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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: 845)

DISCLOSEABLE AND CONNECTED TRANSACTION

On 20 November 2009, Wuxi Wangjiarui, an indirect wholly-owned subsidiary of the Company, entered into the Acquisition Agreement with the Vendor whereby Wuxi Wangjiarui has agreed to acquire from the Vendor the entire equity interest in the Project Company.

Mr. Zhang Zhi Rong is a Director of the Company and holds the entire issued share capital of Best Era International Limited (美年國際有限公司) which is in turn the ultimate controlling shareholder of the Company. Mr. Zhang Zhi Rong is also an indirect controlling shareholder of the Vendor. Accordingly, the Vendor is a connected person of the Company within the meaning of the Listing Rules. Accordingly, the entering into of the Acquisition Agreement constitutes a connected transaction of the Company under the Listing Rules. As one or more of the applicable percentage ratios calculated under Rule 14.07 of the Listing Rules in respect of the Acquisition contemplated under the Acquisition Agreement exceed 5% but are less than 25%, the Acquisition also constitutes a discloseable transaction under the Listing Rules. The Acquisition, being a discloseable and connected transaction under the Listing Rules, is subject to the reporting, announcement and independent shareholders' approval requirements under the Listing Rules.

A circular containing, among other things, (i) the details of the Acquisition; (ii) the recommendation of the Independent Board Committee regarding the Acquisition to the Independent Shareholders; (iii) a letter from an independent financial adviser containing its advice to the Independent Board Committee on the Acquisition; (iv) a notice to convene the EGM and a proxy form; and (v) other information required under the Listing Rules, will be dispatched to the Shareholders in accordance with the Listing Rules.

Best Era International Limited (美年國際有限公司) and its respective associates, being connected persons of the Company and having material interests in the Acquisition (which are different from those of the Independent Shareholders), will abstain from voting at the EGM for the relevant resolutions. The votes of the Independent Shareholders regarding the resolutions for approval of the Acquisition Agreement and the transactions contemplated under it will be taken by way of poll at the EGM.

BACKGROUND

On 11 November 2009, the Vendor successfully tendered for the Project Site 1 and the Project Site 2 pursuant to a listing-for-sale (摘牌) process for a consideration of RMB1,030,000,000 (approximately HK\$1,169,122,100) and RMB970,000,000 (approximately HK\$1,101,017,900), respectively, amounting to an aggregate consideration of RMB2,000,000,000 (approximately HK\$2,270,140,000). Either the Vendor or the Project Company will formally enter into land use right contract(s) with the relevant land bureau for the acquisition of the land use rights of the Project Sites.

Subject to the payment of the Land Premium, it is expected that the Project Company will obtain the land use right certificates for the Project Sites no later than six months from the date of the Acquisition Agreement.

On 20 November 2009, Wuxi Wangjiarui, an indirect wholly-owned subsidiary of the Company, entered into the Acquisition Agreement with the Vendor whereby Wuxi Wangjiarui has agreed to acquire from the Vendor the entire equity interest in the Project Company.

THE ACQUISITION AGREEMENT

Date

20 November 2009

Parties

- (1) Wuxi Wangjiarui
- (2) The Vendor

Subject Matter

Pursuant to the Acquisition Agreement, the Vendor has agreed to sell, and Wuxi Wangjiarui has agreed to purchase, the entire equity interest in the Project Company subject to the terms and conditions of the Acquisition Agreement.

Consideration payable under the Acquisition Agreement

The Consideration under the Acquisition Agreement is RMB2,000,000,000 (approximately HK\$2,270,140,000). The Consideration will be settled by Wuxi Wangjiarui in the following manner:

1. subject to the fulfillment of the condition precedent (iii) as disclosed below and upon payment instruction given by the Vendor, RMB1,800,000,000 (approximately HK\$2,043,126,000) is payable by Wuxi Wangjiarui to the Vendor; and
2. the remainder of the Consideration, being RMB200,000,000 (approximately HK\$227,014,000), is payable by Wuxi Wangjiarui to the Vendor on the Completion Date.

Basis of Consideration

The Consideration was arrived at after arm's length negotiations between the Vendor and Wuxi Wangjiarui, having regard to the Land Premium for the Project Sites payable by the Vendor to the relevant land bureau.

Condition Precedents for the Acquisition

Pursuant to the Acquisition Agreement, completion of the Acquisition shall be conditional upon the following:

- (i) the approval by the Project Company of the Acquisition by the shareholders' resolutions or the board of directors' resolutions;
- (ii) the approval by the board of directors of Wuxi Wangjiarui of the Acquisition pursuant to the terms and conditions of the Acquisition Agreement and the authorization for the execution and performance of the Acquisition Agreement;
- (iii) the Company having fulfilled the necessary requirements and having obtained the necessary approvals under the Listing Rules with respect to the Acquisition Agreement and the transactions contemplated thereby;

- (iv) the approval by the board of directors of the Vendor of the Acquisition pursuant to the terms and conditions of the Acquisition Agreement and the authorization for the execution and performance of the Acquisition Agreement; and
- (v) the Project Company having obtained the valid land use right certificates for the Project Sites in accordance with the applicable laws and regulations.

Unless any of the above condition precedents (save for conditions (iii) and (v) above which cannot be waived) has been waived as mutually agreed in writing by the parties to the Acquisition Agreement, if the condition precedents have not been fulfilled within 6 months of the date of the Acquisition Agreement (or such other date as the parties may mutually agree), any party to the Acquisition Agreement shall have the right to terminate the agreement by notice in writing to the other party.

Upon satisfaction of all the condition precedents (unless otherwise waived as mutually agreed by the parties to the Acquisition Agreement), the parties will proceed to complete necessary registrations and filings in respect of the Acquisition. In the event such filings are not completed within 100 days from the date on which all the condition precedents had been satisfied, unless an extension of time is agreed upon by the parties, the Acquisition Agreement shall automatically terminate.

Upon termination of the Acquisition Agreement, the Vendor shall return to Wuxi Wangjiarui the amount of the Consideration previously paid by Wuxi Wangjiarui to the Vendor within 14 business days of such termination.

Completion of the Acquisition

Completion of the Acquisition shall take place on the day when the necessary registrations and filings have been completed with respect to the Acquisition and Wuxi Wangjiarui becomes the registered owner of the entire equity interest in the Project Company. On the Completion Date, Wuxi Wangjiarui shall pay the amount of RMB200,000,000 (approximately HK\$227,014,000) to the Vendor.

FUNDING FOR THE ACQUISITION

The aggregate consideration of the Acquisition of RMB2,000,000,000 (approximately HK\$2,270,140,000) will be funded by internal resources and/or bank financing. The Directors (excluding the independent non-executive Directors who will express their view after receiving advice from the independent financial adviser) consider that the terms of the Acquisition Agreement are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

REASONS AND BENEFITS FOR THE ACQUISITION

The Group is a developer and seller of high quality properties in key economic cities in the PRC. The Company considers that the Acquisition provides an excellent opportunity for the Group to acquire two large parcels of land in Xu Jia Hui District (徐家匯區), a prime location in the central business district of Shanghai, at a reasonable price and to implement its strategy of diversifying its long-term earnings base through the development of commercial properties.

The Group's management decided to acquire land and further strengthen the Group's presence in Shanghai for a number of reasons. Shanghai is the leading economic and financial centre of the PRC and is one of the fastest growing financial capitals in the world. It is expected that Shanghai will benefit from increasing economic and population growth, favorable policies by the central government to develop Shanghai into an international financial centre, as well as enhanced exposure and reputation as a result of its hosting of the World Expo in 2010. In addition, since the development of its first property project in Shanghai in 1996, the Group's management has accumulated more than 13 years' experience in the development and management of a large number of property projects in Shanghai. The Directors are confident that the development of the Project Sites will likely result in great success for the Group.

The Company intends to develop a large-scale commercial project on the Project Sites, comprising high quality office buildings, service apartments, hotel and other ancillary facilities. Driven by strong economic growth, increasing level of foreign investment and the expansion of the service industry in the PRC, the commercial properties sector in the PRC has demonstrated enormous growth potentials. Given the excellent prospects in this sector, coupled with limited land supply in prime locations in the Shanghai central business district, the Company expects that there will be strong demand from international and domestic investors for the high quality commercial properties to be developed on the Project Sites.

Based on the foregoing, the Company considers that the Acquisition and development of the Project Sites would have a positive impact on the revenue and earning prospects of the Group in the long term.

INFORMATION ON THE PARTIES INVOLVED

The Group is principally engaged in the development and sale of high quality properties in key economic cities across the PRC. As of the date of this announcement, the Group has developed or is developing projects in nine key economic cities across the PRC, namely Shanghai, Tianjin, Beijing, Hefei, Shenyang, Harbin, Wuxi, Suzhou and Nantong.

The Vendor is principally engaged in the manufacturing, assembly and sale of vessels in the PRC.

INFORMATION ON THE PROJECT COMPANY AND THE PROJECT SITES

The Project Company is one or two companies to be established under the laws of the PRC as wholly-owned subsidiary or subsidiaries of the Vendor. Since the Project Company is yet to be established, neither the book value nor the net profits of the Project Company is available as at the date of this announcement. It is expected that the Project Company will have no material liabilities as at the completion of the Acquisition. The sole assets which would be held by the Project Company as at the completion of the Acquisition are the Project Sites, which are not adjacent to each other.

Project Site 1

Location:	上海市徐家匯街道143街坊，漕溪北路以西，華亭賓館以北 (No.143, Xu Jia Hui Road, west of Cao Xi North Road, north of Huating Hotel, Shanghai*)
Gross site area:	Approximately 26,221.8 square metres
Plot ratio:	2.5
Land Use:	Commercial, office and cultural use

Project Site 2

Location:	上海市漕河涇街道292街坊，漕溪北路以東、規劃漕東支路以西、軌道交通三號線以北、中山南二路以南 (No. 292 Cao He Jing Road, east of Cao Xi North Road, west of the planned Cao East Road, north of the No. 3 metro line and south of Zhongshan South Second Road, Shanghai*)
Gross site area:	Approximately 17,610.9 square metres
Plot ratio:	4.23
Land Use:	Commercial and office use

IMPLICATIONS UNDER THE LISTING RULES

Mr. Zhang Zhi Rong is a Director of the Company and holds the entire issued share capital of Best Era International Limited (美年國際有限公司) which is in turn the ultimate controlling shareholder of the Company. Mr. Zhang Zhi Rong is also an indirect controlling shareholder of the Vendor. Accordingly, the Vendor is a connected person of the Company within the meaning of the Listing Rules. Accordingly, the entering into of the Acquisition Agreement constitutes a connected transaction of the Company under the Listing Rules. As one or more of the applicable percentage ratios calculated under Rule 14.07 of the Listing Rules in respect of the Acquisition contemplated under the Acquisition Agreement exceed 5% but are less than 25%, the Acquisition also constitutes a discloseable transaction under the Listing Rules. The Acquisition, being a discloseable and connected transaction under the Listing Rules, is subject to the reporting, announcement and independent shareholders' approval requirements under the Listing Rules.

The Independent Board Committee comprising all the independent non-executive Directors has been formed to advise the Independent Shareholders in respect of the Acquisition. An independent financial adviser will be appointed to advise the Independent Board Committee and the Independent Shareholders in this connection.

A circular containing, among other things, (i) the details of the Acquisition; (ii) the recommendation of the Independent Board Committee regarding the Acquisition to the Independent Shareholders; (iii) a letter from an independent financial adviser containing its advice to the Independent Board Committee on the Acquisition; (iv) a notice to convene the EGM and a proxy form; and (v) other information required under the Listing Rules, will be dispatched to the Shareholders in accordance with the Listing Rules.

Best Era International Limited (美年國際有限公司) and its respective associates, being connected persons of the Company and having material interests in the Acquisition (which are different from those of the Independent Shareholders), will abstain from voting at the EGM for the relevant resolutions. The votes of the Independent Shareholders regarding the resolutions for approval of the Acquisition Agreement and the transactions contemplated under it will be taken by way of poll at the EGM.

DEFINITIONS

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

“Acquisition”	the acquisition of the entire equity interest in the Project Company by Wuxi Wangjiarui from the Vendor pursuant to the Acquisition Agreement
“Acquisition Agreement”	the equity acquisition agreement dated 20 November 2009 entered into between Wuxi Wangjiarui and the Vendor
“associate(s)”	has the meaning ascribed to it in the Listing Rules
“Board”	the board of Directors
“Company”	Glorious Property Holdings Limited (恒盛地產控股有限公司), a company incorporated under the laws of the Cayman Islands with limited liability and whose shares are listed on the Stock Exchange
“Completion Date”	the day on which all required approvals from the relevant PRC governmental and regulatory authorities have been obtained and the necessary registrations and filings have been completed with respect to the Acquisition and Wuxi Wangjiarui becomes the registered owner of the entire equity interest in the Project Company
“Consideration”	the aggregate consideration payable by Wuxi Wangjiarui in respect of the Acquisition pursuant to the Acquisition Agreement, equivalent to RMB2,000,000,000 (approximately HK\$2,270,140,000)
“connected person(s)”	shall have the meanings ascribed to it under the Listing Rules
“Directors”	the directors of the Company
“EGM”	the extraordinary general meeting of the Company to be held for the purpose of considering and, if thought fit, approving the Acquisition Agreement and the Acquisition

“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of the Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	the independent board committee of the Board consisting of all the independent non-executive Directors
“Independent Shareholders”	the Shareholders other than Best Era International Limited (美年國際有限公司), its associates and other person(s) with a material interest in the Acquisition
“Land Premium”	the aggregate amount of land premium for the Project Sites payable to the relevant land bureau, equivalent to RMB2,000,000,000 (approximately HK\$2,270,140,000)
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“PRC”	the People’s Republic of China (excluding, for the purpose of this announcement, the Hong Kong Special Administrative Region of the People’s Republic of China, the Macao Special Administrative Region of the People’s Republic of China and Taiwan)
“Project Company”	the one or two companies to be established under the laws of the PRC as wholly-owned subsidiary or subsidiaries of the Vendor
“Project Site 1”	the site area located at 上海市徐家匯街道143街坊，漕溪北路以西，華亭賓館以北 (No.143, Xu Jia Hui Road, west of Cao Xi North Road, north of Huating Hotel, Shanghai, PRC*) with a gross site area of approximately 26,221.8 square metres
“Project Site 2”	the site area located at 上海市漕河涇街道292街坊，漕溪北路以東、規劃漕東支路以西、軌道交通三號線以北、中山南二路以南 (No. 292 Cao He Jing Road, east of Cao Xi North Road, west of the planned Cao East Road, north of the No. 3 metro line and south of Zhongshan South Second Road, Shanghai, PRC*) with a gross site area of approximately 17,610.9 square metres
“Project Sites”	Project Site 1 and Project Site 2

“RMB”	Renminbi yuan, the lawful currency of the PRC
“Shareholders”	holders of the ordinary share(s) of a nominal value of HK\$0.01 each in the share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Wuxi Wangjiarui”	無錫旺佳瑞有限公司 (Wuxi Wangjiarui Co., Ltd.*), a company established under the laws of the PRC on 7 September 2004 and an indirect wholly-owned subsidiary of the Company
“Vendor”	江蘇熔盛造船有限公司 (Jiangsu Rongsheng Shipbuilding Co. Ltd.*), a company established under the laws of the PRC on 21 June 2007

* *For identification purpose only.*

For illustration purpose in this announcement, the conversion of RMB into HK\$ is based on the exchange rate of RMB1.0 = HK\$1.13507. Such conversion should not be construed as a representation that the amount in question has been, could have been or could be converted at any particular rate at all.

By order of the Board
Glorious Property Holdings Limited
Zhang Zhi Rong
Chairman

Hong Kong, 20 November 2009

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