMB224.7 million, representing an increase of 35.2% compared to RMB166.2 million for the first half of 2012. Profit attributable to shareholders of the Group for the six months ended 30 June 2013, excluding the fair value changes of investment properties and the related tax effect, amounted to RMB132.2 million, representing an increase of 0.4% from RMB131.6 million for the corresponding period in 2012.

Earnings per share for the six months ended 30 June 2013 was RMB0.03, representing an increase of 50.0% compared to RMB0.02 for the corresponding period in 2012.

The Board has resolved not to declare the payment of an interim dividend for the six months ended 30 June 2013 (Six months ended 30 June 2012: Nil).

MARKET REVIEW

During the period, the central government of China continued to implement austerity measures on the property market. At the end of February, the General Office of the State Council of the People's Republic of China promulgated the "Notice on Continuing the Regulation and Control of the Real Estate Market" (hereinafter abbreviated as the "New Rules") so as to reinforce its austerity measures which focused on restrictions in home purchase and mortgage to curb purchasing needs for investment and speculative purposes. And all regions were further requested to publish their respective annual target for the property prices. The implementation rules promulgated thereafter further stated that the down payment and mortgage rate for the second-home purchases would be increased in cities in which the property prices soared. The personal income tax on secondhand property would be levied at a stringent level of 20% from the difference between purchase prices and selling prices. Regional governments also introduced their implementation rules of "New Rules" respectively. The policy environment of austerity measures on the property market became more stable.

Under the circumstances that the austerity measures became stable gradually, major indicators for the development of the property industry recovered steadily during the first half of this year. From January to June, nationwide property sales amount and GFA sold reached a year-on-year ("YOY") increase of 43.2% and 28.7% respectively. The average residential selling price recorded a YOY increase of 12.0%, the newly commenced GFA achieved a YOY increase of 3.8% and the YOY increase of the land turnover was 7.5% (Source: National Bureau of Statistics of the People's Republic of China). Meanwhile, in response to the economic structure adjustment by the central government and under the influence of the external environment, the economic growth of China further declined. The Gross Domestic Product ("GDP") growth fell from 7.7% in the first quarter to 7.5% in the second quarter, experiencing YOY decreases in two consecutive quarters. To strike a balance between steady growth and the need for structure adjustment, the central government maintained a stable austerity measures over the property industry and did not issue more stringent administrative measures during the first half of the year.

During the period, the Group closely monitored changes of the market and accelerated the absorption rate of the inventory and current projects so as to speed up cash inflow. The Group fixed project prices reasonably and flexibly based on the latest trend in the market while dedicated to the development of exquisite projects for the market in order to better meet customers' demand, so as to achieve more sales.

BUSINESS REVIEW

1. Revenue

The Group recorded a consolidated revenue of RMB2,953.1 million in the first half of 2013, representing an increase of 120.0% compared to RMB1,342.2 million recorded in the first half of 2012. The delivered GFA increased to 404,453 sq.m. in the first half of 2013 from 85,688 sq.m. in the first half of 2012, representing an increase of 372.0%. The booked average selling price decreased by 53.4% from RMB15,663 per sq.m. in the first half of 2012 to RMB7,301 per sq.m. in the first half of 2013.

Six projects in first-tier cities such as Shanghai and Beijing accounted for 16.8% of the total revenue. 12 projects in second- and third-tier cities accounted for 83.2% of the total revenue. In the first half of 2013, 16.6% of revenue was contributed by projects in the Shanghai Region, 39.3% by projects in the Yangtze River Delta outside Shanghai, 10.2% by projects in the Pan Bohai Rim and 33.9% by projects in the Northeast China.

Projects sold and delivered during the six months ended 30 June 2013 included:

Projects sold and delivered	City	2013 Revenue (RMB'000)	2013 GFA sold and delivered (sq.m.)	2013 Average selling price recognised (RMB/sq.m.)	2012 Revenue (RMB'000)	2012 GFA sold and delivered (sq.m.)	2012 Average selling price recognised (RMB/sq.m.)
Sunshine Venice	Shanghai	**9,628**	**1,098**	**8,769**	16,395	645	25,419
Shanghai Park Avenue	Shanghai	**790**	**170**	**4,647**	918	170	5,400
Chateau De Paris	Shanghai	**416**	**92**	**4,522**	510	92	5,543
Shanghai Bay	Shanghai	**430,276**	**7,291**	**59,015**	581,881	8,605	67,621
Royal Lakefront	Shanghai	**47,990**	**3,413**	**14,061**	360,030	24,741	14,552
Sunshine Bordeaux	Beijing	**7,034**	**765**	**9,195**	35,650	4,572	7,797
Royal Mansion	Beijing	**–**	**–**	**N/A**	34,412	1,328	25,913
Sunshine Holiday	Tianjin	**–**	**–**	**N/A**	25,961	2,337	11,109
Tianjin Royal Bay Seaside	Tianjin	**293,651**	**56,019**	**5,242**	–	–	N/A
No.1 City Promotion	Wuxi	**512,302**	**82,759**	**6,190**	6,172	1,027	6,010
Nantong Glorious Chateau	Nantong	**6,351**	**1,177**	**5,396**	17,494	3,192	5,481
Nantong Villa Glorious	Nantong	**38,804**	**3,593**	**10,800**	–	–	N/A
Nantong Royal Bay	Nantong	**18,163**	**2,109**	**8,612**	–	–	N/A
Hefei Villa Glorious	Hefei	**586,356**	**91,910**	**6,380**	73,298	11,144	6,577
Hefei Royal Garden	Hefei	**633**	**133**	**4,759**	–	–	N/A
Sunny Town	Shenyang	**116,721**	**15,770**	**7,401**	26,811	4,040	6,636
Harbin Villa Glorious	Harbin	**204,844**	**28,770**	**7,120**	162,631	23,795	6,835
Harbin Royal Garden	Harbin	**136,052**	**18,300**	**7,435**	–	–	N/A
Changchun Villa Glorious (East)	Changchun	**18,928**	**4,518**	**4,189**	–	–	N/A
Dalian Villa Glorious	Dalian	**524,165**	**86,566**	**6,055**	–	–	N/A
Subtotal		**2,953,104**	**404,453**	**7,301**	1,342,163	85,688	15,663
Other revenue		**–**			4		
Total		**2,953,104**			1,342,167		

2. Property Sales

During the first half of 2013, the Group recorded contracted property sales of RMB4,044.6 million, representing a YOY decrease of 27.5%; while the contracted GFA sold was 343,935 sq.m., representing a YOY decrease of 48.5%. The significant YOY decrease was primarily due to the decrease in the number of new projects launched by the Group in the first half of the year.

During the period, the Shanghai Region contributed the most to the Group's property sales, amounting to RMB2,172.8 million of property sales, representing 53.7% of the total property sales of the Group. Yangtze River Delta, Pan Bohai Rim and Northeast China accounted for 23.6%, 5.5% and 17.2% of the total sales amount of the Group respectively.

Property sales and GFA sold during the six months ended 30 June 2013:

Region	Property sales *(RMB'000)*			GFA sold *(sq.m.)*		
	2013	2012	Change *(%)*	**2013**	2012	Change *(%)*
Shanghai Region	**2,172,848**	2,519,396	-13.8%	**84,902**	184,695	-54.0%
Yangtze River Delta	**952,322**	1,011,444	-5.8%	**117,782**	175,769	-33.0%
Pan Bohai Rim	**222,621**	244,810	-9.1%	**26,854**	35,193	-23.7%
Northeast China	**696,776**	1,802,267	-61.3%	**114,397**	272,431	-58.0%
Total	**4,044,567**	5,577,917	-27.5%	**343,935**	668,088	-48.5%

3. Construction and Development Plan

During the first half of 2013, a total residential GFA of 332,412 sq.m. was completed and delivered. The new construction area of the Group amounted to approximately 311,000 sq.m. during the first half of the year. The Group expects that the new construction area will exceed 1.3 million sq.m.. As at 30 June 2013, the Group had projects with a total area under construction of 3.5 million sq.m..

4. Land Bank

As at 30 June 2013, the total land bank of the Group was 15.8 million sq.m., which was sufficient to meet its development needs over the next five years. The average land cost was RMB1,309 per sq.m..

The land bank of the Group was evenly distributed over first-, second- and third-tier cities, of which 22.2% was in first-tier cities and 77.8% was in second- and third-tier cities.

Overview of land bank as at 30 June 2013:

	Project	City	Location	Use	Land Bank *(sq.m.)*	Average land cost *(RMB/sq.m.)*	Interests attributable to the Group
Shanghai Region							
1	Shanghai Bay	Shanghai	Xuhui District	Residential, hotel, serviced apartment, office and commercial	751,111	611	100%
2	Sunshine Venice	Shanghai	Putuo District	Residential, hotel and commercial	41,757	554	100%
3	Royal Lakefront	Shanghai	Fengxian District	Residential and commercial	137,551	1,870	100%
4	Shanghai City Glorious	Shanghai	Baoshan District	Residential and commercial	849,437	923	100%
5	Caohejing Project	Shanghai	Xuhui District	Office, hotel and commercial	121,300	9,703	100%
6	Zhongcao Xincun Project	Shanghai	Xuhui District	Serviced apartment and commercial	91,000	9,703	100%
Subtotal					**1,992,156**	**1,799**	
Yangtze River Delta							
7	Nantong Glorious Chateau	Nantong	New District,Rugao Port Zone	Residential and commercial	4,144,373	322	100%
8	Nantong Royal Garden	Nantong	Rugao Town	Residential and commercial	388,859	1,282	100%
9	Nantong Glorious Plaza	Nantong	New District	Hotel, office and commercial	297,486	348	100%
10	Nantong Royal Bay	Nantong	Chongchuan District	Residential, office and commercial	626,101	4,719	100%
11	No.1 City Promotion	Wuxi	Wuxi New District	Residential, hotel and commercial	238,094	679	100%
12	Classical Life	Suzhou	Changshu New District	Residential and commercial	10,052	1,446	100%
13	Bashangjie Project	Hefei	Yaohai District	Residential, hotel and commercial	1,347,100	881	100%
14	Hefei Royal Garden	Hefei	Luyang District	Residential, hotel and commercial	300,007	1,207	100%
15	Nanjing Royal Bay	Nanjing	Xiaguan District	Residential and commercial	663,913	6,013	60%
Subtotal					**8,015,985**	**1,323**	

Project		City	Location	Use	Land Bank *(sq.m.)*	Average land cost *(RMB/sq.m.)*	Interests attributable to the Group
Pan Bohai Rim							
16	Sunshine Holiday	Tianjin	Hedong District East	Residential, hotel and commercial	72,281	799	100%
17	Tianjin Royal Bay Seaside	Tianjin	Dagang District	Residential, hotel and commercial	841,727	1,396	100%
18	Tianjin Royal Bay Lakeside	Tianjin	Tuanbohu District	Residential and commercial	1,567,303	1,225	70%
19	Royal Mansion	Beijing	Haidian District	Residential and commercial	90,406	3,395	100%
20	Sunshine Bordeaux	Beijing	Daxing District	Residential and commercial	1,320,752	493	100%
21	Glorious Artstyle Townhouse	Beijing	Daxing District	Residential and commercial	100,270	3,862	100%
Subtotal					**3,992,739**	**1,127**	
Northeast China							
22	Harbin Villa Glorious	Harbin	Qunli New District	Residential and commercial	27,453	979	100%
23	Harbin Royal Garden	Harbin	Qunli New District	Residential and commercial	3,647	2,451	100%
24	Sunny Town	Shenyang	Yuhong District	Residential and commercial	120,023	1,133	100%
25	Changchun Villa Glorious (East)	Changchun	New and High-tech District	Residential and commercial	358,471	868	100%
26	Changchun Villa Glorious (West)	Changchun	New and High-tech District	Residential and commercial	845,088	1,004	100%
27	Dalian Villa Glorious	Dalian	Jinzhou New District	Residential and commercial	54,050	1,674	100%
28	Dalian Plot No. 200	Dalian	Jinzhou New District	Residential and commercial	344,000	1,497	70%
Subtotal					**1,752,732**	**1,105**	
Total					**15,753,612**	**1,309**	

5. Commercial Properties

The Group will steadily foster the development of its commercial properties. As at 30 June 2013, approximately 280,000 sq.m. of commercial properties were completed by the Group, and around 990,000 sq.m. of commercial property projects were still under construction.

Retail commercial properties, high-end office buildings and high-end hotels accounted for 60%, 25% and 15% of the total commercial properties of the Group respectively. The Group planned to possess most of the premium commercial properties in the long run to secure stable rental return.

OUTLOOK FOR THE SECOND HALF OF 2013

The Group believes that there are still many uncertainties in the external operating environment in the second half of the year. In terms of the external environment, the U.S. economy begins to recover and rebound with some fluctuations while the economic recovery of the European Union is relatively slow. And there are still uncertainties in whether the Japanese economy will be driven by its ultra-loose monetary policy. The sluggish economic recovery in major developed economies such as Europe, the U.S. and Japan definitely brings pressure to the steady growth of the Chinese economy.

The inflation rate of the Chinese economy remained relatively stable in the first half of the year and the YOY growth of the GDP dropped to 7.6%. If the economic growth is lower than the target set in the beginning of the year, the key focus of the central policies for the second half of the year is expected to incline towards a steady growth while policies pre-adjustment and fine-adjustment will be implemented in a timely and moderate manner. Large-scale stimulative policy will not be issued.

It is expected that the central government will continue to uphold stable austerity measures on the property market during the second half of the year. However, if the property market continues to boom in the future, the central government may tighten the austerity measures in certain major cities and the scope of the property taxes pilot scheme is expected to be further expanded or executed. The administrative measures will not be loosened in the short run, however the central government will adopt a long-term, differential and market-oriented mechanism to replace the current administrative control in the long run.

As the rigid demand and demand for upgrading purposes will remain robust due to the relatively stable policy environment in the second half of the year, the rising trend in the trading volume in the first half of the year is expected to be sustainable in the second half of the year. It is expected that the rise in property prices will not change in the short run. The property prices in major cities will still remain considerably stable with a slight increase during the second half of the year. A loose operating environment for property enterprises will also further boost up their confidence towards the market in the future. Property enterprises will continue to accelerate the project development rate and the delivery of new products, seizing favorable opportunities so as to achieve rapid growth in sales and cash inflows timely.

The Group will continue to closely monitor changes of the market conditions and proactively refine its sales and pricing strategies according to the market situation and changes in policy. It will adopt effective measures to speed up the sales of inventory and cash inflows. Meanwhile, it will accelerate the development pace and strive to increase saleable resources in order to realise more sales.

The Group will further enhance its professional development capability and foster the product standardisation to shorten the development cycle and increase the asset turnover rate. Meanwhile, the Group will continue to intensify the control over product quality in order to effectively control the costs in development and operation with a view to continuously increasing product competitiveness.

The Group will continue to adhere to its principle of "balancing the inflows and outflows, and investing prudently". Based on the situation in sales and cash inflows conditions, the need for safe liquidity and the distribution structure of the land bank, limited resources will be allocated to projects in the Shanghai Region and cities with higher returns and the land bank will be moderately increased or enhanced so as to realise healthy development for its business in the long run.

The Group will adhere to its prudent financial policy and control the debt and gearing ratio at a reasonable scale so as to effectively control its financial risks. It will continue to explore diversified financing means with multiple platforms and multi-channels to satisfy the capital needs for its business development. The Group will stringently implement budget management in capital expenditure while enhancing the cash flow management in order to assure a prudent and safe financial condition of the Group.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the six months ended 30 June 2013

		Six months ended 30 June	
		2013	2012
RMB'000	*Note*	***(unaudited)***	*(unaudited)*
Revenue	*4*	**2,953,104**	1,342,167
Cost of sales		**(2,612,893)**	(788,929)
Gross profit		**340,211**	553,238
Other income	*5*	**52,111**	43,285
Other gains and losses	*6*	**178,981**	37,908
Selling and marketing expenses		**(138,419)**	(78,583)
Administrative expenses		**(187,889)**	(190,319)
Finance costs	*7*	**(2,206)**	(4,739)
Share of loss of an associate		**(360)**	(1,272)
Share of loss of a jointly controlled entity		**(1,660)**	(1,331)
Profit before income tax		**240,769**	358,187
Income tax expenses	*8*	**(17,850)**	(193,614)
Profit for the period		**222,919**	164,573
Attributable to:			
– the owners of the Company		**224,718**	166,243
– non-controlling interests		**(1,799)**	(1,670)
		222,919	164,573
Other comprehensive income:			
Gain/loss recognised directly in equity		**—**	—
Total comprehensive income for the period		**222,919**	164,573
Total comprehensive income for the period attributable to:			
– the owners of the Company		**224,718**	166,243
– non-controlling interests		**(1,799)**	(1,670)
		222,919	164,573
Earnings per share for profit attributable to the owners of the Company (expressed in RMB per share)			
– Basic	*9*	**0.03**	0.02
– Diluted	*9*	**0.03**	0.02

CONDENSED CONSOLIDATED BALANCE SHEET
As at 30 June 2013

RMB'000	*Note*	**30 June 2013 *(unaudited)***	31 December 2012 *(audited)*
NON-CURRENT ASSETS			
Property, plant and equipment		**1,233,033**	1,102,115
Investment properties		**11,293,986**	10,607,946
Intangible assets		**2,046**	2,305
Investment in an associate		**4,125**	4,485
Investment in a jointly controlled entity		**20,725**	22,385
Loan to a jointly controlled entity		**1,927,891**	1,978,997
Deferred income tax assets		**332,743**	312,487
		14,814,549	14,030,720
CURRENT ASSETS			
Properties under development		**23,525,334**	22,256,445
Completed properties held for sale		**4,994,790**	5,044,360
Inventories		**6,575**	7,275
Trade and other receivables and prepayments	*11*	**8,490,496**	7,774,301
Prepaid taxes		**267,150**	213,886
Restricted cash		**1,863,033**	2,307,440
Cash and cash equivalents		**1,067,461**	992,749
		40,214,839	38,596,456
CURRENT LIABILITIES			
Advanced proceeds received from customers		**6,939,349**	5,668,013
Trade and other payables	*12*	**5,338,942**	5,606,416
Income tax payable		**4,020,529**	4,454,249
Borrowings	*13*	**8,136,793**	6,094,505
Obligation under finance lease		**868**	868
		24,436,481	21,824,051
NET CURRENT ASSETS		**15,778,358**	16,772,405
TOTAL ASSETS LESS CURRENT LIABILITIES		**30,592,907**	30,803,125

RMB'000	*Note*	**30 June 2013** ***(unaudited)***	31 December 2012 *(audited)*
NON-CURRENT LIABILITIES			
Borrowings	*13*	**9,212,880**	9,689,677
Deferred income tax liabilities		**1,694,294**	1,654,072
Obligation under finance lease		**17,665**	17,571
		10,924,839	11,361,320
NET ASSETS		**19,668,068**	19,441,805
EQUITY			
Capital and reserves attributable to the owners of the Company			
Share capital		**68,745**	68,745
Share premium		**7,822,982**	7,822,982
Reserves		**10,487,405**	10,259,343
		18,379,132	18,151,070
Non-controlling interests		**1,288,936**	1,290,735
TOTAL EQUITY		**19,668,068**	19,441,805

NOTES:

1 General information

Glorious Property Holdings Limited (the "Company") and its subsidiaries (together, the "Group") is principally engaged in the development of real estate projects in the People's Republic of China (the "PRC").

The Company is a limited liability company incorporated in the Cayman Islands on 27 July 2007 and its shares are listed on The Stock Exchange of Hong Kong Limited (the "Hong Kong Stock Exchange"). The address of its registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands.

This condensed consolidated financial information is presented in thousands of units of Renminbi (RMB'000), unless otherwise stated. This condensed consolidated financial information has been approved for issue by the Board on 29 August 2013.

This condensed consolidated financial information has not been audited. This condensed consolidated financial information has been reviewed by the Company's audit committee.

2 Basis of preparation

This condensed consolidated financial information for the six months ended 30 June 2013 has been prepared in accordance with Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). This condensed consolidated financial information should be read in conjunction with the consolidated financial statements of the Company for the year ended 31 December 2012, which have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the HKICPA.

The preparation of this condensed consolidated financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing this condensed consolidated interim financial information, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 31 December 2012, with the exception of changes in estimates that are required in determining the provision for income taxes.

3 Accounting policies

Except as described below, the accounting policies adopted are consistent with those set out in the consolidated financial statements of the Company for the year ended 31 December 2012 as included in the Company's annual report for the year ended 31 December 2012.

(i) ***Effect of adopting new standards, amendments to standards and interpretation***

The following new standards, amendments to standards and interpretation are mandatory for the Group's financial year beginning on 1 January 2013:

HKAS 1 (Amendment)	Presentation of Items of Other Comprehensive Income
HKAS 19 (Revised 2011)	Employee Benefits
HKAS 27 (Revised 2011)	Separate Financial Statements
HKAS 28 (Revised 2011)	Investments in Associates and Joint Ventures
HKFRS 1 (Amendment)	Government Loans
HKFRS 7 (Amendment)	Disclosures – Offsetting Financial Assets and Financial Liabilities
HKFRS 10	Consolidated Financial Statements
HKFRS 11	Joint Arrangements
HKFRS 12	Disclosures of Interests in Other Entities
HKFRS 13	Fair Value Measurement
HK (IFRIC) – Int 20	Stripping Costs in the Production Phase of a Surface Mine
Amendments to HKFRS 10, HKFRS 11 and HKFRS 12	Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance
Annual Improvement Project	Annual improvements 2009–2011 Cycle

The adoption of the above new standards and amendments has no significant impact to the Group's financial position for all periods presented in this report.

(ii) ***New Standards, amendments to standards and interpretation that have been issued but are not effective***

The following amendments to standards and interpretation have been issued but are not effective for the financial year beginning on 1 January 2013 and have not been early adopted by the Group:

HKAS 32 (Amendment)	Offsetting Financial Assets and Financial Liabilities
HKFRS 9	Financial Instruments
Amendments to HKFRS 10, HKFRS 12 and HKAS 27 (2011)	Investment Entities
HKFRS 7 and HKFRS 9 (Amendment)	Mandatory Effective Date of HKFRS 9 and Transition Disclosures
HKAS 36 (Amendment)	Recoverable Amount Disclosures for Non-Financial Assets
HKAS 39 (Amendment)	Novation of Derivatives and Continuation of Hedge Accounting
HK (IFRIC) – Int 21	Levies

Taxes on income in the six months ended 30 June 2013 are accrued using the tax rate that would be applicable to expected total annual earnings.

4 Segment information

The Executive Directors has been identified as the chief operating decision-maker. Management determines the operating segments based on the Group's internal reports, which are submitted to the Executive Directors for performance assessment and resources allocation.

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

The Executive Directors assesses the performance of the operating segments based on a measure of segment results. This measurement basis excludes the effects of non-recurring expenditure from the operating segments. Other information provided to the Executive Directors is measured in a manner consistent with that in the condensed consolidated financial information.

Total segment assets excluded deferred income tax assets and other unallocated corporate assets. Other unallocated corporate assets represent interest expenses incurred at corporate level which have been capitalised on qualifying assets of the four reportable operating segments.

Sales between segments are carried out in terms equivalent to those that prevail in arm's length transactions. The revenue from external parties reported to the Executive Directors is measured in a manner consistent with that in the consolidated statement of comprehensive income.

RMB'000	**Shanghai Region**	**Yangtze River Delta (excluding Shanghai)**	**Pan Bohai Rim**	**Northeast China**	**Others**	**Total**
Six months ended 30 June 2013 (unaudited)						
Total revenue	**491,403**	**1,162,608**	**300,684**	**1,000,712**	**—**	**2,955,407**
Inter-segment revenue	**(2,303)**	**—**	**—**	**—**	**—**	**(2,303)**
Revenue (from external customers)	**489,100**	**1,162,608**	**300,684**	**1,000,712**	**—**	**2,953,104**
Segment results	**125,358**	**18,314**	**(122,613)**	**63,561**	**14,409**	**99,029**
Depreciation and amortisation	**(6,122)**	**(1,878)**	**(2,145)**	**(1,433)**	**(981)**	**(12,559)**
Fair value changes of investment properties	**61,982**	**136,354**	**93,036**	**(167,972)**	**—**	**123,400**
Interest income	**17,022**	**14,819**	**480**	**287**	**497**	**33,105**
Finance costs	**(2,161)**	**(1)**	**—**	**(44)**	**—**	**(2,206)**
Income tax expenses	**54,003**	**(90,309)**	**7,080**	**11,376**	**—**	**(17,850)**

RMB'000	Shanghai Region	Yangtze River Delta (excluding Shanghai)	Pan Bohai Rim	Northeast China	Others	Total
Six months ended 30 June 2012 (unaudited)						
Total revenue	963,209	96,963	96,024	189,442	—	1,345,638
Inter-segment revenue	(3,471)	—	—	—	—	(3,471)
Revenue (from external customers)	959,738	96,963	96,024	189,442	—	1,342,167
Segment results	342,320	(9,882)	(7,292)	31,879	(52,603)	304,422
Depreciation and amortisation	(5,934)	(1,891)	(2,113)	(1,361)	(974)	(12,273)
Fair value changes of investment properties	80,664	—	(6,615)	(27,891)	—	46,158
Interest income	3,313	19,962	335	370	639	24,619
Finance costs	(500)	(306)	—	(3,933)	—	(4,739)
Income tax expenses	(170,440)	(11,086)	102	(12,190)	—	(193,614)

RMB'000	**Shanghai Region**	**Yangtze River Delta (excluding Shanghai)**	**Pan Bohai Rim**	**Northeast China**	**Others**	**Elimination**	**Total**
As at 30 June 2013 (unaudited)							
Total segment assets	**32,822,901**	**25,809,960**	**7,668,199**	**7,075,165**	**8,637,667**	**(31,523,420)**	**50,490,472**
Total segment assets include:							
Investment in an associate	**4,125**	**—**	**—**	**—**	**—**	**—**	**4,125**
Investment in a jointly controlled entity	**20,725**	**—**	**—**	**—**	**—**	**—**	**20,725**
Deferred income tax assets							**332,743**
Other unallocated corporate assets							**4,206,173**
Total assets							**55,029,388**

RMB'000	Shanghai Region	Yangtze River Delta (excluding Shanghai)	Pan Bohai Rim	Northeast China	Others	Elimination	Total
As at 31 December 2012 (audited)							
Total segment assets	30,552,726	26,397,719	7,952,848	7,373,071	8,218,177	(32,197,311)	48,297,230
Total segment assets include:							
Investment in an associate	4,485	—	—	—	—	—	4,485
Investment in a jointly controlled entity	22,385	—	—	—	—	—	22,385
Deferred income tax assets							312,487
Other unallocated corporate assets							4,017,459
Total assets							52,627,176

RMB'000	**Six months ended 30 June** **2013** ***(unaudited)***	2012 *(unaudited)*
Segment results	**99,029**	304,422
Fair value changes of investment properties	**123,400**	46,158
Depreciation and amortisation	**(12,559)**	(12,273)
Operating profit	**209,870**	338,307
Interest income	**33,105**	24,619
Finance costs	**(2,206)**	(4,739)
Profit before income tax	**240,769**	358,187
Additions to:		
– Property, plant and equipment	**149,042**	311,696
– Investment properties	**562,640**	303,974
	711,682	615,670

5 Other income

RMB'000	**Six months ended 30 June** **2013** ***(unaudited)***	2012 *(unaudited)*
Interest income	**33,105**	24,619
Rental income	**17,460**	16,876
Others	**1,546**	1,790
	52,111	43,285

6 Other gains and losses

	Six months ended 30 June	
	2013	2012
RMB'000	***(unaudited)***	*(unaudited)*
Fair value changes of investment properties	**123,400**	46,158
Exchange gains/(losses), net	**55,581**	(8,250)
	178,981	37,908

7 Finance costs

	Six months ended 30 June	
	2013	2012
RMB'000	***(unaudited)***	*(unaudited)*
Interest expenses:		
– Bank borrowings	**994,576**	708,955
– Senior Notes due 2015	**125,178**	126,308
– Senior Notes due 2018	**103,162**	—
– Others	**10,253**	4,740
Total interest expenses	**1,233,169**	840,003
Less: interest capitalised on qualifying assets	**(1,230,963)**	(835,264)
	2,206	4,739

8 Income tax expenses

	Six months ended 30 June	
	2013	2012
RMB'000	***(unaudited)***	*(unaudited)*
Current income tax:		
– PRC corporate income tax	**118,595**	72,344
– PRC land appreciation tax	**31,153**	84,357
Overprovision in prior year:		
– PRC land appreciation tax and the effect on the PRC corporate income tax, net	**(151,864)**	–
	(2,116)	156,701
Deferred income tax:		
– Origination and reversal of temporary differences	**19,966**	36,913
	19,966	36,913
	17,850	193,614

9 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 period.

	Six months ended 30 June	
	2013	2012
	(unaudited)	*(unaudited)*
Profit attributable to the owners of the Company (RMB'000)	**224,718**	166,243
Weighted average number of ordinary shares in issue (thousands)	**7,792,646**	7,792,646

(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 six months ended 30 June 2012 and 2013, the computation of the diluted earnings per share does not assume the exercise of the Company's share options, of which the relevant exercise price was higher than the average market price of the Company's shares for the period when the options are outstanding.

	Six months ended 30 June	
	2013	2012
	(unaudited)	*(unaudited)*
Earnings		
Profit attributable to the owners of the Company (RMB'000)	**224,718**	166,243
Number of shares		
Weighted average number of ordinary shares in issue (thousands)	**7,792,646**	7,792,646
Adjustments for share options (thousands)	**—**	—
Weighted average number of ordinary shares for diluted earnings per share (thousands)	**7,792,646**	7,792,646

10 Dividend

The Board has resolved not to declare the payment of an interim dividend for the six months ended 30 June 2013 (Six months ended 30 June 2012: Nil).

11 Trade and other receivables and prepayments

RMB'000	**30 June 2013 *(unaudited)***	31 December 2012 *(audited)*
Trade receivables (a)	**67,008**	52,781
Other receivables	**2,125,659**	1,280,982
Prepayments for construction costs and other prepayments:	**2,140,991**	2,084,762
– Related parties	**859,950**	1,013,083
– Third parties	**1,281,041**	1,071,679
Prepayments for land premium	**3,815,858**	4,095,324
Prepaid business taxes and other taxes	**340,980**	260,452
	8,490,496	7,774,301

(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 based on revenue recognition date is as follows:

RMB'000	**30 June 2013 *(unaudited)***	31 December 2012 *(audited)*
Within 6 months	**36,947**	16,912
Between 7 – 12 months	**3,787**	11,898
Over 12 months	**26,274**	23,971
	67,008	52,781

12 Trade and other payables

RMB'000	**30 June 2013 *(unaudited)***	31 December 2012 *(audited)*
Trade payables (a):	**3,131,592**	3,827,317
– Related parties	**2,965**	3,965
– Third parties	**3,128,627**	3,823,352
Other payables to third parties (b):	**2,103,081**	1,622,050
– Acquisition consideration payable	**310,000**	310,000
– Other payables and accrued expenses	**1,793,081**	1,312,050
Other taxes payable	**104,269**	157,049
	5,338,942	5,606,416

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

RMB'000	**30 June 2013** ***(unaudited)***	31 December 2012 *(audited)*
Within 6 months	**1,977,709**	2,855,994
Between 7 – 12 months	**415,921**	48,443
Over 12 months	**737,962**	922,880
	3,131,592	3,827,317

(b) Other payables due to third parties are unsecured, interest free and repayment on demand.

13 Borrowings

RMB'000	**30 June 2013** ***(unaudited)***	31 December 2012 *(audited)*
Borrowings included in non-current liabilities:		
– Bank borrowings – secured	**4,811,537**	7,788,653
– Senior Notes due 2015 – secured	**1,871,966**	1,901,024
– Senior Notes due 2018 – secured	**2,529,377**	—
	9,212,880	9,689,677
Borrowings included in current liabilities:		
– Bank borrowings – secured	**7,532,463**	5,446,715
– Other borrowings – unsecured	**383,680**	567,680
– Other borrowings – secured	**220,650**	80,110
	8,136,793	6,094,505
Total borrowings	**17,349,673**	15,784,182

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

RMB'000	**30 June 2013** ***(unaudited)***	31 December 2012 *(audited)*
Within 1 year	**8,136,793**	6,094,505
After 1 and within 2 years	**3,478,126**	6,365,956
After 2 and within 5 years	**5,689,754**	2,762,047
After 5 years	**45,000**	561,674
	17,349,673	15,784,182

FINANCIAL REVIEW

For the six months ended 30 June 2013, the Group recorded a consolidated revenue of RMB2,953.1 million, representing an increase of 120.0% compared to RMB1,342.2 million for the first half of 2012. The GFA of properties delivered by the Group increased from 85,688 sq.m. in the first half of 2012 to 404,453 sq.m. in the current period. As a result of the higher proportion of GFA delivered in the second- and third-tier cities in the current period, of which the average selling price is lower, the Group's average selling price decreased significantly from RMB15,663 per sq.m. in the first half of 2012 to RMB7,301 per sq.m. during the current period.

The Group's consolidated gross profit for the first half of 2013 was RMB340.2 million, representing a decrease of 38.5% from a gross profit of RMB553.2 million for the corresponding period in 2012. The decrease in consolidated gross profit was mainly due to the lower gross profit margin for the period under review. The Group's gross profit margin for the current period was 11.5%, compared to 41.2% during the corresponding period in 2012. Due to the significant decrease in the average selling prices of the properties sold and delivered by the Group during the first half of 2013, despite the increase in revenue recognised of 120.0% for the properties during the period under review, the Group's gross profit margin was lower in the current period due to the higher proportion of residential properties sold and delivered in the second- and third-tier cities for which units prices are lower.

Other income for the six months ended 30 June 2013 was RMB52.1 million, representing an increase of 20.4% from RMB43.3 million for the corresponding period in 2012. The increase in other income was mainly attributable to the higher interest income recorded during the period under review.

Other gains and losses for the six months ended 30 June 2013 amounted to RMB179.0 million, which primarily represented the fair value changes of the Group's investment properties of RMB123.4 million (2012: Fair value changes amounted to RMB46.2 million).

Selling and marketing expenses for the six months ended 30 June 2013 were RMB138.4 million, which was higher than RMB78.6 million during the corresponding period in 2012 by 76.1%. During the period under review, the Group has put in more marketing resources to boost the sales of the remaining units of those earlier projects, and also to cope with the Group's new project launching activities in the second half of this year, the Group has incurred higher level of selling and marketing expenses during the period under review as compared to that of last year.

Administrative expenses for the six months ended 30 June 2013 were RMB187.9 million, representing a slight decrease of 1.3% compared to RMB190.3 million for the corresponding period in 2012. The Group continued to implement cost-saving initiatives in the current period so that the Group's administrative expenses during the period under review has been controlled at a similar level to last year.

Gross finance costs for the six months ended 30 June 2013 were RMB1,233.2 million, representing an increase of 46.8% from RMB840.0 million for the same period in 2012 due to the higher level of the Group's borrowings in the current period. For the six months ended 30 June 2013, finance costs of RMB1,231.0 million (2012: RMB835.3 million) have been capitalised, leaving RMB2.2 million (2012: RMB4.7 million) charged directly to the condensed consolidated statement of comprehensive income.

The Group's profit before income tax for the six months ended 30 June 2013 was RMB240.8 million, representing a decrease of 32.8% compared to RMB358.2 million for the corresponding period in 2012, which was mainly due to the lower level of gross profit margin in the first half of 2013 as compared to that for the corresponding period in 2012.

Income tax expenses for the six months ended 30 June 2013 were RMB17.9 million, representing a decrease of 90.8% as compared to RMB193.6 million for the corresponding period in 2012. The decrease in income tax expenses for the current period was primarily due to lower level of gross margin during the six months ended 30 June 2013 such that provision for income tax was lower, as well as due to the reversal of certain income tax provisions for several property development projects as a result of entering into the tax clearance stage in the current period. Due to the reversal of income tax provision as aforementioned, the effective income tax rate was 7.4% for the six months ended 30 June 2013, as compared to 54.1% for the corresponding period in 2012.

The Group's profit attributable to the owners of the Company for the six months ended 30 June 2013 was RMB224.7 million, representing an increase of 35.2% compared to RMB166.2 million for the first half of 2012. Profit attributable to the owners of the Company for the six months ended 30 June 2013, excluding fair value changes of investment properties and the related tax effect, amounted to RMB132.2 million, representing an increase of 0.4% from RMB131.6 million during the corresponding period in 2012.

Current Assets and Liabilities

As at 30 June 2013, the Group held total current assets of approximately RMB40,214.8 million (31 December 2012: RMB38,596.5 million), comprising mainly properties under development, trade and other receivables and prepayments and completed properties held for sale. Properties under development increased by 5.7% from RMB22,256.4 million as at 31 December 2012 to RMB23,525.3 million as at 30 June 2013, mainly due to the continuous progress of the Group's property development projects in 2013. Trade and other receivables and prepayments amounted to RMB8,490.5 million as at 30 June 2013, which was 9.2% higher than that of RMB7,774.3 million as at 31 December 2012 and mainly comprises prepayments for land premium as at 30 June 2013 whereby the relevant land use right certificates had yet to be obtained as at 30 June 2013. Completed properties held for sale decrease by 1.0% from RMB5,044.4 million as at 31 December 2012 to RMB4,994.8 million as at 30 June 2013.

Total current liabilities as at 30 June 2013 amounted to RMB24,436.4 million, compared with RMB21,824.1 million as at 31 December 2012, which was mainly due to the higher balances of advanced proceeds received from customers and short-term borrowings as at 30 June 2013. The current ratio (calculated as the total current assets divided by the total current liabilities) decreased from 1.77 as at 31 December 2012 to 1.65 as at 30 June 2013.

Liquidity and Financial Resources

During the first half of 2013, the Group funded its property development projects principally from proceeds from the pre-sales of properties and bank loans. As at 30 June 2013, the Group had cash and bank balances of RMB2,930.5 million (31 December 2012: RMB3,300.2 million).

As at 30 June 2013, the Group's total borrowings amounted to RMB17,349.7 million, representing an increase of 9.9% compared to RMB15,784.2 million as at 31 December 2012.

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 owners of the Company. 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 30 June 2013 and 31 December 2012 were as follows:

RMB'000	**30 June 2013** ***(unaudited)***	31 December 2012 *(audited)*
Total borrowings	**17,349,673**	15,784,182
Less: cash and bank balances	**(2,930,494)**	(3,300,189)
Net debt	**14,419,179**	12,483,993
Total equity attributable to the owners of the Company	**18,379,132**	18,151,070
Gearing ratio	**78.5%**	68.8%

The gearing ratio as at 30 June 2013 was higher than that as at 31 December 2012 as a result of the increase in the Group's total borrowings.

Foreign Exchange Risk

The Group's property development projects are all located in the PRC and all the related transactions are settled in RMB. The Company and certain of the investment holding companies within the Group operate in Hong Kong have recognised assets and liabilities in currencies other than RMB, including the US$300.0 million Senior Notes due 2015 and the US$400.0 million Senior Notes due 2018 issued by the Company in October 2010 and March 2013 respectively. Apart from the Senior Notes due 2015 and Senior Notes due 2018 that may cause the Group to be exposed to a higher level of foreign exchange risk, there are no other assets and liabilities that will expose the Group to significant foreign exchange risk. During the six months ended 30 June 2013, the Group had not entered into any foreign currency hedging arrangements. Management of the Group monitors foreign exchange exposure and will consider hedging significant foreign exchange exposure should the need arise.

Interest Rate Risk

The Group is exposed to interest rate risks resulting from fluctuations in interest rates on its borrowings. Certain of the Group's bank loans are denominated in RMB and bear interest rates that are subject to adjustment by the lenders in accordance with changes made by the People's Bank of China ("PBOC"). If the PBOC raises interest rates, the Group's interest cost with respect to variable rate borrowings will increase. In addition, to the extent that the Group may need to raise debt financing in the future, upward fluctuations in interest rates will increase the cost of new debt. An increase in interest rates may also adversely affect the Group's prospective purchasers' ability to obtain financing and depress overall housing demand in China. The Group currently does not use any derivative instruments to modify the nature of the Group's debts to manage the Group's interest rate risks.

Pledge of Assets

As at 30 June 2013, the Group had pledged certain of its subsidiaries' shares, construction in progress, investment properties, properties under development and completed properties held for sale to secure its borrowings.

Financial Guarantees

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. Such guarantees will terminate upon the earlier of: (i) the issuance of the real estate ownership certificate which is generally available within an average period of one to two years upon the completion of the registration of the guarantee; or (ii) the full repayment of the mortgage loan by the purchasers of the Group's properties.

Pursuant to the terms of the guarantees, upon a default in mortgage payments by these purchasers, the Group is responsible for repaying to the banks the outstanding mortgage principal, together with accrued interest and any penalty owed by the defaulting purchasers, and the Group is entitled to take over the legal title and possession of the related properties. The guarantee period starts from the date of the grant of the respective mortgage. As at 30 June 2013, the amount of outstanding guarantees for mortgages was RMB6,894.8 million (31 December 2012: RMB6,404.4 million).

Capital Commitments

As at 30 June 2013, the Group had capital commitments as follows:

RMB'000	**30 June 2013** ***(unaudited)***	31 December 2012 *(audited)*
Land use rights	**237,471**	279,068
Property development expenditures	**6,785,868**	6,888,784
Construction materials	**8,006**	19,346
	7,031,345	7,187,198

EMPLOYEES

As at 30 June 2013, the Group had a total of 1,254 employees. The Group has adopted a system of determining the remuneration of employees based on the performance of employees. Apart from a basic salary, outstanding employees may be granted with annual bonuses. In addition, the Group has adopted share option schemes to attract and retain high caliber talents to serve the Group. In terms of employee training, the Group provides different training programmes for employees to develop their expertise and knowledge.

CORPORATE GOVERNANCE

Compliance with Corporate Governance Code

The Company had complied with the principles and the code provisions of the Corporate Governance Code as set out in Appendix 14 to the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited (the "Hong Kong Stock Exchange") during the six months ended 30 June 2013.

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. All directors have confirmed, following specific enquiries made by the Company, that they had complied with the required standard set out in the Model Code during the six months ended 30 June 2013.

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.

The Audit Committee has reviewed with management the unaudited consolidated results of the Group for the six months ended 30 June 2013 and took the view that the Company was in full compliance with all applicable accounting standards and regulations and has made adequate disclosure.

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 six months ended 30 June 2013.

PUBLICATION OF 2013 INTERIM RESULTS AND INTERIM REPORT

The interim results announcement is published on the websites of the Company at www.gloriousphl.com.cn and the Stock Exchange at www.hkexnews.hk. The interim report of the Company for the six months ended 30 June 2013 containing all the applicable information required by the Listing Rules will be dispatched to the shareholders of the Company and published on the same websites in due course.

By Order of the Board
Glorious Property Holdings Limited
Cheng Li Xiong
Chairman

Hong Kong, 29 August 2013

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