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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)

ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2009

The board of directors (the “Board”) of Glorious Property Holdings Limited (the “Company”) is pleased to announce the consolidated results of the Company and its subsidiaries (together, the “Group”) for the year ended 31 December 2009. The Company’s Audit Committee has reviewed the results and the financial statements of the Group for the year ended 31 December 2009 prior to recommending them to the Board for approval.

- Revenue increased 56.3% to RMB6,171.1 million with average selling price reached RMB10,802 per sq.m.
- Gross profit increased 79.4% to RMB2,969.4 million
- Profit attributable to the Company’s equity holders increased 88.5% to RMB2,366.1 million
- Profit attributable to the Company’s equity holders excluding the fair value gain of investment properties and the related tax effect increased 157.2% to RMB1,595.9 million
- Cash balance stood at RMB6,052.4 million and gearing ratio maintained at a low level of 6.7%
- The Board recommended the payment of final dividend of RMB0.03 per share

OVERALL RESULTS

For the year ended 31 December 2009, the Group recorded consolidated revenue of RMB6,171.1 million, representing a growth of 56.3% compared to RMB3,949.0 million for 2008. The Group’s profit attributable to equity holders for the year ended 31 December 2009 was RMB2,366.1 million, representing an increase of 88.5% compared to RMB1,255.0 million for 2008. Profit attributable to the equity holders for the year ended 31 December 2009, excluding the fair value gain of investment properties and the related tax effect, amounted to RMB1,595.9 million, representing a growth of 157.2% from RMB620.4 million for 2008.

Earnings per share for the year ended 31 December 2009 were RMB0.38, representing an increase of 72.7% compared to RMB0.22 per share in 2008.

The Board has resolved to recommend for shareholders’ approval at its forthcoming annual general meeting on 31 May 2010 the payment of a final dividend of RMB0.03 per share for the year ended 31 December 2009.

BUSINESS REVIEW

The Company was successfully listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Hong Kong Stock Exchange”) on 2 October 2009, raising HK\$8.25 billion. Going public opens the door to the international financing platform and allows the Group to have access to more sources of funding to maintain a sustainable growth in the future.

During the year ended 31 December 2009, the Group achieved total contracted sales of RMB6.71 billion, representing an increase of 77.6% compared to 2008. The number of projects for sale increased from 9 projects in 2008 to 13 projects in 2009.

After the Company’s listing on the Hong Kong Stock Exchange, the Group successfully acquired eight high quality land parcels with a total planned gross floor area of approximately 3.8 million sq.m. at reasonable prices.

In 2009 and early 2010, the Group signed strategic cooperation agreements with China Construction Bank (Shanghai Branch and Shenzhen Branch) and Bank of China (Nantong Branch) that the Group had been provided line of credit facilities of a total of RMB19.05 billion to support the Group’s property development projects in the future.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

RMB'000	Note	Year ended 31 December	
		2009	2008
Revenue	2	6,171,127	3,948,959
Cost of sales		<u>(3,201,760)</u>	<u>(2,293,339)</u>
Gross profit		2,969,367	1,655,620
Other income		27,366	21,405
Other gains, net	3	1,218,817	825,563
Selling and marketing expenses		(151,333)	(150,494)
Administrative expenses		(351,397)	(214,818)
Finance costs		<u>(27,068)</u>	<u>(54,479)</u>
Profit before income tax		3,685,752	2,082,797
Income tax expenses	4	<u>(1,319,608)</u>	<u>(827,806)</u>
Profit for the year		<u><u>2,366,144</u></u>	<u><u>1,254,991</u></u>
Profit for the year attributable to:			
– the Company's equity holders		2,366,144	1,254,991
– minority interest		<u>—</u>	<u>—</u>
		<u><u>2,366,144</u></u>	<u><u>1,254,991</u></u>
Other comprehensive income:			
Gain/loss recognised directly in equity		<u>—</u>	<u>—</u>
Total comprehensive income for the year attributable to the Company's equity holders		<u><u>2,366,144</u></u>	<u><u>1,254,991</u></u>
Earnings per share for profit attributable to the Company's equity holders (expressed in RMB per share)			
Basic	5	<u><u>0.38</u></u>	<u><u>0.22</u></u>
Diluted	5	<u><u>0.38</u></u>	<u><u>0.22</u></u>
Dividend	6	<u><u>233,779</u></u>	<u><u>—</u></u>
Dividend per share (expressed in RMB per share)	6	<u><u>0.03</u></u>	<u><u>—</u></u>

CONSOLIDATED BALANCE SHEET

RMB'000	Note	As at 31 December	
		2009	2008
ASSETS			
Non-current assets			
Property, plant and equipment		497,653	392,313
Investment properties		2,485,200	1,103,500
Intangible asset		2,087	—
Investment in an associate		4,500	4,500
Deferred income tax assets		202,970	26,820
		<u>3,192,410</u>	<u>1,527,133</u>
Current assets			
Properties under development		11,130,003	7,345,976
Completed properties held for sale		1,390,132	1,201,268
Inventories		6,165	—
Trade and other receivables and prepayments	7	4,538,191	2,595,899
Prepaid taxes		58,430	106,257
Restricted cash		1,039,058	84,468
Cash and cash equivalents		5,013,296	297,221
		<u>23,175,275</u>	<u>11,631,089</u>
Total assets		<u><u>26,367,685</u></u>	<u><u>13,158,222</u></u>

RMB'000	Note	As at 31 December	
		2009	2008
EQUITY			
Capital and reserves attributable to the Company's equity holders			
Share capital		68,745	962
Share premium		7,822,982	—
Reserves		3,462,125	918,056
		<u>11,353,852</u>	<u>919,018</u>
Minority interest		492,825	—
Total equity		<u><u>11,846,677</u></u>	<u><u>919,018</u></u>
LIABILITIES			
Non-current liabilities			
Borrowings	8	5,041,084	537,000
Deferred income tax liabilities		486,037	172,937
Obligation under finance lease		17,074	—
		<u>5,544,195</u>	<u>709,937</u>
Current liabilities			
Advanced proceeds received from customers		3,627,603	3,742,816
Trade and other payables	9	1,871,174	1,185,235
Income tax payable		1,670,365	664,091
Borrowings	8	1,806,860	5,937,125
Obligation under finance lease		811	—
		<u>8,976,813</u>	<u>11,529,267</u>
Total liabilities		<u><u>14,521,008</u></u>	<u><u>12,239,204</u></u>
Total equity and liabilities		<u><u>26,367,685</u></u>	<u><u>13,158,222</u></u>
Net current assets		<u><u>14,198,462</u></u>	<u><u>101,822</u></u>
Total assets less current liabilities		<u><u>17,390,872</u></u>	<u><u>1,628,955</u></u>

NOTES:

1 BASIS OF PREPARATION

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”). The consolidated financial statements have been prepared in accordance with the HKFRSs under the historical cost convention, as modified by the revaluation of investment properties and financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss.

(i) New and amended standards adopted by the Group

HKICPA has issued certain new standards and amendments which are effective for accounting periods beginning on or after 1 January 2009, which are mandatory for the first time for the financial year beginning 1 January 2009.

- HKAS 1 (revised), ‘Presentation of financial statements’. The revised standard prohibits the presentation of items of income and expenses (that is ‘non-owner changes in equity’) in the statement of changes in equity, requiring ‘non-owner changes in equity’ to be presented separately from owner changes in equity. All ‘non-owner changes in equity’ are required to be shown separately in the consolidated statement of comprehensive income since the change in accounting policy only impacts presentation aspects, there is no impact on the Group’s profit for the years ended 31 December 2008 and 2009 and the total equity as at 31 December 2008 and 2009.
- HKFRS 2 (amendment), ‘Share-based payment’ deals with vesting conditions and cancellations. It clarifies that vesting conditions are service conditions and performance conditions only. Other features of a share-based payment are not vesting conditions. These features would need to be included in the grant date fair value for transactions with employees and others providing similar services, they would not impact the number of awards expected to vest or valuation there of subsequent to grant date. All cancellations, whether by the entity or by other parties should receive the same accounting treatment. The Group has adopted HKFRS 2 (amendment) from 1 January 2009. The amendment does not have a material impact on the consolidated financial statements.
- Amendment to HKFRS 7, ‘Financial instruments: disclosures’. The amendment increases the disclosure requirements about fair value measurement and reinforces existing principles for disclosure about liquidity risk. The amendment does not result in substantial changes to the Group’s accounting policy.
- HKFRS 8, ‘Operating segments’. HKFRS 8 replaces HKAS 14, ‘Segment reporting’. It requires a ‘management approach’ under which segment information is presented on the same basis as that used for internal reporting purposes. Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker, who makes strategic decisions. The adoption of this standard does not have any impact on the profit for the years ended 31 December 2008 and 2009 and the total equity as at 31 December 2008 and 2009.

(ii) Amendments and interpretations that are not yet effective and have not been early adopted by the Group

The following standards, amendments and interpretations have been published and are mandatory for the accounting periods beginning on or after 1 January 2010 or later periods, but the Group has not early adopted:

HKFRS 1 (Revised)	First-time Adoption of HKFRS
HKFRS 1 Amendment	Additional Exemptions for First-time Adopters
HKFRS 2 Amendment	Group Cash-settled Share-based Payment Share-based Payment - Transactions
HKFRS 3 (Revised)	Business Combinations
HKFRS 9	Financial Instruments
HKAS 24 (Revised)	Related Party Disclosures
HKAS 27 (Revised)	Consolidated and Separate Financial Statements
HKAS 32 Amendment	Financial Instruments: Presentation in Classification of Rights Issues
HKAS 39 Amendment	Financial Instruments: Recognition and Measurement
HK (IFRIC)-Int 14 (Amendment)	Prepayments of a Minimum Funding Requirement
HK (IFRIC)-Int 17	Distributions of Non-cash Assets to Owners
HK (IFRIC)-Int 19	Extinguishing Financial Liabilities with Equity Instruments

The Group has already commenced an assessment of the impact of these new HKFRSs but is not yet in a position to state whether these new HKFRSs would have a significant impact on its results of operations and financial position.

2 SEGMENT INFORMATION

The Board considers the business from geographical perspective and assesses the performance of property development in four reportable operating segments, namely Shanghai, East China, North China and Northeast China.

RMB'000	Shanghai	East China	North China	Northeast China	All other segments	Total	
Year ended 31 December 2009							
Total revenue	4,361,811	730,777	983,959	101,559	—	6,178,106	
Inter-segment revenue	(6,979)	—	—	—	—	(6,979)	
Revenue (from external customers)	4,354,832	730,777	983,959	101,559	—	6,171,127	
Segment results	3,373,462	67,952	220,653	(23,378)	(115,713)	3,522,976	
Depreciation and amortisation	(9,622)	(1,488)	(2,302)	(968)	(209)	(14,589)	
Interest income	1,364	862	826	243	2,409	5,704	
Finance costs	(23,882)	(2,154)	(818)	(200)	(14)	(27,068)	
Income tax expenses	(1,205,580)	(17,643)	(103,058)	6,673	—	(1,319,608)	
Year ended 31 December 2008							
Total revenue	2,340,361	245,522	979,235	383,841	—	3,948,959	
Inter-segment revenue	—	—	—	—	—	—	
Revenue (from external customers)	2,340,361	245,522	979,235	383,841	—	3,948,959	
Segment results	2,009,624	(35,636)	175,230	11,293	(21,616)	2,138,895	
Depreciation and amortisation	(6,605)	(793)	(1,260)	(706)	(155)	(9,519)	
Interest income	3,122	1,962	828	1,358	630	7,900	
Finance costs	(51,950)	(1,117)	(660)	(746)	(6)	(54,479)	
Income tax expenses	(764,374)	(6,327)	(52,704)	(4,401)	—	(827,806)	
As at 31 December 2009							
Total segment assets	13,202,524	10,239,052	6,173,669	2,317,958	8,867,847	(16,792,627)	24,008,423
Total segment assets include:							
Investment in an associate	4,500	—	—	—	—	—	4,500
Addition to non-current assets (other than deferred income tax assets)	141,623	546	29,358	292	340	—	172,159
Deferred income tax assets							202,970
Other unallocated corporate assets							2,156,292
Total assets							26,367,685
Total segment liabilities	8,716,207	5,305,621	3,492,974	1,016,498	8,885,272	(16,098,008)	11,318,564
Deferred income tax liabilities							486,037
Borrowings							2,716,407
Total liabilities							14,521,008
As at 31 December 2008							
Total segment assets	8,353,866	5,196,772	2,868,279	1,904,337	3,797,048	(10,120,612)	11,999,690
Total segment assets include:							
Investment in an associate	4,500	—	—	—	—	—	4,500
Addition to non-current assets (other than deferred income tax assets)	8,725	2,461	1,910	2,807	1,016	—	16,919
Deferred income tax assets							26,820
Other unallocated corporate assets							1,131,712
Total assets							13,158,222
Total segment liabilities	6,347,961	1,868,265	1,305,011	753,002	712,525	(3,227,512)	7,759,252
Deferred income tax liabilities							172,937
Borrowings							4,307,015
Total liabilities							12,239,204

RMB'000	Year ended 31 December	
	2009	2008
Segment results	3,522,976	2,138,895
Depreciation and amortisation	(14,589)	(9,519)
Gain on extinguishment of a financial liability	198,729	—
	<hr/>	<hr/>
Operating profit	3,707,116	2,129,376
Interest income	5,704	7,900
Finance costs	(27,068)	(54,479)
	<hr/>	<hr/>
Profit before income tax	3,685,752	2,082,797
	<hr/> <hr/>	<hr/> <hr/>

Analysis of revenue by category

RMB'000	Year ended 31 December	
	2009	2008
Sales of properties	6,163,793	3,948,959
Others	7,334	—
	<hr/>	<hr/>
Total	6,171,127	3,948,959
	<hr/> <hr/>	<hr/> <hr/>

3 OTHER GAINS, NET

RMB'000	Year ended 31 December	
	2009	2008
Fair value changes of investment properties	1,026,985	846,085
Gain on extinguishment of a financial liability	198,729	—
Exchange losses, net	(6,897)	(20,522)
	<hr/>	<hr/>
	1,218,817	825,563
	<hr/> <hr/>	<hr/> <hr/>

4 INCOME TAX EXPENSES

RMB'000	Year ended 31 December	
	2009	2008
Current income tax		
- PRC corporate income tax	460,619	259,627
- PRC land appreciation tax	722,039	363,102
	<u>1,182,658</u>	<u>622,729</u>
Deferred income tax		
- Origination and reversal of temporary differences	136,950	205,077
	<u>136,950</u>	<u>205,077</u>
	<u>1,319,608</u>	<u>827,806</u>

PRC corporate income tax is provided at the rate of 25% for each of the years ended 31 December 2008 and 2009 of the profits for the PRC statutory financial reporting purpose, adjusted for those items, which are not assessable or deductible for the PRC corporate income tax purpose.

No Hong Kong profits tax has been provided for the years ended 31 December 2008 and 2009 as there is no assessable profit for these years.

PRC land appreciation tax ("LAT") is levied at progressive rates ranging from 30% to 60% on the appreciation of land value, being the proceeds of sales of properties less deductible expenditures including lease charges of land use rights and all property development expenditures, which is included in the consolidated statement of comprehensive income as income tax. The Group has estimated the tax provision for LAT according to the requirements set forth in the relevant PRC tax laws and regulations. The actual LAT liabilities are subject to the determination by the tax authorities upon completion of the property development projects and the tax authorities might disagree with the basis on which the provision for LAT is calculated.

5 EARNINGS PER SHARE

(a) Basic

Basic earnings per share is calculated by dividing the profit attributable to the Company's equity holders by the weighted average number of ordinary shares in issue during the year.

Earnings (RMB'000)	Year ended 31 December	
	2009	2008
Profit attributable to the Company's equity holders	<u>2,366,144</u>	<u>1,254,991</u>
Weighted average number of ordinary shares in issue (thousands)(i)	<u>6,201,711</u>	<u>5,625,000</u>

(i) The newly issued shares of 5,525,000,000 under the capitalisation are adjusted in the weighted average number of ordinary shares in issue as if the issue had occurred at the beginning of the earliest period reported.

(b) Diluted

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. For the year ended 31 December 2009, the Company's share options issued under the Pre-IPO Share Option Scheme was the sole category of dilutive potential ordinary shares.

Earnings (RMB'000)	Year ended 31 December	
	2009	2008
Profit attributable to the Company's equity holders	<u>2,366,144</u>	<u>1,254,991</u>
Number of Shares		
Weighted average number of ordinary shares in issue (thousands)	<u>6,201,711</u>	5,625,000
Adjustment for share options (thousands)	<u>10,626</u>	—
Weighted average number of ordinary shares for diluted earning per share (thousands)	<u>6,212,337</u>	<u>5,625,000</u>

6 DIVIDEND

The directors recommend the payment of 2009 final dividend of RMB0.03 per ordinary share, totaling RMB233.8 million. Such dividend is to be approved by the shareholders at the forthcoming annual general meeting.

7 TRADE AND OTHER RECEIVABLES AND PREPAYMENTS

RMB'000	As at 31 December	
	2009	2008
Trade receivables due from third parties (a)	215,991	4,419
Other receivables due from third parties	383,393	43,647
Prepayments:	3,938,807	2,547,833
Related parties	1,495,659	1,170,403
Third parties	2,443,148	1,377,430
	4,538,191	2,595,899

(a) Trade receivables are mainly arisen from sales of properties. Proceeds in respect of sales of properties are to be received in accordance with the terms of the related sales and purchase agreements and customers are generally required to settle the receivables within 30 days after the date of signing the sales and purchase agreements. The ageing analysis of trade receivables at the balance sheet dates by due date is as follows:

RMB'000	2009	2008
Not yet due	10,594	300
Within 6 months	201,292	250
Between 7 and 12 months	2,438	—
Between 13 months and 3 years	1,667	3,869
	215,991	4,419

8 BORROWINGS

RMB'000	As at 31 December	
	2009	2008
Borrowings included in non-current liabilities:		
Bank borrowings - secured	2,970,149	537,000
Shanghai Bay Arrangement - secured	2,070,935	—
	5,041,084	537,000
Borrowings included in current liabilities:		
Bank borrowings - secured	1,161,388	1,630,110
Original Notes - secured	—	4,307,015
Promissory Notes - secured	447,034	—
Other borrowings - unsecured	198,438	—
	1,806,860	5,937,125
Total borrowings	6,847,944	6,474,125

The maturities of the Group's total borrowings at the balance sheet dates are as follows:

RMB'000	As at 31 December	
	2009	2008
Within 1 year	1,806,860	5,937,125
After 1 and within 2 years	3,555,529	537,000
After 2 and within 5 years	939,606	—
After 5 years	545,949	—
	<u>6,847,944</u>	<u>6,474,125</u>

9 TRADE AND OTHER PAYABLES

RMB'000	As at 31 December	
	2009	2008
Trade payables (a):	707,339	742,094
Related parties	44,057	523,513
Third parties	663,282	218,581
Other payables:	1,076,845	379,040
Related parties	—	4,500
Third parties	1,076,845	374,540
Other taxes payable	86,990	64,101
	<u>1,871,174</u>	<u>1,185,235</u>

(a) The ageing analysis of trade payables at the balance sheet dates is as follows:

RMB'000	As at 31 December	
	2009	2008
Within 6 months	611,388	586,932
Between 7 and 12 months	36,734	87,499
Between 13 months and 5 years	59,217	67,663
	<u>707,339</u>	<u>742,094</u>

ANNUAL GENERAL MEETING

The annual general meeting of the Company will be held at 10:00 a.m. on Monday, 31 May 2010 at Harbour View Ballroom II & III (Level 4), Four Seasons Hotel Hong Kong, 8 Finance Street, Central, Hong Kong.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Monday, 24 May 2010 to Monday, 31 May 2010 (both days inclusive), during which no transfer of shares will be effected. In order to qualify for the proposed final dividend and to attend and vote at the forthcoming annual general meeting, all share transfers accompanied by the relevant share certificates must be lodged with the Company's share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, for registration not later than 4:30 p.m. on Thursday, 20 May 2010. Subject to the shareholders' approval of the payment of the final dividend at the annual general meeting of the Company, the final dividend of the Company will be distributed on or about 7 June 2010.

FINANCIAL REVIEW

For the year ended 31 December 2009, the Group recorded consolidated revenue of RMB6,171.1 million, representing a growth of 56.3% compared to RMB3,949.0 million in 2008. The higher revenue in 2009 was resulted from the combined effect of increased GFA of properties delivered by the Group from 436,907 sq.m. in 2008 to 570,597 sq.m. in 2009 and the higher average selling price of RMB10,802 per sq.m. in 2009 compared to RMB9,038 per sq.m. in 2008. Shanghai Bay (Phase I) were completed in December 2009 and started to contribute revenue to the Group with an average selling price of RMB28,601 per sq.m., and contributed 35.9% of the Group's total revenue for the year ended 31 December 2009. Sunshine Venice (Phase IIIB) continued to contribute revenue for the Group in 2009 at an average selling price of RMB9,994 per sq.m., and the revenue from this project accounted for 19.9% of the Group's 2009 total revenue.

The Group's consolidated gross profit for 2009 was RMB2,969.4 million, representing an increase of 79.4% from a gross profit of RMB1,655.6 million in 2008. The increase in consolidated gross profit was mainly resulted from the increase in revenue and higher profit margin in 2009. The Group's gross profit margin for the year ended 31 December 2009 was 48.1%, compared to 41.9% in 2008. This was primarily due to the higher average selling price achieved for the properties sold and delivered in 2009, for which a higher proportion of such was derived from the sale of high quality residential properties in the Shanghai region.

Other gains for the year ended 31 December 2009 were RMB1,218.8 million, which were primarily due to a fair value gain on the Group's investment properties of RMB1,027.0 million (2008: RMB846.1 million) and a gain on extinguishment of financial liability of RMB198.7 million in connection with the restructuring of the Group's borrowings.

The Group's profit before income tax for the year ended 31 December 2009 was RMB3,685.8 million, representing an increase of 77.0% compared to RMB2,082.8 million for 2008. The higher profit before income tax for 2009 was primarily due to higher investment property valuation gain recorded in 2009 and increase in operating profit due to increase in GFA delivered.

Income tax expenses for the year ended 31 December 2009 were RMB1,319.6 million, representing an increase of 59.4% as compared to RMB827.8 million for 2008. The increase was primarily due to the increase in operating profit due to increase in GFA sold and delivered in the year under review. The effective income tax rate was 35.8% for the year ended 31 December 2009, compared to 39.7% for 2008.

The Group's profit attributable to the equity holders for the year ended 31 December 2009 was RMB2,366.1 million, representing an increase of 88.5% compared to RMB1,255.0 million for 2008. Profit attributable to the equity holders as a percentage of revenue was 38.3% for the year ended 31 December 2009, compared to 31.8% in 2008.

Current assets and liabilities

As at 31 December 2009, the Group held total current assets of RMB23,175.3 million (2008: RMB11,631.1 million), comprising mainly properties under development and cash and bank balances. Properties under development increased by 51.5% from RMB7,346.0 million as at 31 December 2008 to RMB11,130.0 million as at 31 December 2009, mainly due to continuous progress of the Group's property development projects in 2009 and an increase in the number of projects under construction. Total cash and bank balances increased from RMB381.7 million as at 31 December 2008 to RMB6,052.4 million as at 31 December 2009 because the cash received from the Global Offering was temporarily kept in the Group's bank accounts for investing into property development projects.

Total current liabilities as at 31 December 2009 amounted to RMB8,976.8 million, compared with RMB11,529.3 million as at 31 December 2008, which was mainly attributable to the redemption of the notes borrowings as a result of the debt restructuring in August 2009 and the conversion of the convertible notes into the Company's shares on the date of listing of the Company's shares on the Main Board of the Hong Kong Stock Exchange.

As at 31 December 2009, current ratio (calculated as the total current assets divided by the total current liabilities) was 2.6 (2008: 1.0). The increase in the current ratio in 2009 primarily reflects the net proceeds received from the Global Offering.

Liquidity and financial resources

During the year ended 31 December 2009, the Group funded its property development projects principally from proceeds from pre-sales of properties, bank loans and proceeds from the Global Offering.

As at 31 December 2009, the Group had cash and cash equivalents of RMB5,013.3 million (compared to RMB297.2 million as at 31 December 2008), which primarily comprised the proceeds received from sale of properties and proceeds received from the Global Offering.

As at 31 December 2009, the Group's total borrowings amounted to RMB6,847.9 million, representing an increase of 5.8% compared to RMB6,474.1 million as at 31 December 2008.

The Group monitors its capital on the basis of the gearing ratio. Gearing ratio is calculated as net debt divided by total equity. Net debt is calculated as total borrowings less cash and bank balances (including cash and cash equivalents and restricted cash). The gearing ratios at 31 December 2009 and 2008 were as follows:

RMB'000	2009	2008
Total borrowings	6,847,944	6,474,125
Less: cash and bank balances	(6,052,354)	(381,689)
Net debt	795,590	6,092,436
Total equity	11,846,677	919,018
Gearing ratio	6.7%	662.9%

The decrease in gearing ratio for 2009 was resulted from the increase in cash and bank balances and equity as a result of the completion of the Global Offering on 2 October 2009. As at 31 December 2009, a portion of the proceeds received from the Global Offering were temporarily kept in the Group's bank accounts for investing into property development projects.

Pledge of assets

As at 31 December 2009, the Group has construction in progress, investment properties under development and completed properties held for sale of an aggregate carrying value of RMB6,750.7 million (2008: RMB2,857.4 million) that have been pledged for the Group's borrowings. Besides, the Group had also pledged its 30% equity interest in Shanghai Xintai Property Development Co., Ltd. (an indirect wholly owned subsidiary of the Company) in relation to the Shanghai Bay Arrangement.

As at 31 December 2009, properties under development of RMB193.4 million (2008: nil) were pledged as collateral for third party companies' borrowings of RMB280.0 million.

Financial guarantee

The Group has arranged bank financing for certain purchasers of the Group's property units and provided guarantees to secure the obligations of such purchasers for repayment. As at 31 December 2009, the amount of outstanding guarantees for mortgages was RMB2,749.8 million (2008: RMB2,662.1 million).

EMPLOYEES

As at 31 December 2009, the Group had approximately 869 employees. Salaries of employees are maintained at competitive levels while bonuses are granted on a discretionary basis. Other employee benefits include provident fund, insurance, medical cover as well as share option scheme.

In order to attract, retain and motivate executives and key employees serving any members of the Group or other persons contributing to the Group, the Company had adopted a share option scheme (the "Share Option Scheme") on 9 September 2009 in addition to a pre-IPO share option scheme (the "Pre-IPO Share Option Scheme") which was adopted by the Company on the same day. During the year ended 31 December 2009, 84,000,000 share options had been granted to the directors and employees of the Company under the Pre-IPO Share Option Scheme while no share option had been granted under the Share Option Scheme. As at 31 December 2009, 82,000,000 share options under the Pre-IPO share Option Scheme remain outstanding.

CORPORATE GOVERNANCE

During the financial year ended 31 December 2009, the Company has complied with the provisions of the Code on Corporate Governance Practices as set out in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules").

AUDIT COMMITTEE

The Board has established an audit committee ("Audit Committee") on 9 September 2009 with written terms of reference. The Audit Committee comprises three independent non-executive directors of the Company, namely, Mr. Yim Ping Kuen (Chairman of the Audit Committee), Mr. Liu Shun Fai and Mr. Wo Rui Fang. The principal duties of the Audit Committee include the review and supervision of the Group's financial reporting system and internal control procedures, review of the Group's financial information and review of the relationship with the external auditor of the Company.

REMUNERATION COMMITTEE

The Board has established a remuneration committee (“Remuneration Committee”) on 9 September 2009 with written terms of reference and the majority of the members thereof are independent non-executive directors of the Company. The Remuneration Committee comprises the chairman of the Company, Mr. Zhang Zhi Rong (Chairman of the Remuneration Committee) and two independent non-executive directors of the Company, namely, Mr. Liu Shun Fai and Mr. Wo Rui Fang.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY’S LISTED SECURITIES

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company’s listed securities from its date of listing on 2 October 2009 to 31 December 2009.

PUBLICATION OF ANNUAL REPORT

The 2009 annual report of the Company containing all the applicable information required by the Listing Rules will be dispatched to the shareholders of the Company and published on the websites of the Stock Exchange at www.hkexnews.hk and the Company at www.gloriousphl.com.cn on or about 28 April 2010.

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

Hong Kong, 12 April 2010

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