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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)

CONTINUING CONNECTED TRANSACTIONS

(1) REDUCTION OF ADJUSTED ANNUAL CAPS UNDER THE NEW CONSTRUCTION SERVICES AGREEMENT

AND

(2) DELAY IN DESPATCH OF CIRCULAR

Reference is made to the Announcement in respect of, among other things, the New Construction Services Agreement and the Adjusted Annual Caps for each of the three years ending 31 December 2020. Unless otherwise defined, terms used herein shall have the same meanings as defined in the Announcement.

The Board has determined to further reduce the Adjusted Annual Caps for the three years ending 31 December 2020 as previously disclosed in the Announcement.

As stated in the Announcement, the Circular containing, among other things, (i) further details of the transactions contemplated under the New Construction Services Agreement and the Adjusted Annual Caps (as further reduced to the Reduced Annual Caps); (ii) the recommendations from the Independent Board Committee; (iii) the advice from the Independent Financial Adviser; and (iv) the notice of the extraordinary general meeting of the Company and other information as required under the Listing Rules was expected to be despatched to the Shareholders on or before 5 October 2018. As additional time is required to prepare the information to be included in the Circular, the despatch of the Circular is expected to be delayed to a date falling on or before 19 October 2018.

INTRODUCTION

Reference is made to the announcement of the Company dated 21 September 2018 (the “**Announcement**”) in respect of, among other things, the New Construction Services Agreement and the Adjusted Annual Caps for each of the three years ending 31 December 2020. Unless otherwise defined, terms used herein shall have the same meanings as defined in the Announcement.

(1) **REDUCTION OF ADJUSTED ANNUAL CAPS UNDER THE NEW CONSTRUCTION SERVICES AGREEMENT**

The Board has determined to further reduce the Adjusted Annual Caps for the three years ending 31 December 2020 as previously disclosed in the Announcement. The further reduced Adjusted Annual Caps (the “**Reduced Annual Caps**”) are set out as follows:

	For the year ending 31 December 2018 <i>(RMB million)</i>	For the year ending 31 December 2019 <i>(RMB million)</i>	For the year ending 31 December 2020 <i>(RMB million)</i>
Revised Annual Caps	700.0	500.0	200.0
Adjusted Annual Caps	450.0	330.0	180.0
Reduced Annual Caps	370.0	240.0	140.0

Basis for the Reduced Annual Caps

The Reduced Annual Caps were determined with reference to the business strategy of the Group and taking into account of factors such as (i) the historical transaction amounts; (ii) the anticipated increase in inflation in the costs of construction materials, machineries and labour; and (iii) the estimated annual fees payable pursuant to the Existing Contracts, based on the estimated budgets for the total construction costs and the historical construction costs incurred by the Group for such contracts, as well as the estimated annual fees payable by the Group according to the development stages of the construction projects.

The aggregated amount of the Reduced Annual Caps is lower than the Revised Annual Caps by approximately RMB650 million or 46.4% and the Adjusted Annual Caps by approximately RMB210 million or 21.9%, respectively. After such adjustment, the reduction from the Revised Annual Caps to the Reduced Annual Caps is effectively resulted from the following factors: (i) as far as allowed by the relevant laws and regulations, the Group has negotiated and agreed with Shanghai Ditong, to hire other independent third parties to take on certain construction works under the Existing Contracts; (ii) the Group will be responsible for the procurement of certain construction raw materials in order to minimize the amount of transactions with Shanghai Ditong in the future; and (iii) in addition to the termination of a contract with Shanghai Ditong for the Group’s projects in Shanghai as disclosed in the Announcement, the Group also proposes to terminate two other contracts in relation to the projects undertaken by Shanghai Ditong.

Implications under the Listing Rules

As one or more of the applicable percentage ratios of the Reduced Annual Caps exceed 5%, the transactions contemplated under the New Construction Services Agreement and the Reduced Annual Caps remain subject to the reporting, annual review, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

Prior to obtaining approval from the Independent Shareholders of the Reduced Annual Caps, the Company will continue to closely monitor the aggregate transaction amount of the transactions under the New Construction Services Agreement to ensure that all the applicable percentage ratios in respect of such transactions fall below 5%, which is approximately RMB140 million, for each of the three years ending 31 December 2020 as at the date of this announcement.

(2) DELAY IN DESPATCH OF CIRCULAR

As stated in the Announcement, a circular (the “**Circular**”) containing, among other things, (i) further details of the transactions contemplated under the New Construction Services Agreement and the Adjusted Annual Caps (as further reduced to the Reduced Annual Caps); (ii) the recommendations from the Independent Board Committee; (iii) the advice from the Independent Financial Adviser; and (iv) the notice of the extraordinary general meeting of the Company and other information as required under the Listing Rules was expected to be despatched to the Shareholders on or before 5 October 2018. As additional time is required to prepare the information to be included in the Circular, the despatch of the Circular is expected to be delayed to a date falling on or before 19 October 2018.

Save as disclosed in this announcement, there are no other material changes to the information disclosed in the Announcement (including but not limited to the principal terms of the New Construction Services Agreement).

By order of the Board
Glorious Property Holdings Limited
Ding Xiang Yang
Chairman

Hong Kong, 5 October 2018

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