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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)

DISCLOSEABLE TRANSACTION

ACQUISITION OF THE ENTIRE ISSUED SHARE CAPITAL OF HIGHEST REACH LIMITED

On 18 December 2009, Bright New, a wholly-owned subsidiary of the Company, entered into the Share Purchase Agreement with Sparkle International, pursuant to which Bright New has conditionally agreed to acquire from Sparkle International (i) the Sale Shares, being the entire issued share capital of Highest Reach, and (ii) the shareholder's loan of approximately HK\$386,822,000 advanced by Sparkle International to Fast Right.

As one or more of the applicable percentage ratios calculated under Rule 14.07 of the Listing Rules in respect of the transactions contemplated under the Share Purchase Agreement exceed 5% but are less than 25%, the entering into of the Share Purchase Agreement constitutes a discloseable transaction for the Company under the Listing Rules.

BACKGROUND

On 18 December 2009, Bright New, a wholly-owned subsidiary of the Company, entered into the Share Purchase Agreement with Sparkle International, pursuant to which Bright New has conditionally agreed to acquire from Sparkle International (i) the Sale Shares, being the entire issued share capital of Highest Reach, and (ii) the shareholder's loan of approximately HK\$386,822,000 advanced by Sparkle International to Fast Right.

SHARE PURCHASE AGREEMENT

Date

18 December 2009

Parties

- (1) Sparkle International (as vendor)
- (2) Bright New (as purchaser)

Subject Matter

Pursuant to the Share Purchase Agreement, Bright New has conditionally agreed to purchase from Sparkle International (i) the Sale Shares, being the entire issued share capital of Highest Reach, and (ii) the shareholder's loan of approximately HK\$386,822,000 advanced by Sparkle International to Fast Right, subject to the conditions and in accordance with the terms of the Share Purchase Agreement.

Consideration and Payment

The aggregate consideration payable by Bright New to Sparkle International under the Share Purchase Agreement is the US\$ Equivalent of RMB1,149,421,000 (approximately HK\$1,305,639,000), of which:

1. US\$ Equivalent of RMB399,710,500 (approximately HK\$454,035,000) will be paid by cashier's order on the Completion Date, subject to the fulfillment of the conditions precedent as disclosed below (or otherwise waived by Bright New in writing, other than the conditions (vi) and (vii) below which cannot be waived);
2. US\$ Equivalent of RMB399,710,500 (approximately HK\$454,035,000) will be paid by cashier's order on 4 January 2010, provided that (i) Bright New will, on the Completion Date, issue an irrevocable and unconditional payment instruction to its bank for holding up the amount of the US\$ Equivalent of RMB399,710,500 (approximately HK\$454,035,000) using the relevant exchange rate on 18 December 2009 for issuing a cashier's order of such amount on 4 January 2010, and (ii) the bank will, on the Completion Date, issue a confirmation that it would act in accordance with such payment instruction;
3. US\$ Equivalent of RMB70,000,000 (approximately HK\$79,514,000) will be paid by cashier's order on or before 25 January 2010, subject to the commencement of the land-filling process of the Project Site and the delivery of such commencement evidence from Sparkle International to Bright New on or before 21 January 2010;

4. US\$ Equivalent of RMB80,000,000 (approximately HK\$90,873,000) will be paid by cashier's order on or before 4 June 2010, subject to the discharge of the bank pledge over 54,000.27 sq.m. of the Project Site granted by Tianjin Dongan and the delivery of such discharge evidence from Sparkle International to Bright New on or before 31 May 2010;
5. US\$ Equivalent of RMB100,000,000 (approximately HK\$113,591,000) will be paid by cashier's order on or before 5 January 2011, subject to the discharge of the bank pledge over 133,334 sq.m. of the Project Site granted by Tianjin Dongan and the delivery of such discharge evidence from Sparkle International to Bright New on or before 31 December 2010; and
6. US\$ Equivalent of RMB100,000,000 (approximately HK\$113,591,000) will be paid by cashier's order on or before 5 January 2011, subject to the completion of certain development construction of the Project Site in accordance with the time schedule as stipulated in the Share Purchase Agreement and the issue of certificate(s) of completion of construction by the relevant governmental department; however, if there is any delay in such development construction which may cause any loss to Bright New, Bright New may deduct the reasonable compensation amount as mutually agreed between Sparkle International and Bright New from such US\$ Equivalent of RMB100,000,000 (approximately HK\$113,591,000) and the then balance will be paid by cashier's order to Sparkle International on or before 31 January 2011.

The consideration payable by Bright New under the Share Purchase Agreement was arrived at after arm's length negotiations between Bright New and Sparkle International. The consideration was principally based on the financial position of Tianjin Dongan, the potential development prospects of the Project Site and the aggregate principal amount of the shareholder's loan to be assigned from Sparkle International to Bright New. Based on the audited financial statements of Tianjin Dongan prepared in accordance with PRC accounting standards, Tianjin Dongan had a net asset value of approximately RMB506,749,000 (approximately HK\$575,621,000) as of 31 December 2008 and a net loss of approximately RMB1,130,000 (approximately HK\$1,284,000) for the year ended 31 December 2008.

Conditions Precedent

Pursuant to the Share Purchase Agreement, completion of the Acquisition is conditional upon the following:

- (i) the representations and warranties given by Sparkle International under the Share Purchase Agreement remain true and accurate from the date of the Share Purchase Agreement to the Completion Date;
- (ii) the result of the due diligence against Highest Reach, Fast Right, Tianjin Dongan and the Project Site is satisfactory to Bright New;
- (iii) no event has occurred which had, has, or may have a material adverse effect on the business, operations, financial conditions or the majority of the property or assets of Highest Reach, Fast Right or Tianjin Dongan;
- (iv) the approval by the board of directors of Highest Reach of the Acquisition;
- (v) the approval by the board of directors of Sparkle International of the Acquisition pursuant to the terms and conditions of the Share Purchase Agreement and the authorisation of the execution and performance of the Share Purchase Agreement;
- (vi) the approval by the board of directors of Bright New of the Acquisition pursuant to the terms and conditions of the Share Purchase Agreement and the authorisation of the execution and performance of the Share Purchase Agreement; and
- (vii) the Company having fulfilled the necessary requirements under the Listing Rules with respect to the Share Purchase Agreement and the transactions contemplated thereby.

Unless any of the above conditions precedent has been waived in writing by Bright New (other than conditions (vi) and (vii) which cannot be waived), if the conditions precedent have not been fulfilled within three days of the date of the Share Purchase Agreement (or such later date as the parties may mutually agree, which in any event will not be later than the Completion Date), Bright New will have the discretion to terminate the Share Purchase Agreement or proceed to completion.

Completion

Subject to the fulfillment of the conditions precedent under the Share Purchase Agreement or otherwise waived by Bright New as described above, completion of the Acquisition will take place on 21 December 2009.

Other Major Terms

After the Completion Date, Sparkle International and Bright New will procure the then equity holders of Tianjin Dongan (or such company designated by Sparkle International and Bright New, respectively) to contribute:

1. an aggregated amount of RMB190,000,000 (approximately HK\$215,823,000) to Tianjin Dongan on a pro-rata basis by way of increase of registered capital or by way of loan on or before 21 January 2010 for repayment of the shareholder's loan in the same amount advanced by Tianjin Boan Investment to Tianjin Dongan within three Business Days after Tianjin Dongan received such contribution;
2. an aggregated amount of RMB4,450,000 (approximately HK\$5,055,000) to Tianjin Dongan on a pro-rata basis by way of increase of registered capital or by way of loan on or before 21 January 2010 for repayment of the shareholder's loan in the same amount advanced by Tianjin Boan Investment to Tianjin Dongan within three Business Days after Tianjin Dongan received such contribution; and
3. an aggregated amount of RMB86,450,000 (approximately HK\$98,199,000) to Tianjin Dongan on a pro-rata basis by way of increase of registered capital or by way of loan on or before 31 December 2010 for payment of certain construction expenses in the same amount incurred by Tianjin Dongan in respect of the development of the Project Site within three Business Days after Tianjin Dongan received such contribution.

FUNDING FOR THE ACQUISITION

The consideration of US\$ Equivalent of RMB1,149,421,000 (approximately HK\$1,305,639,000) under the Share Purchase Agreement will be funded by internal resources and/or bank financing of the Group.

INFORMATION ON HIGHEST REACH, FAST RIGHT AND TIANJIN DONGAN

Highest Reach is a limited liability company incorporated under the laws of the British Virgin Islands. It holds 100% of the equity interest in Fast Right.

Fast Right is a limited liability company incorporated under the laws of Hong Kong. It holds 70% of the equity interest in Tianjin Dongan.

Tianjin Dongan is a sino-foreign equity joint-venture established under the laws of the PRC. The main asset held by Tianjin Dongan is the Project Site.

INFORMATION ON THE PROJECT SITE

Location:	South of Tianjin City, the PRC (38° 54' 46.23" N and 117° 07' 50.85" E)
Gross site area:	Approximately 1,196,000 square metres
Plot ratio:	1.05
Land Use:	Residential and commercial use

REASONS AND BENEFITS FOR THE ACQUISITION

Upon completion of the Acquisition, Highest Reach, Fast Right and Tianjin Dongan will become subsidiaries of the Group and will be consolidated into the accounts of the Group.

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 a large parcel of land in the southern part of Tianjin City, the PRC and to expand its presence in the property development market in Tianjin.

The Company intends to develop high quality residential properties on the Project Site, including villas and low-rise apartments.

The Directors (including the independent non-executive Directors) are of the view that the Share Purchase Agreement was entered into in the ordinary and usual course of business of the Company and that the terms of the Share Purchase Agreement and the transactions contemplated under it are on normal commercial terms, which are fair and reasonable and are in the best interest of the Company and its shareholders as a whole.

GENERAL

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.

As far as the Company is aware and after making reasonable enquiries, Sparkle International is a limited liability company established under the laws of the Cayman Islands and is an investment holding company.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, Sparkle International and its ultimate beneficial owner(s) are third parties independent of the Company and its connected persons.

IMPLICATIONS 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 transactions contemplated under the Share Purchase Agreement exceed 5% but are less than 25%, the entering into of the Share Purchase Agreement constitutes a discloseable transaction for the Company under the Listing Rules.

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 Highest Reach by Bright New from Sparkle International pursuant to the terms and conditions of the Share Purchase Agreement
“Board”	the board of Directors
“Bright New”	Bright New Investments Limited (明新投資有限公司), a company incorporated under the laws of the British Virgin Islands with limited liability and a wholly owned subsidiary of the Company
“Business Day”	any day (other than Saturday, Sunday or a public holiday) on which banks in Hong Kong and the PRC are open generally for normal banking businesses
“Company”	Glorious Property Holdings Limited (恆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”	21 December 2009
“connected person(s)”	shall have the meaning ascribed to it under the Listing Rules
“Directors”	the directors of the Company

“Fast Right”	Fast Right Limited, a limited liability company incorporated under the laws of Hong Kong and a wholly-owned subsidiary of Highest Reach
“Group”	the Company and its subsidiaries
“Highest Reach”	Highest Reach Limited, a company established under the laws of the British Virgin Islands with limited liability
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“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 Site”	the site area located owned by Tianjin Dongan at the southern part of Tianjin City, the PRC (38° 54' 46.23" N and 117° 07' 50.85" E) with a gross site area of approximately 1,196,000 square metres
“RMB”	Renminbi, the lawful currency of the PRC
“Sale Shares”	the 50,000 shares of US\$1.00 in the capital of Highest Reach beneficially owned by and registered in the name of Sparkle International, representing the entire issued share capital of Highest Reach
“Share Purchase Agreement”	the share purchase agreement dated 18 December 2009 entered into between Bright New and Sparkle International in respect of the Acquisition
“Sparkle International”	Sparkle International Holding Limited, a company incorporated under the laws of the Cayman Islands with limited liability
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Tianjin Boan Investment”	天津泊岸投資有限公司 (Tianjin Boan Investment Co. Ltd.*), a company established under the laws of the PRC and the 30% equity interest holder of Tianjin Dongan

“Tianjin Dongan”	天津東岸建設有限公司 (Tianjin Dongan Construction Co. Ltd.*), a company established under the laws of the PRC on 11 March 2005
“US\$”	United States dollars, the lawful currency of the United States of America, including its territories and possessions
“US\$ Equivalent”	in respect of an amount in RMB, the USD equivalent of such RMB amount determined with reference to the mid-point of the exchange rate published by the People’s Bank of China on the Business Day prior to the relevant payment date or otherwise specified

* 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\$1.13591. 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, 18 December 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.