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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: 845)

**CONTINUING CONNECTED TRANSACTIONS
— RENEWAL OF CONSTRUCTION SERVICES AGREEMENT**

Reference is made to the section headed “Connected Transactions” of the Prospectus in respect of the continuing connected transactions contemplated under the framework construction services agreement dated 9 September 2009 entered into by the Company and Shanghai Ditong in relation to the provision of construction and related services by Shanghai Ditong to the Group according to the tender documents and the construction contracts signed or to be signed between Shanghai Ditong and the Group from time to time with effect from the Listing Date to 31 December 2011.

The Company intends to continue to enter into transactions of a similar nature from time to time after 31 December 2011. Therefore, on 19 October 2011, the Company and Shanghai Ditong entered into the Construction Services Agreement in respect of the transactions, the nature of which is similar to that of the transactions under the previous framework construction services agreement, for a term of three years from 1 January 2012 to 31 December 2014.

LISTING RULES IMPLICATIONS

Mr. Zhang De Huang holds the controlling stake of Shanghai Ditong and Mr. Zhang De Huang is the father of Mr. Zhang Zhi Rong (the chairman of the Board and the indirect ultimate controlling shareholder of the Company) and the father-in-law of Mr. Ding Xiang Yang (the executive Director of the Company). Therefore, Shanghai Ditong is a connected person of the Company for the purposes of Chapter 14A of the Listing Rules. Accordingly, the transactions contemplated under the Construction Services Agreement constitute connected transactions of the Company.

As one or more of the applicable percentage ratios of the proposed annual caps in respect of the transactions contemplated under the Construction Services Agreement exceed 5%, such transactions and the proposed annual caps for such transactions for each of the three years ending 31 December 2014 are subject to the reporting, annual review, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

GENERAL

Mr. Zhang Zhi Rong and Mr. Ding Xiang Yang have abstained from voting on the relevant resolutions of the Board approving the Construction Services Agreement and the transactions contemplated thereunder pursuant to the articles of association of the Company and the Listing Rules.

The Company has established the Independent Board Committee to advise the Independent Shareholders (i) as to whether the terms of transactions contemplated under the Construction Services Agreement and the proposed annual caps for such transactions for each of the three years ending 31 December 2014 are fair and reasonable and in the interests of the Company and its shareholders as a whole, and (ii) on how to vote, taking into account the recommendations of the Independent Financial Advisor appointed. The Company has appointed the Independent Financial Adviser as its independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in this regard under the Listing Rules.

A circular containing, among other things, (i) further details of the transactions contemplated under the Construction Services Agreement and the proposed annual caps for such transactions for each of the three years ending 31 December 2014; (ii) the recommendations from the Independent Board Committee in respect of the Construction Services Agreement; (iii) the advice from the Independent Financial Adviser in respect of the Construction Services Agreement; and (iv) the notice of extraordinary general meeting and other information as required under the Listing Rules is expected to be despatched to the shareholders of the Company on or before 9 November 2011 in accordance with the Listing Rules. If there is expected to be a delay in despatch of the circular, a further announcement will be published in accordance with the Listing Rules stating the reason for the delay and the new expected date of despatch of the circular. An announcement on the results of the extraordinary general meeting will be made in accordance with the Listing Rules.

BACKGROUND

Reference is made to the section headed “Connected Transactions” of the Prospectus in respect of the continuing connected transactions contemplated under the framework construction services agreement dated 9 September 2009 entered into by the Company and Shanghai Ditong in relation to the provision of construction and related services by Shanghai Ditong to the Group according to the tender documents and the construction contracts signed or to be signed between Shanghai Ditong and the Group from time to time with effect from the Listing Date to 31 December 2011.

The Company intends to continue to enter into transactions of a similar nature from time to time after 31 December 2011. Therefore, on 19 October 2011, the Company and Shanghai Ditong entered into the Construction Services Agreement in respect of the transactions, the nature of which is similar to that of the transactions under the previous framework construction services agreement, for a term of three years from 1 January 2012 to 31 December 2014.

The principal terms of the Construction Services Agreement are set out below:

THE CONSTRUCTION SERVICES AGREEMENT

Date

19 October 2011

Parties

- (1) The Company
- (2) Shanghai Ditong

Nature of transactions

Shanghai Ditong will provide the construction and related services (including but not limited to foundation engineering, fitting, decoration, door and window installation and construction raw material procurement) to the Group.

Shanghai Ditong will have to participate into the tender process required under the rules and regulations in the PRC for the construction projects of the Group. The provision of the above construction and related services by Shanghai Ditong to the Group shall subject to and in accordance with the tender documents and the construction contracts signed or to be signed between Shanghai Ditong and the Group from time to time.

Conditions precedent

The Construction Services Agreement shall take effect upon the fulfillment of the applicable disclosure and/or independent shareholders’ approval in relation to the Construction Services Agreement and its annual caps in accordance with the Listing Rules.

Term and renewal

The Construction Services Agreement is for a term of three years from 1 January 2012 to 31 December 2014. Subject to compliance of the applicable rules and regulations (including the Listing Rules), the term can be renewed for another three years upon mutual consent of the parties.

Pricing basis

The fees payable by the Group to Shanghai Ditong will either be at market rates or at rates similar to those offered by independent third parties according to the tender documents and the construction contracts signed or to be signed between the Group and Shanghai Ditong.

HISTORICAL TRANSACTION AMOUNTS

The table below sets forth the historical costs paid by the Group for the construction and related services, including the procurement of construction raw materials, to Shanghai Ditong for the two years ended 31 December 2010 and the eight months ended 31 August 2011, and the annual cap for the year ending 31 December 2011:

For the year ended 31 December 2009 <i>(RMB million)</i>	For the year ended 31 December 2010 <i>(RMB million)</i>	For the eight months ended 31 August 2011 <i>(RMB million)</i>	Annual cap for the year ending 31 December 2011 <i>(RMB million)</i>
816.8	1,077.1	674.6	1,342.1

As far as the Directors are aware, the annual cap for the year ending 31 December 2011 has not been exceeded as at the date of this announcement.

PROPOSED ANNUAL CAPS AND BASIS OF DETERMINATION FOR ANNUAL CAPS

The proposed annual caps for the on-going transactions contemplated by the Construction Services Agreement for the three years ending 31 December 2014 and the basis of determination for such annual caps are set out as follows:

For the year ending 31 December 2012 <i>(RMB million)</i>	For the year ending 31 December 2013 <i>(RMB million)</i>	For the year ending 31 December 2014 <i>(RMB million)</i>
1,300.0	1,116.1	681.2

The above proposed annual caps were determined by reference to the business strategy of the Group and taking into account factors such as the historical transaction amounts as disclosed above, the anticipated increase in inflation rate and costs of construction materials, the estimated annual fees payable pursuant to the existing construction contracts that Shanghai Ditong is currently performing, and the new property development projects that the Group is expected to undertake.

REASONS FOR AND BENEFITS OF ENTERING INTO THE CONSTRUCTION SERVICES AGREEMENT

The Group is a property developer and seller of high-quality properties in key economic cities in the PRC.

Shanghai Ditong holds a Class I Qualification for General Contracting of Building Construction Works and has obtained all relevant licences as a construction contractor.

The Directors are generally satisfied with the quality of the construction and related services rendered by Shanghai Ditong and believe that the long relationship between the Group and Shanghai Ditong since its provision of service in 1999 and Shanghai Ditong's familiarization of the Company's development projects and business operations could bring synergy from both the Company and Shanghai Ditong.

The Construction Services Agreement has been negotiated and agreed on an arms' length basis between the Group and Shanghai Ditong. The Directors (excluding the independent non-executive Directors who will express their view after receiving advice from the Independent Financial Adviser) are of the view that the Construction Services Agreement is on normal commercial terms and that the terms of the Construction Services Agreement and the proposed annual caps for such transaction for each of the three years ending 31 December 2014 are fair and reasonable and in the interest of the Company and the shareholders of the Company as a whole.

Mr. Zhang Zhi Rong and Mr. Ding Xiang Yang have abstained from voting on the relevant resolutions of the Board approving the Construction Services Agreement and the transactions contemplated thereunder pursuant to the articles of association of the Company and the Listing Rules. Save as disclosed above, none of the Directors has a material interest in the Construction Services Agreement or is required to abstain from voting from the relevant resolutions of the Board.

INFORMATION ON THE GROUP AND SHANGHAI DITONG

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

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, Shanghai Ditong is a company established under the laws of the PRC with limited liability and is primarily engaged in property construction and engineering work.

IMPLICATIONS UNDER THE LISTING RULES

Mr. Zhang De Huang holds the controlling stake of Shanghai Ditong and Mr. Zhang De Huang is the father of Mr. Zhang Zhi Rong (the chairman of the Board and the indirect ultimate controlling shareholder of the Company) and the father-in-law of Mr. Ding Xiang Yang (the executive Director of the Company). Therefore, Shanghai Ditong is a connected person of the Company for the purposes of Chapter 14A of the Listing Rules. Accordingly, the transactions contemplated under the Construction Services Agreement constitute connected transactions of the Company.

As one or more of the applicable percentage ratios of the proposed annual caps in respect of the transactions contemplated under the Construction Services Agreement exceed 5%, such transactions and the proposed annual caps for such transactions for each of the three years ending 31 December 2014 are subject to the reporting, annual review, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

The Company will comply with the annual review requirement under the Listing Rules in respect of the transactions contemplated under the Construction Services Agreement.

GENERAL

The Company has established the Independent Board Committee to advise the Independent Shareholders (i) as to whether the terms of transactions contemplated under of the Construction Services Agreement and the proposed annual caps for such transactions for each of the three years ending 31 December 2014 are fair and reasonable and in the interests of the Company and its shareholders as a whole, and (ii) on how to vote, taking into account the recommendations of the Independent Financial Advisor appointed. The Company has appointed the Independent Financial Adviser as its independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in this regard under the Listing Rules.

A circular containing, among other things, (i) further details of the transactions contemplated under the Construction Services Agreement and the proposed annual caps for such transactions for each of the three years ending 31 December 2014; (ii) the recommendations from the Independent Board Committee in respect of the Construction Services Agreement; (iii) the advice from the Independent Financial Adviser in respect of the Construction Services Agreement; and (iv) the notice of extraordinary general meeting and other information as required under the Listing Rules is expected to be despatched to the shareholders of the Company on or before 9 November 2011 in accordance with the Listing Rules. If there is expected to be a delay in despatch of the circular, a further announcement will be published in accordance with the Listing Rules stating the reason for the delay and the new expected date of despatch of the circular. An announcement on the results of the extraordinary general meeting will be made in accordance with the Listing Rules.

DEFINITIONS

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

“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
“Construction Services Agreement”	the framework construction services agreement dated 19 October 2011 entered into by the Company and Shanghai Ditong in relation to the provision of construction and related services to the Group according to the tender documents and the construction contracts signed or to be signed between Shanghai Ditong and the Group from time to time for a term of three years from 1 January 2012 to 31 December 2014
“Directors”	the directors of the Company
“Group”	the Company and its subsidiaries
“Independent Board Committee”	the independent board committee of the Board consisting of all the independent non-executive Directors
“Independent Financial Adviser”	CIMB Securities (HK) Limited, a corporation licensed to conduct type 1 (dealing in securities), type 4 (advising on securities) and type 6 (advising on corporate finance) regulated activities under the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong), the independent financial adviser of the Company to advise the Independent Board Committee and the Independent Shareholders on the terms of the Construction Services Agreement and the proposed annual caps for such transactions for each of the three years ending 31 December 2014
“Independent Shareholders”	the shareholders of the Company, save for Best Era International Limited, Island Century Limited, Market Victor Limited and Novel Ventures Limited (all of which are directly or indirectly wholly-owned by Mr. Zhang Zhi Rong) which are prohibited from voting under the Listing Rules to approve the relevant resolutions in relation to the Construction Services Agreement at the extraordinary general meeting of the Company
“Listing Date”	the commencement date of the trading of the shares of the Company on the Main Board of the Stock Exchange on 2 October 2009

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China (excluding, for the purposes 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)
“Prospectus”	the prospectus dated 21 September 2009 issued by the Company
“RMB”	Renminbi, the lawful currency of the PRC
“Shanghai Ditong”	上海地通建設(集團)有限公司 (Shanghai Ditong Construction (Group) Co., Ltd.*), a company established under the laws of the PRC with limited liability and is owned as to 95.2% by Mr. Zhang De Huang and 4.8% by his wife
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

By order of the Board
Glorious Property Holdings Limited
Tai Wing Kwan, Catherine
Company Secretary

Hong Kong, 19 October 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, Yan Zhi Rong and Yu Xiu Yang; the independent non-executive Directors are Messrs. Yim Ping Kuen, Liu Shun Fai, Wo Rui Fang and Han Ping.

* For identification purpose only.