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 2014

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 2014 ("2014 Interim Results"). The 2014 Interim Results have been reviewed by the audit committee of the Company (the "Audit Committee") and approved by the Board on 25 August 2014.

FINANCIAL HIGHLIGHTS

- Revenue decreased by 20.6% to RMB2,345.9 million and the average selling price was RMB13,792 per sq.m.
- Recorded a loss attributable to the owners of the Company of RMB221.3 million, as compared to a profit attributable to the owners of the Company of RMB224.7 million for the corresponding period of last year
- Gearing ratio was 107.1%
- Property sales amounted to RMB1,911.0 million, dropped by 52.8% as compared to the corresponding period of last year. The GFA sold was 124,542 sq.m.
- The total land bank of the Group was 15.0 million sq.m. and the average land cost was RMB1,331 per sq.m.

OVERALL RESULTS

The Group recorded a consolidated revenue of RMB2,345.9 million in the first half of 2014, which decreased by 20.6% as compared to the same period in 2013. For the six months ended 30 June 2014, the Group recorded a loss attributable to the owners of the Company of RMB221.3 million, as compared to a profit attributable to the owners of the Company of RMB224.7 million for the corresponding period in 2013.

Basic loss per share for the six months ended 30 June 2014 amounted to RMB0.03, as compared to a basic earnings per share of RMB0.03 for the corresponding period in 2013.

The Board has resolved not to declare the payment of an interim dividend for the six months ended 30 June 2014 (six months ended 30 June 2013: Nil).

MANAGEMENT DISCUSSION AND ANALYSIS

Market Review

In the first half of 2014, the gross floor area ("GFA") sold for the PRC property industry decreased by 6.0% and the sales also decreased by 6.7%. Fragment of property price was found in different regions, and the property price in second- and third-tier cities also showed a trend of downward adjustment. In 2014, the PRC property market was in a nationwide recession. With the introduction of loosening property measures in some provinces and cities, the property market became stabilised. Fostering a healthy property market development has become a defined focus of the government's adjustment, and ensuring the "soft-landing" of the property market with economical and market means was a consensus on securing economic stability.

During the period, the Group closely monitored changes of the market and fixed project prices reasonably and flexibly based on the latest trend in the market to accelerate the absorption rate of the inventory existing projects, and to speed up cash inflow. Meanwhile, the Group focused on the development of exquisite projects for the market in order to better meet customers' demand with an aim to realise more sales.

For the first six months of 2014, both the Group's property sales and revenue recognised decreased significantly as compared to the same period last year, which is not consistent to the market trend. These were mainly due to uneven schedule of launching new projects and project completions during the year, as well as due to certain property projects experiencing prolonged construction period. The Group will closely monitor the construction progress, accelerate the development pace so as to speed up realising property sales to ensure earlier cash inflow.

Business Review

Property Development

1. *Revenue*

   The Group recorded a consolidated revenue of RMB2,345.9 million in the first half of 2014, representing a decrease of 20.6% compared to RMB2,953.1 million recorded in the first half of 2013. The delivered GFA decreased to 170,097 sq.m. in the first half of 2014 from 404,453 sq.m. in the first half of 2013, representing a decrease of 57.9%. The booked average selling price increased by 88.9% from RMB7,301 per sq.m. in the first half of 2013 to RMB13,792 per sq.m. in the first half of 2014.

Six projects in first-tier cities such as Shanghai and Beijing accounted for 86.0% of the total revenue. 12 projects in second- and third-tier cities accounted for 14.0% of the total revenue. In the first half of 2014, 84.4% of revenue was contributed by projects in the Shanghai Region, 6.0% by projects in the Yangtze River Delta outside Shanghai, 2.5% by projects in the Pan Bohai Rim and 7.1% by projects in the Northeast China.

Projects sold and delivered during the six months ended 30 June 2014 included:

		2014			2013		
Projects sold and delivered	**City**	**Revenue** *(RMB'000)*	**GFA sold and delivered** *(sq.m.)*	**Average selling price recognised** *(RMB/sq.m.)*	Revenue *(RMB'000)*	GFA sold and delivered *(sq.m.)*	Average selling price recognised *(RMB/sq.m.)*
Sunshine Venice	Shanghai	**1,982**	**574**	**3,453**	9,628	1,098	8,769
Chateau De Paris	Shanghai	**—**	**—**	**N/A**	416	92	4,522
Shanghai Park Avenue	Shanghai	**—**	**—**	**N/A**	790	170	4,647
Shanghai Bay	Shanghai	**157,863**	**3,004**	**52,551**	430,276	7,291	59,015
Shanghai City Glorious	Shanghai	**1,791,493**	**113,758**	**15,748**	—	—	N/A
Royal Lakefront	Shanghai	**27,908**	**7,855**	**3,553**	47,990	3,413	14,061
Sunshine Bordeaux	Beijing	**1,084**	**142**	**7,634**	7,034	765	9,195
Glorious Artstyle Townhouse	Beijing	**38,162**	**3,806**	**10,027**	—	—	N/A
Tianjin Royal Bay Seaside	Tianjin	**20,294**	**3,713**	**5,466**	293,651	56,019	5,242
No.1 City Promotion	Wuxi	**5,285**	**852**	**6,203**	512,302	82,759	6,190
Nantong Glorious Chateau	Nantong	**1,240**	**225**	**5,511**	6,351	1,177	5,396
Nantong Villa Glorious	Nantong	**33,017**	**4,604**	**7,171**	38,804	3,593	10,800
Nantong Royal Bay	Nantong	**60,325**	**5,414**	**11,142**	18,163	2,109	8,612
Hefei Villa Glorious	Hefei	**39,248**	**4,205**	**9,334**	586,356	91,910	6,380
Hefei Royal Garden	Hefei	**1,097**	**218**	**5,032**	633	133	4,759
Sunny Town	Shenyang	**20,495**	**2,037**	**10,061**	116,721	15,770	7,401
Harbin Villa Glorious	Harbin	**58,136**	**7,793**	**7,460**	204,844	28,770	7,120
Harbin Royal Garden	Harbin	**48,021**	**5,106**	**9,405**	136,052	18,300	7,435
Changchun Villa Glorious (East)	Changchun	**7,622**	**1,679**	**4,540**	18,928	4,518	4,189
Dalian Villa Glorious	Dalian	**32,644**	**5,112**	**6,386**	524,165	86,566	6,055
Total		**2,345,916**	**170,097**	**13,792**	2,953,104	404,453	7,301

2. *Property Sales*

During the first half of 2014, the Group recorded contracted property sales of RMB1,911.0 million, representing a year-on-year ("YOY") decrease of 52.8%; while the contracted GFA sold was 124,542 sq.m., representing a YOY decrease of 63.8%. 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 RMB1,180.6 million of property sales, representing 61.8% of the total property sales of the Group. Yangtze River Delta, Pan Bohai Rim and Northeast China accounted for 28.0%, 2.4% and 7.8% of the total sales amount of the Group respectively.

Property sales and GFA sold during the six months ended 30 June 2014:

Region	**Property sales *(RMB'000)***			**GFA sold *(sq.m.)***		
	2014	2013	Change (%)	**2014**	2013	Change (%)
Shanghai Region	**1,180,575**	2,172,848	-45.7%	**40,355**	84,902	-52.5%
Yangtze River Delta	**535,055**	952,322	-43.8%	**53,426**	117,782	-54.6%
Pan Bohai Rim	**46,574**	222,621	-79.1%	**5,652**	26,854	-79.0%
Northeast China	**148,820**	696,776	-78.6%	**25,109**	114,397	-78.1%
Total	**1,911,024**	4,044,567	-52.8%	**124,542**	343,935	-63.8%

3. *Construction and Development Plan*

During the first half of 2014, a total GFA of approximately 134,000 sq.m. was completed. The new construction area of the Group amounted to approximately 173,000 sq.m. during the first half of the year. The Group expects that the new construction area for 2014 will exceed 680,000 sq.m.. As at 30 June 2014, the Group had projects with a total area under construction of 3.0 million sq.m..

4. *Land Bank*

As at 30 June 2014, the total land bank of the Group was 15.0 million sq.m., which was sufficient to meet its development needs over the next five years. The average land cost was RMB1,331 per sq.m..

The land bank of the Group was evenly distributed over first-, second- and third-tier cities, of which 20.6% was in first-tier cities and 79.4% was in second- and third-tier cities.

Overview of land bank as at 30 June 2014:

Project		City	Location	Use	Land bank (sq.m.)	Average land cost (RMB per sq.m.)	Interests attributable to the Group
Shanghai Region							
1	Shanghai Bay	Shanghai	Xuhui District	Residential, hotel, serviced apartment, office and commercial	709,802	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	494,582	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%
7	Shanghai Xinyamingdi Project	Shanghai	Fengxian District	Residential	81,760	15,228	100%
Subtotal					**1,677,752**	**2,668**	
Yangtze River Delta							
8	Nantong Glorious Chateau	Nantong	New District, Rugao Port Zone	Residential and commercial	4,144,373	322	100%
9	Nantong Royal Garden	Nantong	Rugao Town	Residential and commercial	388,859	1,282	100%
10	Nantong Glorious Plaza	Nantong	New District	Hotel, office and commercial	297,486	348	100%
11	Nantong Royal Bay	Nantong	Chongchuan District	Residential, office and commercial	418,082	4,719	100%
12	No.1 City Promotion	Wuxi	Wuxi New District	Residential, hotel and commercial	238,094	679	100%
13	Classical Life	Suzhou	Changshu New District	Residential and commercial	10,052	1,446	100%
14	Hefei Bashangjie Project	Hefei	Yaohai District	Residential, hotel, office and commercial	1,347,100	881	100%
15	Hefei Royal Garden	Hefei	Luyang District	Residential, hotel and commercial	211,254	1,207	100%
16	Nanjing Royal Bay	Nanjing	Xiaguan District	Residential and commercial	663,913	6,013	60%
Subtotal					**7,719,213**	**1,233**	

Project		City	Location	Use	Land bank *(sq.m.)*	Average land cost *(RMB per sq.m.)*	Interests attributable to the Group
Pan Bohai Rim							
17	Sunshine Holiday	Tianjin	Hedong District East	Residential, hotel and commercial	72,281	799	100%
18	Tianjin Royal Bay Seaside	Tianjin	Dagang District	Residential, hotel and commercial	841,727	1,396	100%
19	Tianjin Royal Bay Lakeside	Tianjin	Tuanbohu District	Residential and commercial	1,567,303	1,225	70%
20	Royal Mansion	Beijing	Haidian District	Residential and commercial	90,406	3,395	100%
21	Sunshine Bordeaux	Beijing	Daxing District	Residential and commercial	1,320,752	493	100%
Subtotal					**3,892,469**	**1,056**	
Northeast China							
22	Harbin Villa Glorious	Harbin	Qunli New District	Residential and commercial	27,453	979	100%
23	Sunny Town	Shenyang	Yuhong District	Residential and commercial	120,023	1,133	100%
24	Changchun Villa Glorious (East)	Changchun	New and High-tech District	Residential and commercial	358,471	868	100%
25	Changchun Villa Glorious (West)	Changchun	New and High-tech District	Residential and commercial	845,088	1,004	100%
26	Dalian Plot No. 200	Dalian	Jinzhou New District	Residential and commercial	344,000	1,497	70%
Subtotal					**1,695,035**	**1,084**	
Total					**14,984,469**	**1,331**	

5. Commercial Properties

The Group will steadily foster the development of its commercial properties. As at 30 June 2014, approximately 285,000 sq.m. of commercial properties were completed by the Group, and around 817,000 sq.m. of commercial property projects were still under construction.

Retail commercial properties, high-end office buildings and high-end hotels accounted for 61.6%, 20.7% and 17.7% 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 2014

With the target of securing growth, the PRC macro-economy tends to recover. Monetary and loan policy is set to turn loosened while local governments would also revise the adjustment measures on the property market. While the possibility of cancelling the restriction on home purchasing is relatively low in first-tier cities upon the review of adjustment measures, it is hoped that the restriction on home purchasing in some second- and third-tier cities would be adjusted. In general, the Group anticipates that the PRC property market will, after declining in stages, gradually become stabilised.

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 adhere to adopt prudent financial policy to control the debt and gearing ratio at a reasonable level so as to effectively manage its financial risks. It will strive to balance the cost and benefit of using debt financing and aims to reduce finance costs by lowering the level of borrowings when funds are available from property sales. The Group will stringently implement budget management for its project costs as well as to enhance the cash 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 2014

		Six months ended 30 June	
		2014	2013
RMB'000	*Note*	***(unaudited)***	*(unaudited)*
Revenue	*4*	**2,345,916**	2,953,104
Cost of sales	*7*	**(2,113,311)**	(2,612,893)
Gross profit		**232,605**	340,211
Other income	*5*	**54,922**	52,111
Other (losses)/gains, net	*6*	**(28,860)**	178,981
Selling and marketing expenses	*7*	**(70,011)**	(138,419)
Administrative expenses	*7*	**(187,853)**	(187,889)
Finance costs	*8*	**(6,631)**	(2,206)
Share of profit/(loss) of an associate		**1,507**	(360)
Share of loss of a joint venture		**(5,704)**	(1,660)
(Loss)/profit before income tax		**(10,025)**	240,769
Income tax expenses	*9*	**(212,915)**	(17,850)
(Loss)/profit for the period		**(222,940)**	222,919
(Loss)/profit attributable to:			
– the owners of the Company		**(221,339)**	224,718
– non-controlling interests		**(1,601)**	(1,799)
		(222,940)	222,919
Other comprehensive income		**—**	—
Total comprehensive (loss)/income for the period		**(222,940)**	222,919
Total comprehensive (loss)/income for the period attributable to:			
– the owners of the Company		**(221,339)**	224,718
– non-controlling interests		**(1,601)**	(1,799)
		(222,940)	222,919
(Loss)/earnings per share for (loss)/profit attributable to the owners of the Company (expressed in RMB per share)			
– Basic	*10*	**(0.03)**	0.03
– Diluted	*10*	**(0.03)**	0.03
Dividend	*11*	**—**	—

CONDENSED CONSOLIDATED BALANCE SHEET
As at 30 June 2014

RMB'000	*Note*	**30 June 2014 *(unaudited)***	31 December 2013 *(audited)*
Non-current assets			
Property, plant and equipment		**1,625,206**	1,385,038
Investment properties		**12,605,468**	12,278,106
Intangible assets		**1,800**	1,800
Investment in an associate		**3,113**	1,606
Investment in a joint venture		**9,613**	15,317
Loan to a joint venture		**1,598,447**	1,843,081
Deferred income tax assets		**523,646**	430,833
		16,367,293	15,955,781
Current assets			
Properties under development		**21,914,584**	21,794,177
Completed properties held for sale		**5,912,026**	5,643,228
Inventories		**—**	5,143
Trade and other receivables and prepayments	*12*	**9,084,777**	7,310,623
Prepaid taxes		**329,181**	312,990
Restricted cash		**1,186,440**	1,405,492
Cash and cash equivalents		**480,563**	1,547,289
		38,907,571	38,018,942
Total assets		**55,274,864**	53,974,723
Current liabilities			
Advanced proceeds received from customers		**3,902,616**	4,365,089
Trade and other payables	*13*	**4,256,836**	4,599,206
Income tax payable		**4,596,498**	4,423,563
Borrowings	*14*	**5,008,018**	5,316,571
Obligations under finance lease		**868**	868
		17,764,836	18,705,297
Net current assets		**21,142,735**	19,313,645
Total assets less current liabilities		**37,510,028**	35,269,426

RMB'000	*Note*	**30 June 2014** ***(unaudited)***	31 December 2013 *(audited)*
Non-current liabilities			
Borrowings	*14*	**16,174,233**	13,768,808
Deferred income tax liabilities		**1,803,806**	1,745,788
Obligations under finance lease		**17,857**	17,758
		17,995,896	15,532,354
Net assets		**19,514,132**	19,737,072
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		**10,336,815**	10,558,154
		18,228,542	18,449,881
Non-controlling interests		**1,285,590**	1,287,191
Total equity		**19,514,132**	19,737,072

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") (Stock Code: 00845). The address of its registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands.

This condensed consolidated interim financial information is presented in thousands of units of Renminbi (RMB'000), unless otherwise stated. This condensed consolidated interim financial information has been approved for issue by the Board on 25 August 2014.

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

2 Basis of preparation

This condensed consolidated interim financial information for the six months ended 30 June 2014 has been prepared in accordance with Hong Kong Accounting Standard 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). This condensed consolidated interim financial information should be read in conjunction with the consolidated financial statements of the Company for the year ended 31 December 2013, which have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the HKICPA.

For the six months ended 30 June 2014, the Group reported a loss attributable to the owners of the Company of RMB221,339,000 (six months ended 30 June 2013: profit attributable to owners of the Company of RMB224,718,000) and net operating cash outflow of RMB3,020,211,000 (six months ended 30 June 2013: RMB964,000). Total borrowings increased from RMB19,085,379,000 as at 31 December 2013 to RMB21,182,251,000 as at 30 June 2014, of which RMB5,008,018,000 will be due within 12 months. Cash and cash equivalents reduced by RMB1,066,726,000 during the six months ended 30 June 2014 to RMB480,563,000.

The significant net operating cash outflow during the six months ended 30 June 2014 was mainly due to slower cash inflows from property sales during the period while the Group continued to fund its operations through borrowings which in turn increased the Group's aggregate borrowings.

In view of the operating cash outflows for consecutive years, the Directors have reviewed the working capital forecast of the Group for the twelve months from the financial period end of the condensed consolidated interim financial information (the "Forecast Period") in order to assess whether the preparation of this financial information on a going concern basis is appropriate. In assessing whether this forecast is reasonable, the key factors that the Directors have considered are the sufficiency of bank financing to be made available to the Group and the anticipated operating cash flows from property sales.

The Directors have reviewed the Group's past banking relationships with the banks and the bank financing available to the Group as at 30 June 2014, they are of the view that the Group has been in good relationship with the major banks as reflected by the fact that the Group was able to obtain new bank loans or have the existing loans extended and/or renewed throughout the six months ended 30 June 2014 and up to the date of this report. Besides, as at 30 June 2014, the Group's short-term debt ratio (defined as current borrowings as a percentage to the Group's total borrowings) was only 23.6% (31 December 2013:

27.9%).The Directors also expect the proceeds from sales of Group's properties in the Forecast Period will be comparable to that of the year ended 31 December 2013 based on the review of expected construction progress, expected selling price and expected pre-sale area in the Forecast Period.

The Group also aims to maintain sufficient cash to meet funding requirement for operations and monitors rolling forecasts of the Group's cash on the basis of expected cash flows. The Group has a number of alternative plans to mitigate the potential impacts on anticipated cash flows should there be significant adverse changes in economic environment which might have unexpected material impact on the Group's anticipated cash flow position. These include accelerating sales of the Group's properties with more flexible pricing, adjusting and further slowing down the construction progress as appropriate, ensuring available resources for the development of properties for sale, implementing cost control measures and seeking other funding alternatives.

The extent to which the Group can attain the targets of above initiatives is subject to various factors, including its future operational performance, market conditions and other factors, many of which are outside of its control and not reasonably predictable. The Directors, after making due enquiries and considering the uncertainties described above, have a reasonable expectation that there will be sufficient financial resources available to the Group at least in the Forecast Period to meet its financial obligation as and when they fall due. Accordingly, the Directors consider that it is appropriate to prepare the condensed consolidated interim financial information on a going concern basis.

The preparation of this condensed consolidated interim 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 2013, with the exception of changes in estimates that are required in determining the provision for income taxes.

3 Accounting policies

The accounting policies adopted for preparing this condensed consolidated interim financial information are consistent with those set out in the consolidated financial statements of the Company for the year ended 31 December 2013 as included in the Company's annual report for the year ended 31 December 2013.

There are no other amended standards or interpretations that are effective for the first time for this interim period that is expected to have a material impact to the Group.

Taxes on income in the six months ended 30 June 2014 are accrued using the tax rate that would be applicable to expected total annual earnings.

4 Segment information

The Executive Directors have 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 consider 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. "Others" segment represents corporate support functions.

The Executive Directors assess 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, other than those stated below, to the Executive Directors is measured in a manner consistent with that in the condensed consolidated interim 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 subsidiaries.

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 condensed 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 2014 (unaudited)						
Total revenue	**1,979,246**	**140,212**	**59,539**	**166,919**	**—**	**2,345,916**
Inter-segment revenue	**—**	**—**	**—**	**—**	**—**	**—**
Revenue (from external customers)	**1,979,246**	**140,212**	**59,539**	**166,919**	**—**	**2,345,916**
Segment results	**501,366**	**(79,275)**	**(33,178)**	**(49,517)**	**(68,675)**	**270,721**
Depreciation and amortisation	**(4,625)**	**(1,450)**	**(1,607)**	**(1,247)**	**(982)**	**(9,911)**
Fair value changes of investment properties	**55,910**	**(14,144)**	**3,144**	**(32,570)**	**—**	**12,340**
Provision for impairment of properties under development and completed properties held for sale	**(919)**	**(121,056)**	**(131,899)**	**(63,185)**	**—**	**(317,059)**
Interest income	**20,862**	**15,377**	**3,853**	**306**	**117**	**40,515**
Finance costs	**(2,926)**	**(545)**	**(3,160)**	**—**	**—**	**(6,631)**
Income tax expenses	**(245,103)**	**9,426**	**7,014**	**16,203**	**(455)**	**(212,915)**

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**	**Elimination**	**Total**
As at 30 June 2014 (unaudited)							
Total segment assets	**35,760,338**	**26,143,094**	**5,997,464**	**6,411,508**	**8,235,704**	**(32,927,893)**	**49,620,215**
Total segment assets include:							
Investment in an associate	**3,113**	**—**	**—**	**—**	**—**	**—**	**3,113**
Investment in a joint venture	**9,613**	**—**	**—**	**—**	**—**	**—**	**9,613**
Loan to a joint venture	**1,598,447**	**—**	**—**	**—**	**—**	**—**	**1,598,447**
Deferred income tax assets							**523,646**
Other unallocated corporate assets							**5,131,003**
Total assets							**55,274,864**

RMB'000	Shanghai Region	Yangtze River Delta (excluding Shanghai)	Pan Bohai Rim	Northeast China	Others	Elimination	Total
As at 31 December 2013 (audited)							
Total segment assets	33,377,638	26,085,406	6,037,854	6,626,588	8,305,395	(31,517,270)	48,915,611
Total segment assets include:							
Investment in an associate	1,606	—	—	—	—	—	1,606
Investment in a joint venture	15,317	—	—	—	—	—	15,317
Loan to a joint venture	1,843,081	—	—	—	—	—	1,843,081
Deferred income tax assets							430,833
Other unallocated corporate assets							4,628,279
Total assets							53,974,723

	Six months ended 30 June	
RMB'000	**2014** ***(unaudited)***	2013 *(unaudited)*
Segment results	**270,721**	99,029
Fair value changes of investment properties	**12,340**	123,400
Provision for impairment of properties under development and completed properties held for sale	**(317,059)**	—
Depreciation and amortisation	**(9,911)**	(12,559)
Operating (loss)/profit	**(43,909)**	209,870
Interest income	**40,515**	33,105
Finance costs	**(6,631)**	(2,206)
(Loss)/profit before income tax	**(10,025)**	240,769
Additions to:		
Property, plant and equipment	**251,231**	149,042
Investment properties	**315,022**	562,640
	566,253	711,682

5 Other income

	Six months ended 30 June	
	2014	2013
RMB'000	***(unaudited)***	*(unaudited)*
Interest income	**40,515**	33,105
Rental income	**13,501**	17,460
Others	**906**	1,546
	54,922	52,111

6 Other (losses)/gains, net

	Six months ended 30 June	
	2014	2013
RMB'000	***(unaudited)***	*(unaudited)*
Fair value changes of investment properties	**12,340**	123,400
Exchange (losses)/gains, net	**(41,200)**	55,581
	(28,860)	178,981

7 Expenses by nature

(Loss)/profit before income tax is stated after charging the following:

	Six months ended 30 June	
	2014	2013
RMB'000	***(unaudited)***	*(unaudited)*
Auditors' remuneration	**5,895**	6,508
Advertising costs	**20,662**	52,087
Business taxes and other levies	**130,378**	167,645
Costs of properties sold	**1,665,874**	2,445,248
Provision for impairment of properties under development and completed properties held for sale	**317,059**	—
Depreciation	**9,911**	12,299
Amortisation of intangible asset	**—**	260
Staff costs – excluding directors' emoluments	**74,989**	85,154
Rental expenses	**23,322**	17,125
Losses on disposals of property, plant and equipment	**81**	6,775

8 Finance costs

RMB'000	Six months ended 30 June 2014 (unaudited)	2013 (unaudited)
Interest expenses:		
Bank borrowings	**931,692**	994,576
Senior Notes due 2015	**123,424**	125,178
Senior Notes due 2018	**164,745**	103,162
Others	**10,821**	10,253
Total interest expenses	**1,230,682**	1,233,169
Less: interest capitalised on qualifying assets	**(1,224,051)**	(1,230,963)
	6,631	2,206

9 Income tax expenses

RMB'000	Six months ended 30 June 2014 (unaudited)	2013 (unaudited)
Current income tax:		
PRC corporate income tax	**146,470**	118,595
PRC land appreciation tax	**101,240**	31,153
Overprovision in prior year:		
PRC land appreciation tax and the effect on the PRC corporate income tax, net	**—**	(151,864)
	247,710	(2,116)
Deferred income tax:		
Origination and reversal of temporary differences	**(34,795)**	19,966
	(34,795)	19,966
	212,915	17,850

10 (Loss)/earnings per share

(a) Basic

Basic (loss)/earnings per share is calculated by dividing the (loss)/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	
	2014	2013
	(unaudited)	*(unaudited)*
(Loss)/profit attributable to the owners of the Company (RMB'000)	**(221,339)**	224,718
Weighted average number of ordinary shares in issue (thousands)	**7,792,646**	7,792,646

(b) Diluted

Diluted (loss)/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 each of the six months ended 30 June 2013 and 2014, the Company's share options had no dilutive effect, as the relevant exercise price was higher than the average market price of the Company's shares for the period when the options are outstanding.

11 Dividend

The Board has resolved not to declare the payment of an interim dividend for the six months ended 30 June 2014 (six months ended 30 June 2013: Nil).

12 Trade and other receivables and prepayments

	30 June	31 December
	2014	2013
RMB'000	***(unaudited)***	*(audited)*
Trade receivables due from third parties *(a)*	**380,767**	411,243
Other receivables due from third parties	**1,508,259**	1,332,110
Prepayments for construction costs and other prepayments:	**2,298,197**	1,990,114
Related parties	**1,352,111**	1,069,946
Third parties	**946,086**	920,168
Prepayments for land premium	**4,684,971**	3,360,586
Prepaid business taxes and other taxes	**212,583**	216,570
	9,084,777	7,310,623

(a) Trade receivables mainly arose 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 2014** ***(unaudited)***	31 December 2013 *(audited)*
Within 6 months	**8,768**	374,547
Between 7 and 12 months	**349,422**	13,280
Between 13 months and 3 years	**22,577**	23,416
	380,767	411,243

13 Trade and other payables

RMB'000	**30 June 2014** ***(unaudited)***	31 December 2013 *(audited)*
Trade payables *(a)*:	**2,954,805**	3,247,555
Related parties	**11,753**	12,063
Third parties	**2,943,052**	3,235,492
Other payables due to third parties	**1,145,557**	1,190,784
Acquisition consideration payable	**310,000**	310,000
Other payables and accrued expenses	**835,557**	880,784
Other taxes payable	**156,474**	160,867
	4,256,836	4,599,206

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

RMB'000	**30 June 2014** ***(unaudited)***	31 December 2013 *(audited)*
Within 6 months	**2,482,590**	2,842,594
Between 7 and 12 months	**43,527**	27,499
Between 13 months and 5 years	**428,688**	377,462
	2,954,805	3,247,555

14 Borrowings

RMB'000	**30 June 2014 *(unaudited)***	31 December 2013 *(audited)*
Borrowings included in non-current liabilities:		
Bank borrowings – secured	**11,775,075**	9,398,595
Senior Notes due 2015 – secured	**1,873,514**	1,838,899
Senior Notes due 2018 – secured	**2,525,644**	2,514,314
Other borrowings – unsecured	**—**	17,000
	16,174,233	13,768,808
Borrowings included in current liabilities:		
Bank borrowings – secured	**4,684,618**	5,108,371
Other borrowings – unsecured	**35,700**	47,800
Other borrowings – secured	**287,700**	160,400
	5,008,018	5,316,571
Total borrowings	**21,182,251**	19,085,379

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

RMB'000	**30 June 2014 *(unaudited)***	31 December 2013 *(audited)*
Amounts of borrowings that are repayable:		
Within 1 year	**5,008,018**	5,316,571
After 1 and within 2 years	**8,794,940**	6,423,597
After 2 and within 5 years	**7,344,293**	7,305,211
After 5 years	**35,000**	40,000
	21,182,251	19,085,379

FINANCIAL REVIEW

For the six months ended 30 June 2014, the Group recorded a consolidated revenue of RMB2,345.9 million, representing a decrease of 20.6% compared to RMB2,953.1 million for the first half of 2013. The GFA of properties delivered by the Group decreased from 404,453 sq.m. in the first half of 2013 to 170,097 sq.m. in the current period. As a result of the higher proportion of GFA delivered in the Shanghai region in the current period, of which the average selling price is higher, the Group's average selling price increased significantly by 88.9% from RMB7,301 per sq.m. in the first half of 2013 to RMB13,792 per sq.m. during the current period.

The cost of sales for the six months ended 30 June 2014 was RMB2,113.3 million, representing a decrease of 19.1% as compared to RMB2,612.9 million from the corresponding period in 2013. The cost of sales for the current period included a provision for impairment of certain property development projects which amounted to RMB317.1 million (six months ended 30 June 2013: Nil). The provision for impairment was made to certain of the Group's property projects that had experienced prolonged construction period, during which the Group continued to incur construction costs and finance costs, causing the total project costs to exceed the realisable value of those projects. Excluding the provision for impairment, the Group's average cost of sales for the first half of 2014 was RMB10,599 per sq.m., which was 64.1% higher than that of RMB6,460 per sq.m. for the corresponding period in 2013. The higher average cost of sales for the first half of 2014 was due to the higher proportion of properties sold and delivered in Shanghai for the current period.

The Group's consolidated gross profit for the first half of 2014 was RMB232.6 million, representing a decrease of 31.6% from a gross profit of RMB340.2 million for the corresponding period in 2013. The Group's gross profit margin for the current period was 9.9%, compared to 11.5% during the corresponding period in 2013. Despite there was a much higher proportion of properties sold and delivered in Shanghai region for the current period that usually enjoys a higher gross profit margin, the Group's consolidated gross profit for the six months ended 30 June 2014 was lower than that of the corresponding period in 2013 because there was a decrease in revenue, as well as due to the inclusion of the provision for impairment of the Group's properties for the current period.

Other income for the six months ended 30 June 2014 was RMB54.9 million, representing an increase of 5.4% from RMB52.1 million for the corresponding period in 2013. Other income mainly includes interest income and rental income.

Other (losses)/gains, net for the six months ended 30 June 2014 was a net other loss of RMB28.9 million, as compared to a net other gain of RMB179.0 million for the corresponding period in 2013. The net other loss for the current period primarily comprised the fair value gain of the Group's investment properties of RMB12.3 million (six months ended 30 June 2013: fair value gain of RMB123.4 million) and net exchange loss of RMB41.2 million (six months ended 30 June 2013: net exchange gain of RMB55.6 million) mainly arising from the retranslation of the Company's US dollar senior notes due 2015 and 2018 respectively.

Selling and marketing expenses for the six months ended 30 June 2014 was RMB70.0 million, representing a decrease of 49.4% as compared to RMB138.4 million during the corresponding period in 2013. The decrease in selling and marketing expenses was primarily due to less number of new project launches and less general marketing activities during the period under review.

Administrative expenses for the six months ended 30 June 2014 were RMB187.9 million, which was comparable to RMB187.9 million for the corresponding period in 2013.

Gross finance costs for the six months ended 30 June 2014 were RMB1,230.7 million, which was comparable to RMB1,233.2 million for the same period in 2013. For the six months ended 30 June 2014, finance costs of RMB1,224.1 million (six months ended 30 June 2013: RMB1,231.0 million) have been capitalised, leaving RMB6.6 million (six months ended 30 June 2013: RMB2.2 million) charged directly to the condensed consolidated statement of comprehensive income.

The Group recorded a loss before income tax of RMB10.0 million for the six months ended 30 June 2014, as compared to a profit before income tax of RMB240.8 million for the corresponding period in 2013. The loss before income tax for the current period was mainly because there was a lower gross profit and lower fair value gain on investment properties.

Income tax expenses for the six months ended 30 June 2014 were RMB212.9 million, representing a significant increase of 1,092.8% as compared to RMB17.9 million for the corresponding period in 2013. The significant increase in income tax expenses was mainly because there was a reversal of overprovided income tax of RMB151.8 million during the first half of 2013 but no such reversal exists for the current period. Even though the Group recorded a loss before income tax for the current period, the Group is still required to make provision for income tax expenses for the current period mainly because a significant amount of expenses of certain loss-making subsidiaries or certain corporate level expenses were not allowed to off-set taxable profits of those profit making subsidiaries within the Group.

The Group recorded a loss attributable to the owners of the Company of RMB221.3 million for the six months ended 30 June 2014, as compared to a profit attributable to the owners of the Company of RMB224.7 million for the first half of 2013. The loss attributable to the owners of the Company for the current period was mainly attributable to the lower gross profit, lower fair value gain on investment properties and higher income tax expenses for the current period.

Current Assets and Liabilities

As at 30 June 2014, the Group held total current assets of approximately RMB38,907.6 million (31 December 2013: RMB38,018.9 million), comprising mainly properties under development, trade and other receivables and prepayments and completed properties held for sale. Properties under development increased slightly by 0.6% from RMB21,794.2 million as at 31 December 2013 to RMB21,914.6 million as at 30 June 2014, mainly due to the continuous progress of the Group's property development projects during the current period. Trade and other receivables and prepayments increased by 24.3% from RMB7,310.6 million as at 31 December 2013 to RMB9,084.8 million as at 30 June 2014, mainly comprising prepayments for land premium for which the relevant land use right certificates were yet to be obtained and prepayment for construction costs. In the current period, the Group has fully paid the land premium for the land parcel in Fengxian district, Shanghai that the Group acquired in late 2013. Completed properties held for sale increased by 4.8% from RMB5,643.2 million as at 31 December 2013 to RMB5,912.0 million as at 30 June 2014. The higher balance of completed properties held for sale was mainly due to completion of new blocks of two property projects in current period that the completed but unsold properties were reclassified as completed properties held for sale.

Total current liabilities as at 30 June 2014 amounted to RMB17,764.8 million, representing a decrease of 5.0% as compared to RMB18,705.3 million as at 31 December 2013, for which the decrease was mainly due to the decrease in advanced proceeds received from customers and trade and other payables.

As at 30 June 2014, the current ratio (calculated as the total current assets divided by the total current liabilities) was 2.19 (31 December 2013: 2.0). The higher current ratio in current period was mainly resulted from the lower level of current liabilities.

Liquidity and Financial Resources

During the first half of 2014, the Group funded its property development projects principally from proceeds from the pre-sales of properties and bank loans. As at 30 June 2014, the Group had cash and bank balances of RMB1,667.0 million (31 December 2013: RMB2,952.8 million).

As at 30 June 2014, the Group's total borrowings amounted to RMB21,182.3 million, representing an increase of 11.0% compared to RMB19,085.4 million as at 31 December 2013.

The Group monitors its capital on the basis of the gearing ratio and short-term debt 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 2014 and 31 December 2013 were as follows:

RMB'000	**30 June 2014** ***(unaudited)***	31 December 2013 *(audited)*
Total borrowings	**21,182,251**	19,085,379
Less: cash and bank balances	**(1,667,003)**	(2,952,781)
Net debt	**19,515,248**	16,132,598
Total equity attributable to the owners of the Company	**18,228,542**	18,449,881
Gearing ratio	**107.1%**	87.4%

The gearing ratio as at 30 June 2014 was higher than that as at 31 December 2013 as a result of the increase in the Group's total borrowings and decrease in cash and bank balances. The increase in the Group's borrowings was to finance its operating activities, mainly including the payments for construction costs and land premium. In addition, as there was limited new launch of the Group's property projects in the current period, cash inflows generated from property sales was not significant.

Short-term debt ratio is calculated as current borrowings divided by total borrowings. As at 30 June 2014, the Group's short-term debt ratio was 23.6% (31 December 2013: 27.9%).

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, mainly 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 aforementioned liabilities 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 2014, 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 2014, 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 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. 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 2014, the amount of outstanding guarantees for mortgages was RMB7,083.3 million (31 December 2013: RMB6,866.0 million).

Capital Commitments

As at 30 June 2014, the Group had capital commitments as follows:

RMB'000	**30 June 2014** ***(unaudited)***	31 December 2013 *(audited)*
Land use rights	**961,918**	1,614,661
Property development expenditures	**5,065,147**	6,981,262
Construction materials	**5,220**	6,054
	6,032,285	8,601,977

EMPLOYEE

As at 30 June 2014, the Group had approximately 1,048 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 30 June 2014, there were 69,000,000 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 30 June 2014, there was no share option being granted under the Share Option Scheme.

CORPORATE GOVERNANCE

Compliance with Corporate Governance Code

The Company has complied with 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 2014, save for the deviation from 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 (the "Chairman") did not attend the annual general meeting of the Company held on 30 May 2014 (the "AGM") due to other business engagements. Mr. Ding Xiang Yang, the vice chairman of the Board and the executive director of the Company (who was appointed as the chief executive officer of the Company effective from the conclusion of the AGM), chaired the AGM on behalf of the Chairman and was available to answer 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. 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 2014.

AUDIT COMMITTEE

The Audit Committee was established on 9 September 2009 with written terms of reference, and comprises three independent non-executive directors, namely, Mr. Liu Shun Fai (chairman of the Audit Committee), Mr. Wo Rui Fang and Mr. Han Ping.

The Audit Committee has reviewed with management the unaudited condensed consolidated results of the Group for the six months ended 30 June 2014 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 2014.

PUBLICATION OF INTERIM RESULTS ANNOUNCEMENT AND INTERIM REPORT

The interim results announcement is published on the websites of the Company at www.gloriousphl.com.cn and the Hong Kong Stock Exchange at www.hkexnews.hk. The interim report of the Company for the six months ended 30 June 2014 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, 25 August 2014

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