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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)

CONNECTED TRANSACTION — PROVISION OF FINANCIAL ASSISTANCE

Reference is made to the announcement of the Company dated 13 April 2011.

On 13 April 2011, Zhuoyi Dalian (an indirect wholly-owned subsidiary of the Company) and Dalian Hesheng entered into the Equity Transfer Agreement, pursuant to which Zhuoyi Dalian has agreed to acquire from Dalian Hesheng 70% equity interest in Zhong Cheng Jian and the relevant shareholder's loan at a total consideration of RMB514,647,100.

Pursuant to the Equity Transfer Agreement, completion of the Acquisition is conditional on the release of the Original Equity Pledge and will take place within 30 days from the date of the Equity Transfer Agreement, following which, payment of RMB350,000,000 of the total consideration by Zhuoyi Dalian to Dalian Hesheng would be deferred beyond completion of the Acquisition pursuant to a separate repayment agreement between Zhuoyi Dalian and Dalian Hesheng. Release of the Original Equity Pledge requires consent from Huarong Trust, being the security holder of the Original Equity Pledge over 100% equity interest in Zhong Cheng Jian securing the Entrusted Loan granted to Dalian Hesheng.

On 26 April 2011, Huarong Trust, Zhuoyi Dalian, Dalian Runjing, Glorious Yangguang Xindi, Zhong Cheng Jian, Dalian Hesheng and other parties entered into the Confirmation, pursuant to which Huarong Trust consented to the release of the Original Equity Pledge and, in order to secure the payment of the principal and interest of the Entrusted Loan, among other securities, (1) Zhuoyi Dalian has agreed to enter into the 70% Equity Pledge and the Runjing Equity Pledge; (2) Dalian Runjing has agreed to enter into the No. 199 Land Pledge; (3) Glorious Yangguang Xindi has agreed to enter into the Guarantee; and (4) Zhong Cheng Jian has agreed to the continuation of the No. 200 Land Pledge.

On 27 April 2011, the Acquisition was completed. Upon completion of the Acquisition, Zhong Cheng Jian became a subsidiary of the Company and is indirectly owned as to 70% by the Company and as to 30% by Dalian Hesheng. Dalian Hesheng, being a substantial shareholder of Zhong Cheng Jian, is a connected person of the Company under Chapter 14A of the Listing Rules. Therefore, the New Security Documents and the No. 200 Land Pledge constitute connected transactions of the Company in the form of provision of financial assistance to a connected person.

As one or more of the applicable percentage ratios in respect of the maximum aggregate secured amount under the New Security Documents and the No. 200 Land Pledge exceed 1% but are less than 5%, pursuant to Rule 14A.66(2) of the Listing Rules, the New Security Documents and the No. 200 Land Pledge are only subject to the annual review, reporting, announcement requirements and are exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

Further, the No. 200 Land Pledge, which was entered into by Zhong Cheng Jian prior to completion of the Acquisition, became a continuing connected transaction to the Company, and therefore subject to the reporting and disclosure requirements under Rule 14A.41 of the Listing Rules. The Company will comply in full with all applicable reporting, disclosure and independent shareholders' approval requirements under the Listing Rules upon any variation or renewal of the No. 200 Land Pledge.

BACKGROUND

Reference is made to the announcement of the Company dated 13 April 2011.

On 13 April 2011, Zhuoyi Dalian (an indirect wholly-owned subsidiary of the Company) and Dalian Hesheng entered into the Equity Transfer Agreement, pursuant to which Zhuoyi Dalian has agreed to acquire from Dalian Hesheng 70% equity interest in Zhong Cheng Jian and the relevant shareholder's loan at a total consideration of RMB514,647,100.

Pursuant to the Equity Transfer Agreement, completion of the Acquisition is conditional on the release of the Original Equity Pledge and will take place within 30 days from the date of the Equity Transfer Agreement, following which, payment of RMB350,000,000 of the total consideration by Zhuoyi Dalian to Dalian Hesheng would be deferred beyond completion of the Acquisition pursuant to a separate repayment agreement between Zhuoyi Dalian and Dalian Hesheng. Release of the Original Equity Pledge requires consent from Huarong Trust, being the security holder of the Original Equity Pledge over 100% equity interest in Zhong Cheng Jian securing the Entrusted Loan granted to Dalian Hesheng.

The Entrusted Loan is a RMB500,000,000 loan made available by Huarong Trust to Dalian Hesheng for a period from 11 August 2010 to 6 February 2012 with a fixed interest rate of 9.5% per annum pursuant to the Entrusted Loan Agreement. The terms of the Entrusted Loan Agreement are on normal commercial terms and the interest rate thereon is comparable to the prevailing market rate. The Entrusted Loan is repayable upon expiry of the term of the Entrusted Loan Agreement and cannot be prepaid. The Entrusted Loan was originally secured by, among others, the No. 200 Land Pledge and the Original Equity Pledge.

On 26 April 2011, Huarong Trust, Zhuoyi Dalian, Dalian Runjing, Glorious Yangguang Xindi, Zhong Cheng Jian, Dalian Hesheng and other parties entered into the Confirmation, pursuant to which Huarong Trust consented to the release of the Original Equity Pledge and, in order to secure the payment of the principal and interest of the Entrusted Loan, among other securities, (1) Zhuoyi Dalian has agreed to enter into the 70% Equity Pledge and the Runjing Equity Pledge; (2) Dalian Runjing has agreed to enter into the No. 199 Land Pledge; (3) Glorious Yangguang Xindi has agreed to enter into the Guarantee; and (4) Zhong Cheng Jian has agreed to the continuation of the No. 200 Land Pledge. The relevant parties entered into the New Security Documents on 26 April 2011.

On 27 April 2011, the Acquisition was completed.

PRINCIPAL TERMS OF THE NEW SECURITY DOCUMENTS AND THE NO. 200 LAND PLEDGE

(a) The 70% Equity Pledge

Date:	26 April 2011
Parties:	(1) Zhuoyi Dalian as pledgor; and (2) Huarong Trust as pledgee.
Secured Amount:	Pursuant to the 70% Equity Pledge, Zhuoyi Dalian has agreed to pledge 70% equity interest in Zhong Cheng Jian in favour of Huarong Trust in respect of the Entrusted Loan. The obligation of Zhuoyi Dalian under the 70% Equity Pledge shall include the principal amount of the Entrusted Loan of RMB500,000,000, any interests accrued thereon, any fees and charges payable by Dalian Hesheng to Huarong Trust and any legal or other reasonable costs and expenses incurred by Huarong Trust for the recovery of the Entrusted Loan from Dalian Hesheng.

(b) The Runjing Equity Pledge

Date: 26 April 2011

Parties: (1) Zhuoyi Dalian as pledgor; and
(2) Huarong Trust as pledgee.

Secured Amount: Pursuant to the Runjing Equity Pledge, Zhuoyi Dalian has agreed to pledge 100% equity interest in Dalian Runjing in favour of Huarong Trust in respect of the Entrusted Loan. The obligation of Zhuoyi Dalian under the Runjing Equity Pledge shall include the principal amount of the Entrusted Loan of RMB500,000,000, any interests accrued thereon, any fees and charges payable by Dalian Hesheng to Huarong Trust and any legal or other reasonable costs and expenses incurred by Huarong Trust for the recovery of the Entrusted Loan from Dalian Hesheng.

(c) The No. 199 Land Pledge

Date: 26 April 2011

Parties: (1) Dalian Runjing as pledgor; and
(2) Huarong Trust as pledgee.

Secured Amount: Pursuant to the No. 199 Land Pledge, Dalian Runjing has agreed to pledge the land use rights in respect of a land slot with a gross site area of 50,148 square metres located at Eight Mile Village, Xian Jin Road, Jin Zhou District, Dalian City, the PRC (中國大連金州區先進街道八里村) held by Dalian Runjing in favour of Huarong Trust in respect of the Entrusted Loan. The obligation of Dalian Runjing under the No. 199 Land Pledge shall include the principal amount of the Entrusted Loan of RMB500,000,000, any interests accrued thereon, any fees and charges payable by Dalian Hesheng to Huarong Trust and any legal or other reasonable costs and expenses incurred by Huarong Trust for the recovery of the Entrusted Loan from Dalian Hesheng.

(d) The Guarantee

Date: 26 April 2011

Parties: (1) Glorious Yangguang Xindi as guarantor; and
(2) Huarong Trust as guarantee.

Secured Amount: Pursuant to the Guarantee, Glorious Yangguang Xindi has agreed to provide an irrevocable guarantee to Huarong Trust to secure the obligations of Dalian Hesheng under the Entrusted Loan Agreement. The obligation of Glorious Yangguang Xindi under the Guarantee shall include the principal amount of the Entrusted Loan of RMB500,000,000, any interests accrued thereon, any fees and charges payable by Dalian Hesheng to Huarong Trust and any legal or other reasonable costs and expenses incurred by Huarong Trust for the recovery of the Entrusted Loan from Dalian Hesheng.

(e) The No. 200 Land Pledge

Date: 11 August 2010

Parties: (1) Zhong Cheng Jian as pledgor; and
(2) Huarong Trust as pledgee.

Secured Amount: Pursuant to the No. 200 Land Pledge, Zhong Cheng Jian has agreed to pledge the land use rights in respect of a land slot with a gross site area of 120,576 square metres located at Eight Mile Village, Xian Jin Road, Jin Zhou District, Dalian City, the PRC (中國大連金州區先進街道八里村) held by Zhong Cheng Jian in favour of Huarong Trust in respect of the Entrusted Loan. The obligation of Zhong Cheng Jian under the No. 200 Land Pledge shall include the principal amount of the Entrusted Loan of RMB500,000,000, any interests accrued thereon, any fees and charges payable by Dalian Hesheng to Huarong Trust and any legal or other costs and expenses incurred by Huarong Trust for the recovery of the Entrusted Loan from Dalian Hesheng.

REASONS AND BENEFITS FOR PROVIDING FINANCIAL ASSISTANCE

The Directors are of the view that the Acquisition provides a good chance for the Group to increase its land bank and expand its presence in the property development market in Dalian, which is consistent with the Group's overall business development strategy of gaining more presence in 2nd-tier and 3rd-tier cities in the PRC.

The Entrusted Loan cannot be prepaid before its maturity date in accordance with the terms of the Entrusted Loan Agreement. Leveraging on this, the Group managed to compromise a deferred payment of part of the consideration under the Equity Transfer Agreement in exchange for the entering into of the New Security Documents and the continuation of the No. 200 Land Pledge. The terms of the New Security Documents were negotiated on an arm's length basis, and the Directors are of the view that the terms of the New Security Documents and the No. 200 Land Pledge are similar to those requested by other banks and are on normal commercial terms. In light of the above reasons, the Directors (including the independent non-executive Directors) consider that the New Security Documents and the No. 200 Land Pledge, and their terms are fair and reasonable and are in the interest of the Company and its shareholders as a whole.

BOARD'S APPROVAL

None of the Directors has a material interest in the Acquisition, the New Security Documents and the No. 200 Land Pledge or is required to abstain from voting from the Board resolutions for considering and approving the same pursuant to the articles of association of the Company.

LISTING RULES IMPLICATIONS

Upon completion of the Acquisition, Zhong Cheng Jian became a subsidiary of the Company and is indirectly owned as to 70% by the Company and as to 30% by Dalian Hesheng. Dalian Hesheng, being a substantial shareholder of Zhong Cheng Jian, is a connected person of the Company under Chapter 14A of the Listing Rules. Therefore, the New Security Documents and the No. 200 Land Pledge constitute connected transactions of the Company in the form of provision of financial assistance to a connected person.

As one or more of the applicable percentage ratios in respect of the maximum aggregate secured amount under the New Security Documents and the No. 200 Land Pledge exceed 1% but are less than 5%, pursuant to Rule 14A.66(2) of the Listing Rules, the New Security Documents and the No. 200 Land Pledge are only subject to the annual review, reporting, announcement requirements and are exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

Further, the No. 200 Land Pledge, which was entered into by Zhong Cheng Jian prior to completion of the Acquisition, became a continuing connected transaction to the Company, and therefore subject to the reporting and disclosure requirements under Rule 14A.41 of the Listing Rules. The Company will comply in full with all applicable reporting, disclosure and independent shareholders' approval requirements under the Listing Rules upon any variation or renewal of the No. 200 Land Pledge.

INFORMATION ON THE GROUP AND THE COUNTERPARTIES

The Group is principally engaged in the development and sale of high quality properties in key economic cities across the PRC. As at the date of this announcement, the Group has developed or is developing projects in twelve cities across the PRC, namely Shanghai, Tianjin, Beijing, Hefei, Shenyang, Harbin, Wuxi, Suzhou, Dalian, Nanjing, Changchun and Nantong. Zhuoyi Dalian and Glorious Yangguang Xindi are indirect wholly-owned subsidiaries of the Company and are principally engaged in investment holding in the PRC.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, (i) Huarong Trust is a corporation established under the laws of the PRC and is primarily engaged in operation of asset trusts, non-asset trusts, security trusts and other types of trust; and (ii) Huarong Trust and its ultimate beneficial owner(s) are third parties independent of the Company and its connected persons.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, Dalian Hesheng is a company established under the laws of the PRC and is primarily engaged in project investment and general trading.

DEFINITIONS

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

“70% Equity Pledge”	the equity pledge agreement dated 26 April 2011 entered into by Zhuoyi Dalian over 70% equity interest in Zhong Cheng Jian in favour of Huarong Trust in respect of the Entrusted Loan
“Acquisition”	the acquisition of 70% equity interest in Zhong Cheng Jian and the relevant shareholder's loan by Zhuoyi Dalian from Dalian Hesheng pursuant to the Equity Transfer Agreement

“Board”	the board of Directors
“Confirmation”	the confirmation dated 26 April 2011 entered into by, among others, Huarong Trust, Dalian Hesheng, Zhuoyi Dalian, Zhong Cheng Jian, Glorious Yangguang Xindi and Dalian Runjing in relation to the security arrangement for the Entrusted Loan after completion of the Acquisition
“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 of Hong Kong Limited
“connected person(s)”	shall have the meaning ascribed to it under the Listing Rules
“Dalian Hesheng”	大連和升控股集團有限公司 (Dalian Hesheng Holding Group Co., Ltd.*), a company established under the laws of the PRC
“Dalian Runjing”	大連潤景房地產開發有限公司 (Dalian Runjing Property Development Co., Ltd.*), a company established under the laws of the PRC
“Directors”	the directors of the Company
“Entrusted Loan”	the RMB500,000,000 loan made available by Huarong Trust to Dalian Hesheng for a period from 11 August 2010 to 6 February 2012 with an fixed interest rate of 9.5% per annum pursuant to the Entrusted Loan Agreement
“Entrusted Loan Agreement”	the loan agreement dated 11 August 2010 entered into between Dalian Hesheng as borrower and Huarong Trust as lender in relation to the Entrusted Loan
“Equity Transfer Agreement”	the equity transfer agreement dated 13 April 2011 entered into between Dalian Hesheng and Zhuoyi Dalian in relation to the Acquisition
“Glorious Yangguang Xindi”	恒盛陽光鑫地(遼寧)置業有限公司 (Glorious Yangguang Xindi (Liaoning) Property Development Co., Ltd.*), a company established under the laws of the PRC

“Group”	the Company and its subsidiaries
“Guarantee”	the guarantee dated 26 April 2011 entered into by Glorious Yangguang Xindi in favour of Huarong Trust in respect of the Entrusted Loan
“Huarong Trust”	華融國際信託有限公司 (Huarong International Trust Co., Ltd.*), a limited company established under the laws of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“New Security Documents ”	collectively, (a) the 70% Equity Pledge, (b) the Runjing Equity Pledge, (c) the No. 199 Land Pledge, and (d) the Guarantee
“No. 199 Land Pledge”	the land pledge agreement dated 26 April 2011 entered into by Dalian Runjing in favour of Huarong Trust in respect of the Entrusted Loan
“No. 200 Land Pledge”	the land pledge agreement dated 11 August 2010 entered into by Zhong Cheng Jian in favour of Huarong Trust in respect of the Entrusted Loan
“Original Equity Pledge”	the equity pledge agreement dated 11 August 2010 entered into by Dalian Hesheng over 100% equity interest in Zhong Cheng Jian in favour of Huarong Trust in respect of the Entrusted Loan
“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)
“RMB”	Renminbi, the lawful currency of the PRC
“Runjing Equity Pledge”	the equity pledge agreement dated 26 April 2011 entered into by Zhuoyi Dalian over 100% equity interest in Dalian Runjing in favour of Huarong Trust in respect of the Entrusted Loan

“Zhong Cheng Jian” 中城建(大連)房地產開發有限公司 (Zhong Cheng Jian (Dalian) Real Estate Development Co., Ltd.*), a company established under the laws of the PRC

“Zhuoyi Dalian” 恒盛卓怡地產投資(大連)有限公司 (Glorious Zhuoyi Property Investment (Dalian) Co., Ltd.*), a company established under the laws of the PRC

* *For identification purpose only.*

By order of the Board
Glorious Property Holdings Limited
Ching Yu Lung
Company Secretary

Hong Kong, 27 April 2011

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