

# **Glorious Property Holdings Limited**

## **2010 Annual Results**



**23 March 2011**

**Stock code: 845.HK**

# Agenda

▶ **I. FY2010 Annual Results**

▶ **II. Business Review**

▶ **III. Future Outlook**

# I. FY2010 Annual Results

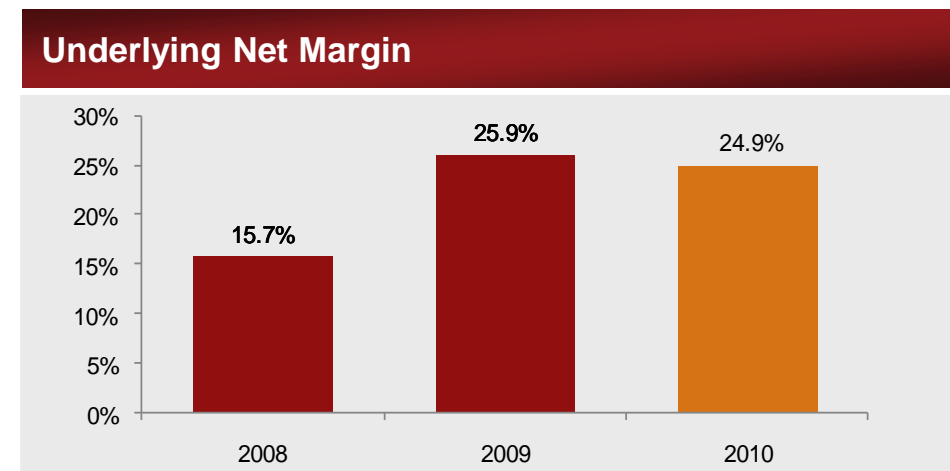
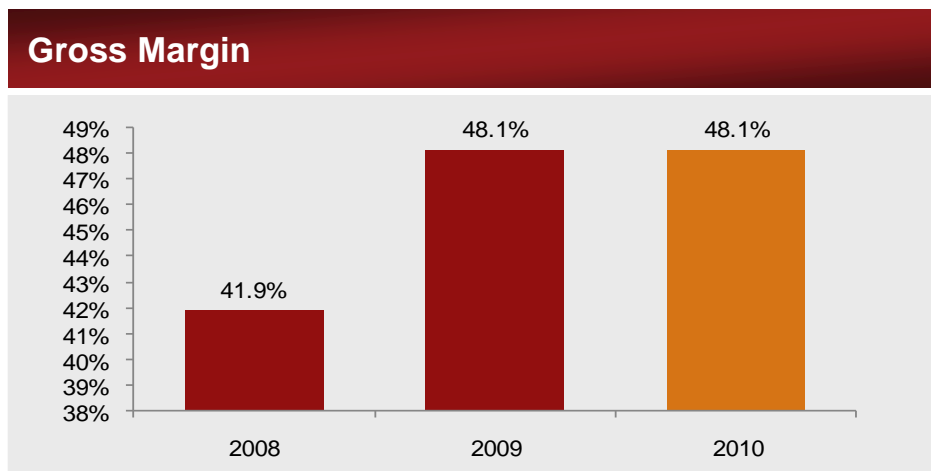
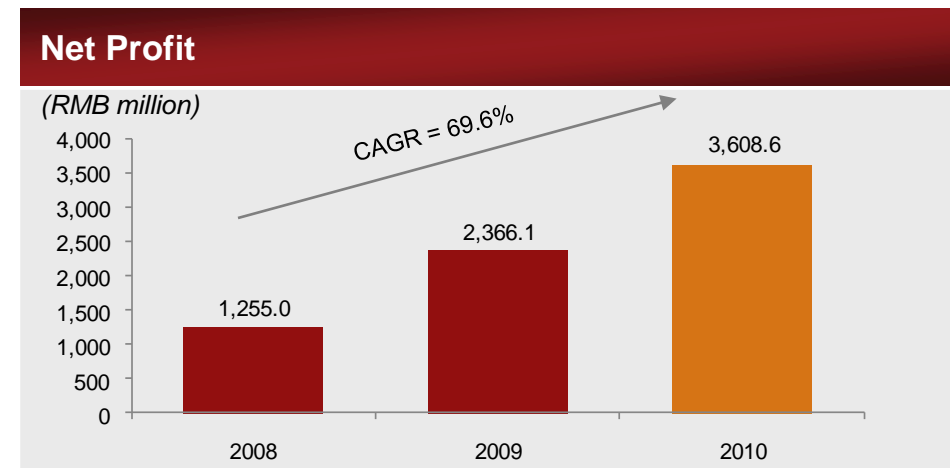
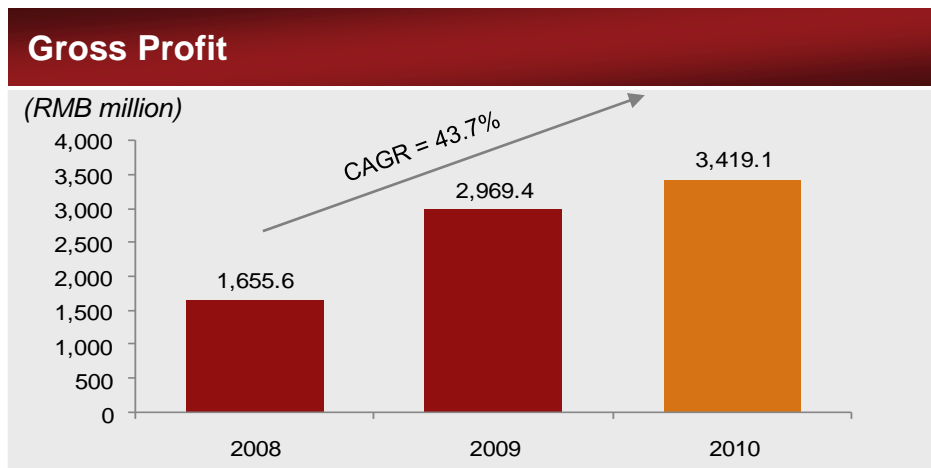


## Key Income Statement Items

<i>(RMB million)</i>	2010	2009	% Change
Revenue	7,114.0	6,171.1	15.3%
Gross Profit	3,419.1	2,969.4	15.1%
<i>Gross Margin</i>	48.1%	48.1%	0pts
Net Profit Attributable to the Equity Holders	3,608.6	2,366.1	52.5%
<i>Net Margin</i>	50.7%	38.3%	12.4pts
Underlying Net Profit <sup>(1)</sup>	1,769.2	1,595.9	10.9%
<i>Underlying Net Margin</i>	24.9%	25.9%	- 1 pts
EPS (RMB per share)	0.46	0.38	21.1%
DPS (RMB per share)	-	0.03	N/A

(1) For net profit excluding revaluation gain and the relevant deferred tax

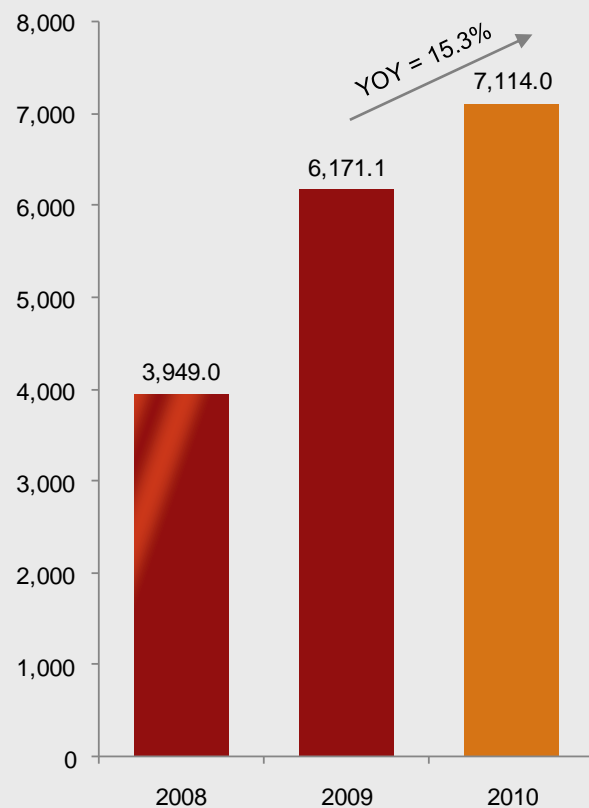
# Strong Profitability and High Margins



# Proven Execution Capabilities

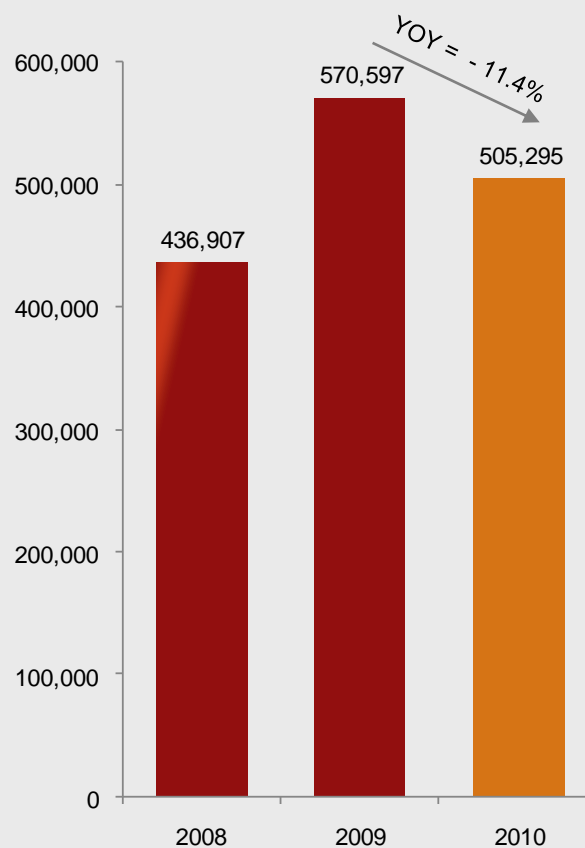
## Recognised Sales

(RMB million)



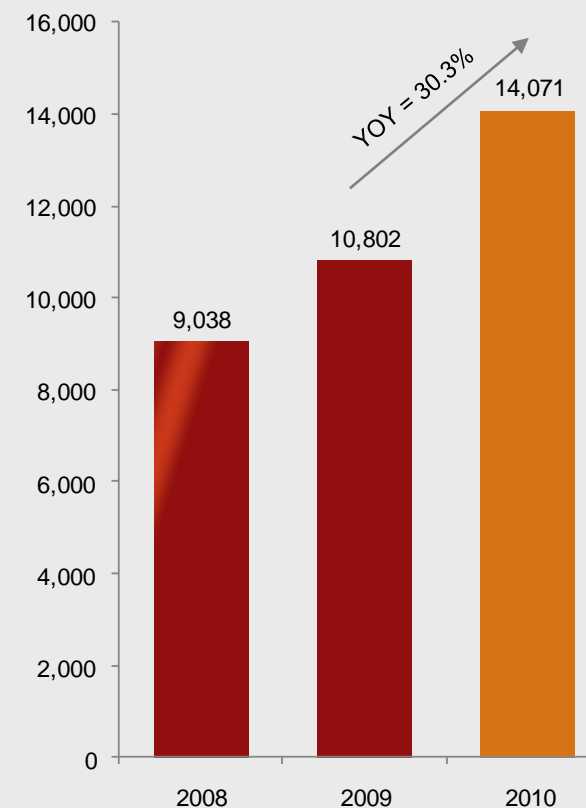
## GFA Booked

(sq.m.)



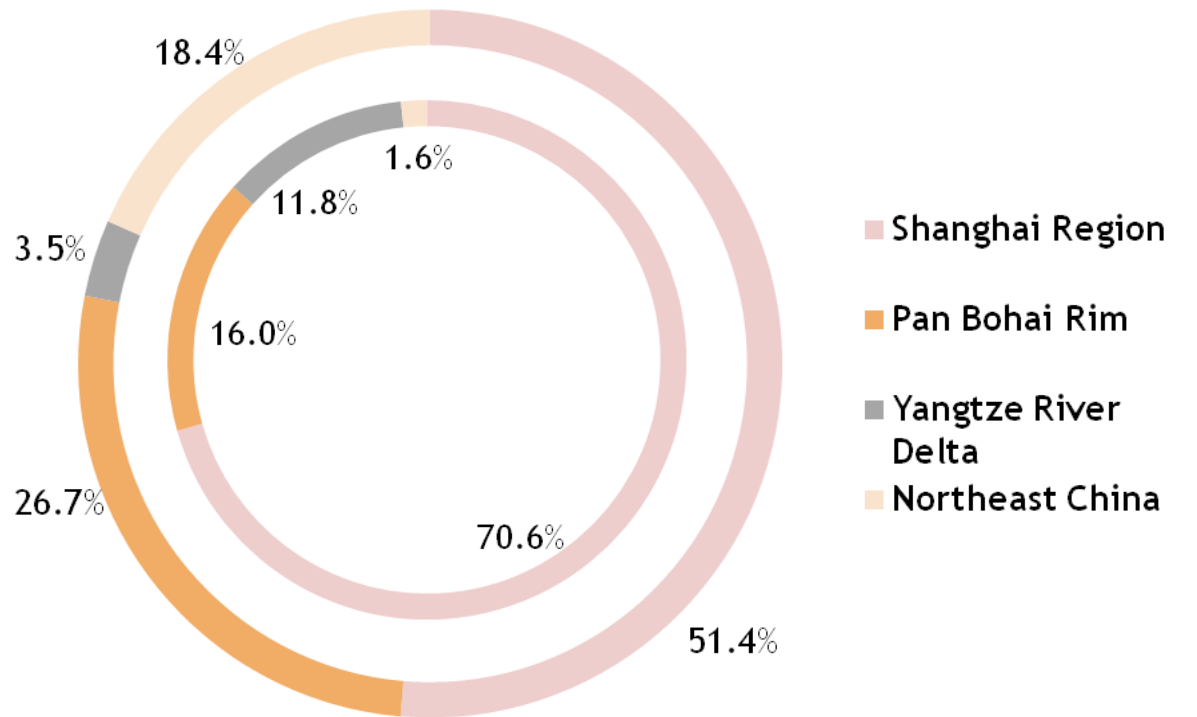
## Booked ASP

(RMB/sq.m.)



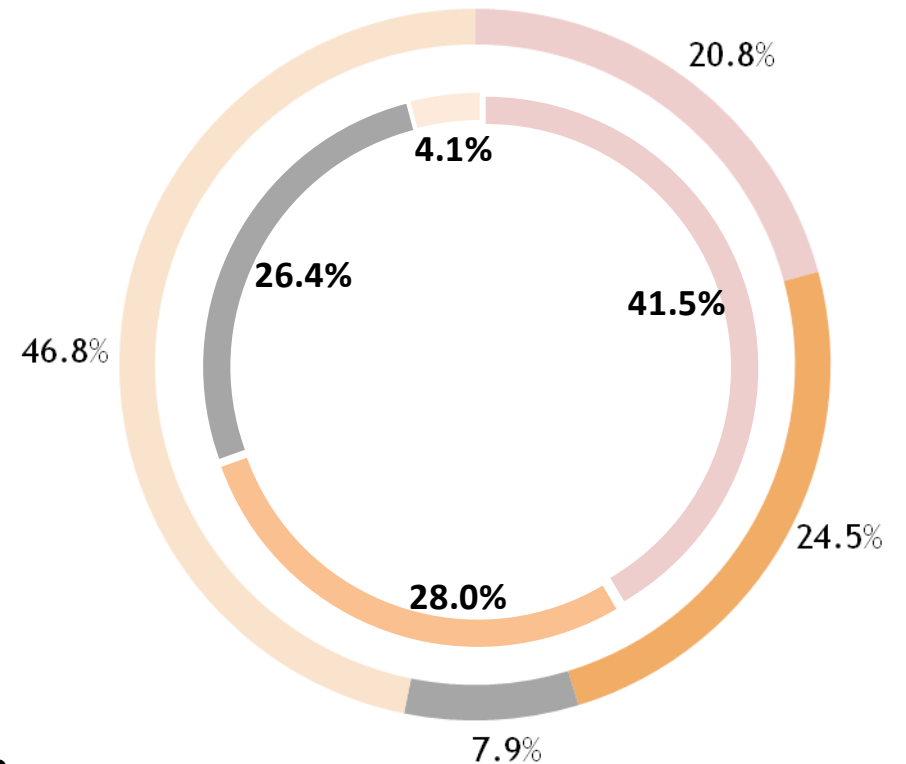
# Revenue Breakdown and GFA Sold and Delivered by Regions

## Revenue by Regions



2010 Total: RMB 7,114.0 million  
2009 Total: RMB 6,171.1 million

## GFA Sold and Delivered by Regions



2010 Total: 505.3 thousand sq.m.  
2009 Total: 570.6 thousand sq.m.

Inner Circle: 2009  
Outer Circle: 2010

## 2010 Residential GFA Completion<sup>(1)</sup> by Regions

City	GFA (‘000 sq.m.)
<b>Shanghai Region</b>	
Shanghai Bay	150.1
Royal Lakefront	30.8
<b>Pan Bohai Rim</b>	
Royal Mansion	46.6
Sunshine Holiday	75.2
<b>Yangtze River Delta</b>	
Nantong Glorious Chateau	105.3
<b>Northeast China</b>	
Harbin Villa Glorious	116.5
Sunny Town	118.0
<b>Total</b>	<b>642.5</b>

- A total of 7 projects with a total GFA of 844,000 sq.m. was completed in FYI2010.
- The total residential GFA sq.m. completed was 643,000 sq.m.
- Upon completion, 83% of residential GFA completion was sold.

(1) The total GFA completion was 0.84 million sq.m., including commercial portion, car parking space and common construction area



## Key Balance Sheet Items

(RMB million)

Key Balance Sheet Items	31 Dec, 2010	31 Dec, 2009	% Change
Cash and Bank Balances	5,835.3	6,052.4	- 3.6%
Total Assets	42,326.1	26,367.7	60.5%
Total Borrowing	13,786.4	6,847.9	101.3%
Shareholders' Equity	14,798.9	11,353.9	30.3%
<i>Net Gearing Ratio (1)</i>	53.7%	7.0%	46.7pts
Debt Maturities	31 Dec, 2010	31 Dec, 2009	% Change
Within 1 year	6,005.4	1,806.9	232.4%
Between 1 and 2 years	3,465.6	3,555.5	-2.5%
Between 2 and 5 years	3,754.6	939.6	299.6%
Over 5 years	560.8	545.9	2.7%
<b>Total</b>	<b>13,786.4</b>	<b>6,847.9</b>	<b>101.3%</b>

(1) Net gearing ratio is calculated as net debt over total equity

## Highlights of FY2010 Cash Flows

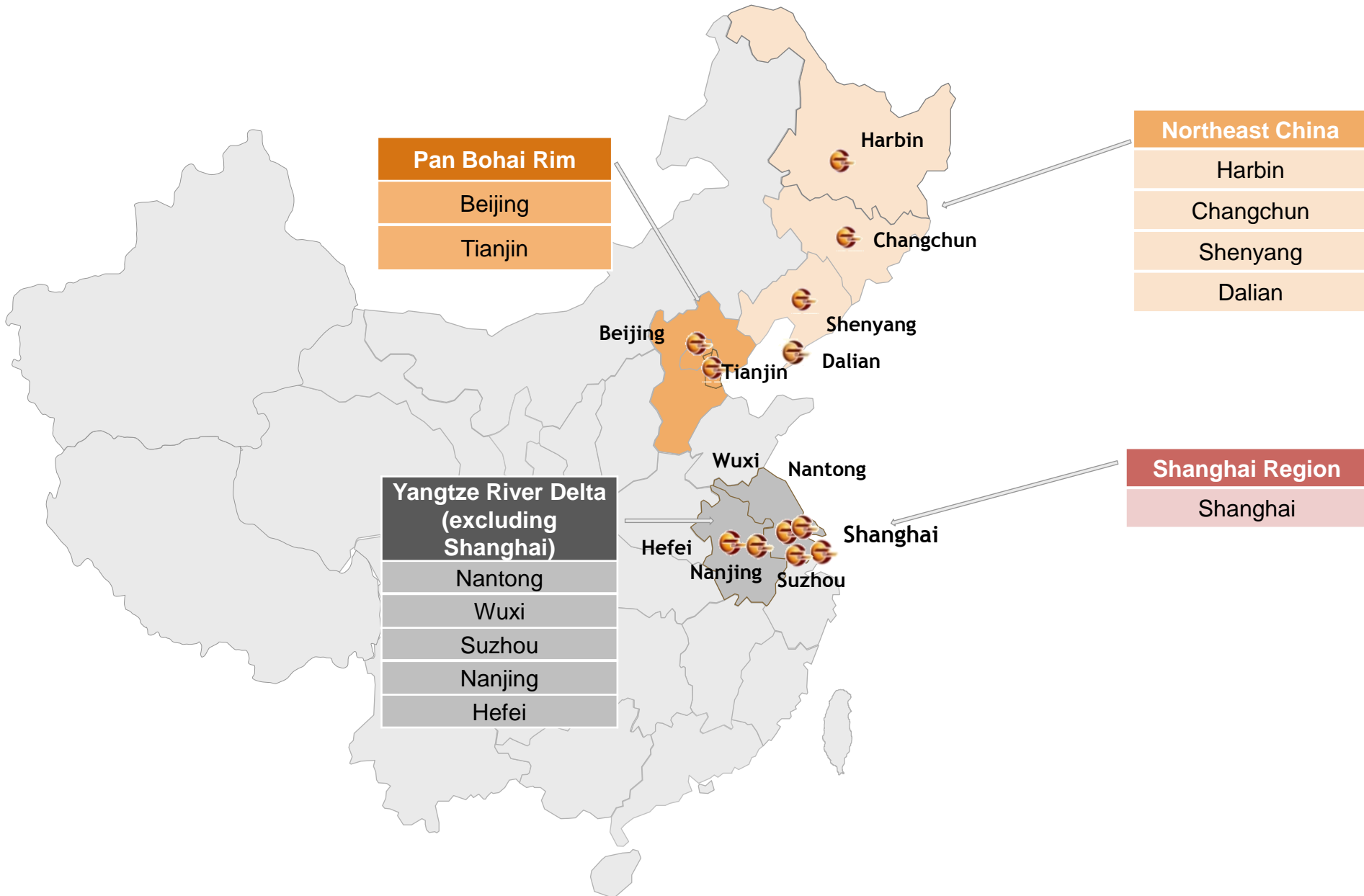
		<i>(RMB billion)</i>
<b>Cash Inflows</b>	Sales proceeds	9.9
	Net loans added	7.0
	<b>Subtotal</b>	<b>16.9</b>
<b>Cash Outflows</b>	Land premium paid	(11.7)
	Construction costs paid	(3.6)
	Taxes	(1.1)
	Dividend paid	(0.2)
	Interest paid	(1.3)
	<b>Subtotal</b>	<b>(17.9)</b>
	Other net cash inflows	0.7
	Net decrease in bank balances	(0.3)
	Bank balances at beginning of 2010	6.1
	<b>Bank balances at end of 2010</b>	<b>5.8</b>

## II. Business Review



# An Emerging National Developer

The Group has 31 projects under development with a total land bank amounted to 19.2 million sq.m. in 12 cities.

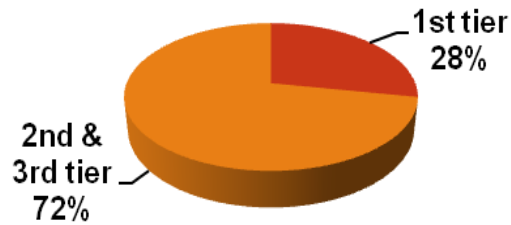


## Property Sales by Projects in 2010

Project	City	GFA Sold (sq.m.)	Property Sales (RMB '000)	ASP (RMB/sq.m.)
Sunshine Venice (Phase IIIA, IIIB)	Shanghai	650	12,807	19,711
Chateau De Paris (Phase I, II)	Shanghai	196	1,760	9,000
Shanghai Bay (Phase I,II A)	Shanghai	54,993	3,343,652	60,801
Royal Lakefront (Phase I, II)	Shanghai	186,609	2,365,355	12,675
No. 1 City Promotion (Phase I, II)	Wuxi	19,075	131,964	6,918
Nantong Glorious Chateau (Phase I)	Nantong	69,342	243,690	3,514
Nantong Villa Glorious	Nantong	152,711	1,234,057	8,081
Nantong Royal Bay	Nantong	62,113	794,988	12,799
Hefei Villa Glorious	Hefei	165,137	1,046,442	6,337
Hefei Royal Garden	Hefei	13,589	66,790	4,915
Royal Mansion (Phase I)	Beijing	13,461	439,830	32,674
Sunshine Bordeaux (Phase I)	Beijing	70,420	537,006	7,626
Sunshine Holiday (Phase II, III)	Tianjin	38,533	363,346	9,430
Sunny Town (Phase I, II, III, VI)	Shenyang	98,188	561,677	5,720
Harbin Villa Glorious (Phase I, II)	Harbin	201,834	1,536,909	7,615
<b>Total</b>		<b>1,146,851</b>	<b>12,680,273</b>	<b>11,057</b>

# Property Sales and GFA(sq.m.) Sold by Regions in FY2010

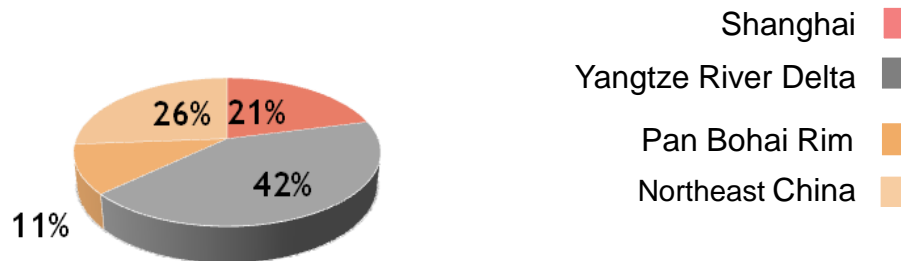
**Contracted GFA  
by 1<sup>st</sup> tier and 2<sup>nd</sup>&3<sup>rd</sup> tier cities**



**Property Sales  
by 1<sup>st</sup> tier and 2<sup>nd</sup>&3<sup>rd</sup> tier cities**

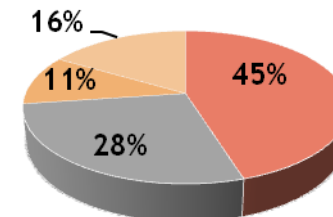


**Contracted GFA by Regions**



Total GFA Sold: 1.15 million sq.m.

**Property Sales by Regions**



Total Property Sales: RMB 12.68 billion

## Land Bank Replenishment in FY2010

	Project Name	Land Location	Date Acquired	Total Site Area (sq.m.)	Planned GFA (sq.m.)	Consideration (RMB million)	Unit Land Cost (RMB/sq.m.)
<b>Changchun</b>	Changchun Villa Glorious (East)	New & High-Tech Industrial Development Zone	Apr-10	197,940	611,217	505	830
<b>Beijing</b>	Caiyu Town Project	Caiyu Town, Daxing District	May-10	90,741	100,270	376	3,750
<b>Changchun</b>	Changchun Villa Glorious (West)	New & High-Tech Industrial Development Zone	Jul-10	318,828	845,088	808	956
<b>Hefei</b>	Hefei Royal Garden	Mengcheng North Road, Luyang District	Aug-10	150,000	498,378	578	1,160
<b>Harbin</b>	Harbin Royal Garden	Qunli New District	Oct-10	77,879	222,697	520	2,330
<b>Dalian</b>	Dalian Villa Glorious	Jinzhou New District	Dec-10	50,250	178,943	300	1,670
<b>Total</b>				<b>885,638</b>	<b>2,456,593</b>	<b>3,087</b>	<b>1,257</b>

# Total Land Bank as of 31 December 2010

■ Total land bank amounted to 19.2 million sq.m. with an overall average land cost of RMB 1,270/sq.m.

## Pan Bohai Rim

City	Land Bank ('000 sq.m.)	Avg. Cost (RMB/sq.m.)	%
Beijing	1,600	907	8.3
Tianjin	2,658	1,266	13.9
<b>Total</b>	<b>4,258</b>	<b>1,094</b>	<b>22.2</b>

## Northeast China

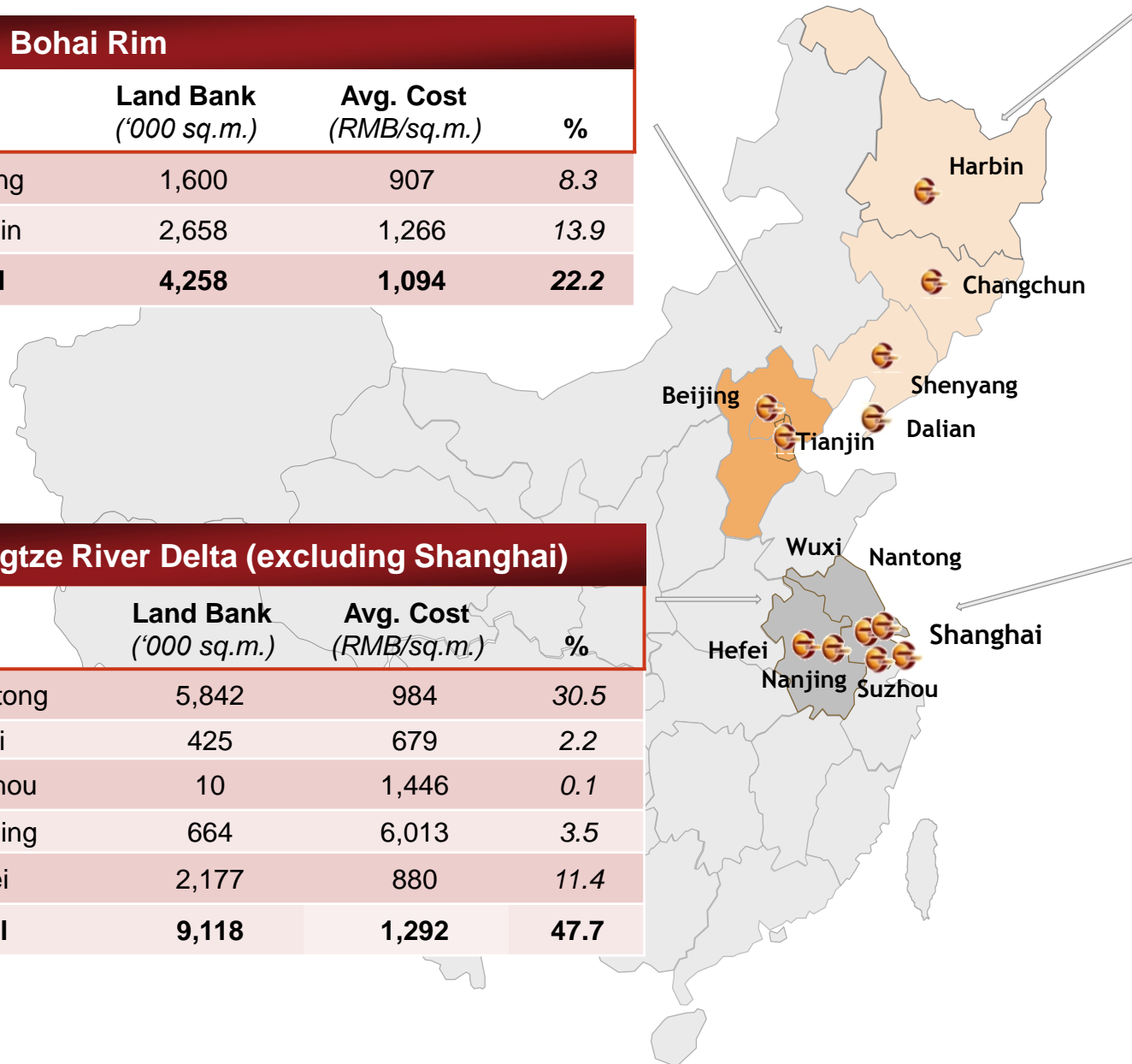
City	Land Bank ('000 sq.m.)	Avg. Cost (RMB/sq.m.)	%
Harbin	701	1,393	3.6
Changchun	1,456	947	7.6
Shenyang	649	1,133	3.4
Dalian	179	1,674	0.9
<b>Total</b>	<b>2,984</b>	<b>1,142</b>	<b>15.5</b>

## Yangtze River Delta (excluding Shanghai)

City	Land Bank ('000 sq.m.)	Avg. Cost (RMB/sq.m.)	%
Nantong	5,842	984	30.5
Wuxi	425	679	2.2
Suzhou	10	1,446	0.1
Nanjing	664	6,013	3.5
Hefei	2,177	880	11.4
<b>Total</b>	<b>9,118</b>	<b>1,292</b>	<b>47.7</b>

## Shanghai Region

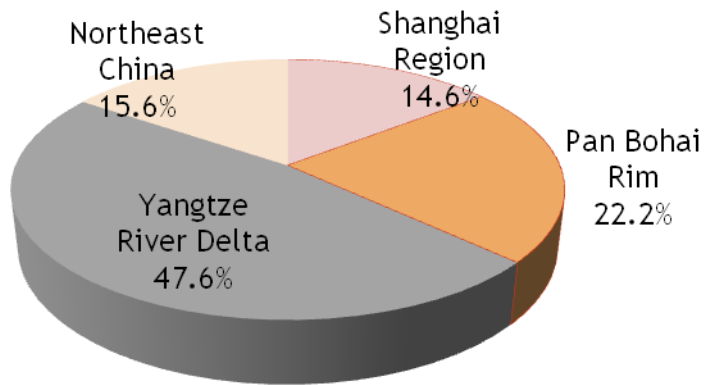
City	Land Bank ('000 sq.m.)	Avg. Cost (RMB/sq.m.)	%
Shanghai	2,794	1,557	14.6
<b>Total</b>	<b>2,794</b>	<b>1,557</b>	<b>14.6</b>





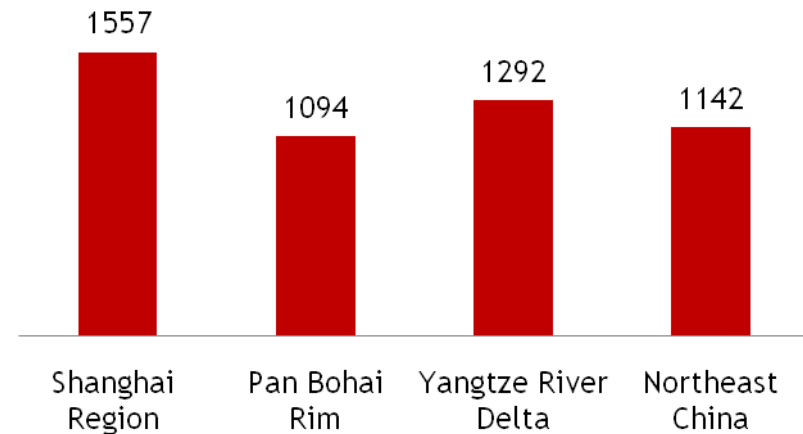
# Land Bank Distribution and Average Land Cost by Regions

Land Bank Distribution by Regions



**Total Land Bank: 19.2 million sq.m.**

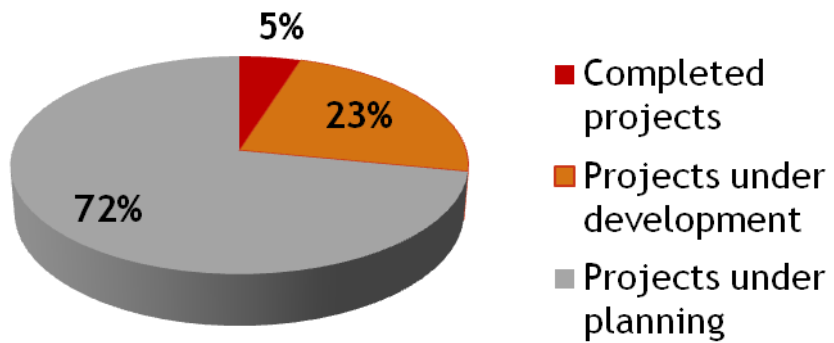
Average Land Cost by Regions (RMB/sq.m.)



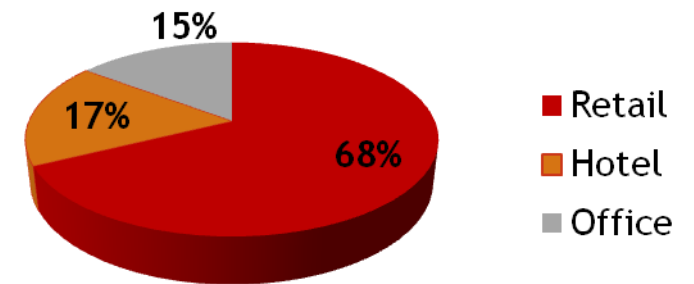
**Overall Average Land Cost: RMB1270/sq.m.**

## Steady Growth of Commercial Properties

### Stages of Completion



### Types of Products



**Total GFA: 2.7 million sq.m.**

## Major Commercial Projects Under Development & Planning

City	Major Projects	Type	GFA ('000 sq.m.)	(Estimated) completion date
<b>Major projects under development</b>				
Shanghai	Shanghai Bay (Phase IIA, Phase III)	Retail, office & Hotel	171	November, 2013
Shanghai	Royal Lakefront	Retail	134	October, 2013
Nantong	Nantong Royal Bay (Phase I)	Retail	172	October, 2013
<b>Major projects under planning</b>				
Shanghai	Shanghai Bay (Phase IIB)	Retail	94	May, 2015
Shanghai	Caohejing Project	Retail, office & Hotel	75	Jun, 2014
Shanghai	Zhongcao xincun Project	Retail & Office	59	Nov, 2013
Tianjin	Tianjin Royal Bay Seaside	Retail & Hotel	87	May, 2013
Tianjin	Tianjin Royal Bay Lakeside (Phase I - Phase IV)	Retail	98	May, 2015
Nantong	Rongsheng Plaza	Retail, office & Hotel	210	October, 2015
Nantong	Nantong Royal Bay	Retail	97	October, 2015
Hefei	BashangJie Project	Retail, office & Hotel	800	November, 2016
Shenyang	Sunny Town (Phase IVB)	Retail	82	October, 2012

## Sales Updates (Jan – Feb 2011)

Region	Property sales (RMB'000 )			GFA sold (sq.m.)		
	Jan-Feb 2011	Jan-Feb 2010	Change(%)	Jan-Feb 2011	Jan-Feb 2010	Change(%)
Shanghai Region	718,143	163,286	340%	10,064	3,213	213%
Yangtze River Delta	466,014	257,534	81%	66,536	46,247	44%
Pan Bohai Rim	276,462	416,874	-34%	28,645	37,327	-23%
Northeast China	371,398	30,228	1129%	49,292	5,738	759%
<b>Total</b>	<b>1,832,017</b>	<b>867,922</b>	<b>111 %</b>	<b>154,536</b>	<b>92,526</b>	<b>67%</b>

## III. Future Outlook



## Guidance for FY2011

	2011 Guidance	2010 Actual
<b>Property Sales (RMB billion)</b>	15.0	12.7
<b>Project Completion (million sq.m.)</b>	1.3	0.8
<b>New Project Commencement (million sq.m.)</b>	3.0	1.9
<b>Total Capex (RMB billion)</b>	7.8	15.3
<b>- Payment for Outstanding Land Premium (RMB billion)</b>	2.8	11.7
<b>- Construction Cost (RMB billion)</b>	5.0	3.6

# Projects for Sale in FY2011

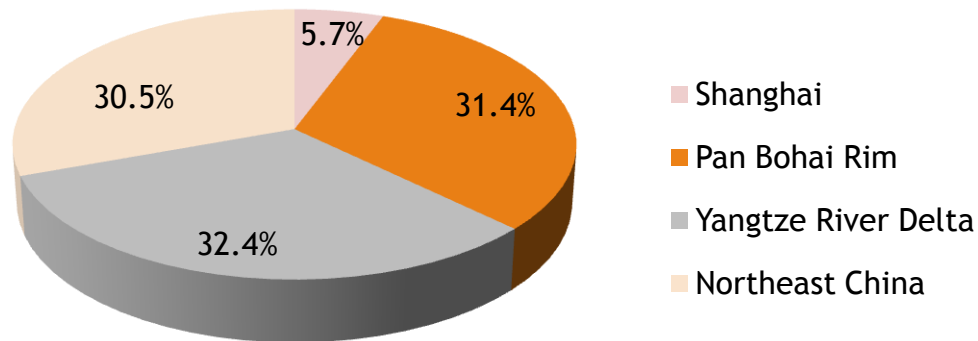
City	No.	Project	Saleable GFA ('000 sq.m.)	Interests Attributable
Shanghai	1	Shanghai Bay (Phase I,IIA)	51	100%
	2	Royal Lakefront (Phase IA, IB)	125	100%
	3	Sunshine Venice (Phase I, II, IIIA, IIIB, IIIC)	4	100%
Beijing	4	Royal Mansion (Phase I)	5	100%
	5	Sunshine Bordeaux (Phase IA, IB)	6	100%
	6	Caiyu Town Project	80	100%
Tianjin	7	Sunshine Holiday (Phase I, II, III)	25	100%
	8	Tianjin Royal Bay Seaside	573	100%
	9	Tianjin Royal Bay Lakeside	293	70%
Nantong	10	Rongsheng Garden (Phase I)	129	100%
	11	Nantong Royal Bay	268	100%
	12	Nantong Villa Glorious	74	100%
Hefei	13	Hefei Villa Glorious (Phase I, II, III)	55	100%
	14	Hefei Royal Garden	362	100%
Wuxi	15	No. 1 City Promotion (Phase I, II, III)	125	100%
Shenyang	16	Sunny Town (Phase I, II, III, IV)	159	100%
Dalian	17	Dalian Villa Glorious	155	100%
Changchun	18	Changchun Villa Glorious	297	100%
Harbin	19	Harbin Royal Garden	169	100%
	20	Harbin Villa Glorious (Phase I, II)	176	100%
<b>Total</b>			<b>3,131</b>	

## Projects Completion Plan in FY2011

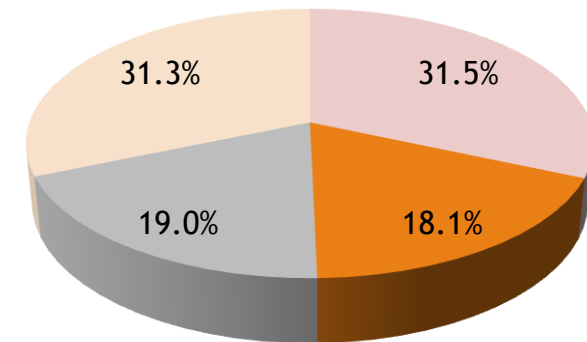
City	No.	Project	GFA Completion ('000 sq.m.)
Shanghai	1	Royal Lakefront (Phase IA, IB)	400
Beijing	2	Royal Mansion (Phase I)	2
	3	Sunshine Bordeaux (Phase IA, IB)	98
Tianjin	4	Sunshine Holiday (Phase I, II, III)	3
	5	Tianjin Royal Bay Seaside	127
Nantong	6	Nantong Glorious Chateau (Phase I)	54
	7	Nantong Villa Glorious	84
Hefei	8	Hefei Villa Glorious (Phase I, II, III)	103
Shenyang	9	Sunny Town (Phase I, II, III, IV)	125
Harbin	10	Harbin Villa Glorious (Phase I, II)	272
<b>Total</b>			<b>1,269</b>



## Sales Resource and Completion Distribution by Regions in FY2011



**Total Sales Resource: 3.13 million sq.m.**



**Total Completion GFA: 1.27 million sq.m.**

# Competitive Strengths

## High-quality Land Bank:

- 1) Sizable & high quality land bank of 19.2 million sq.m.
- 2) Low average land cost of RMB1,270 per sq.m.

## Others:

- 1) Experienced management team with visions and good execution capabilities
- 2) Access to multiple financial platforms and stick to a prudent financial policy

## Premium Products:

- 1) Strengths in product positioning and new product innovation capabilities
- 2) Diversified & balanced product mix



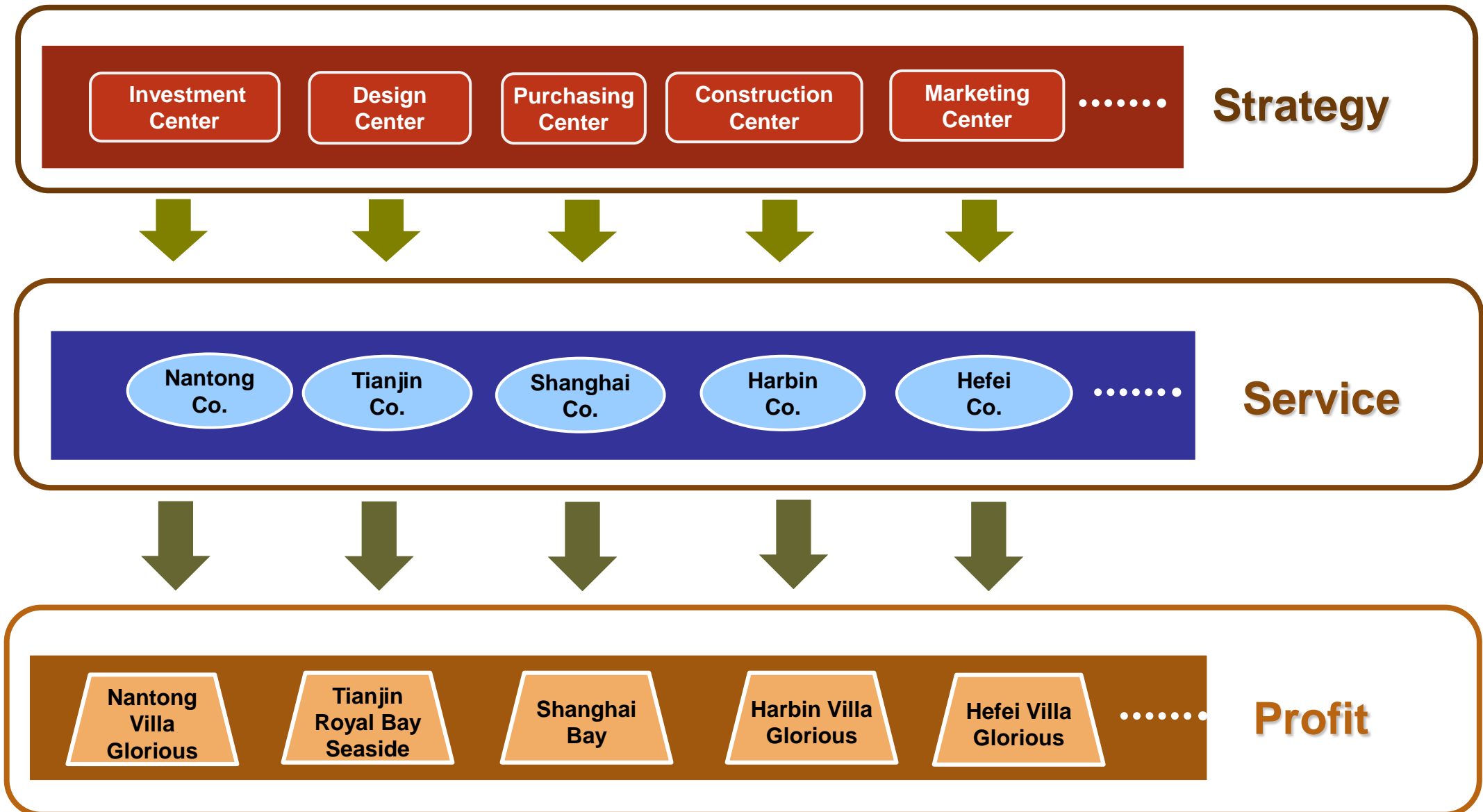
## An Emerging National Developer:

- 1) Successfully established business operations in 12 cities
- 2) Maintain market share leadership position in Shanghai, Nantong and Harbin

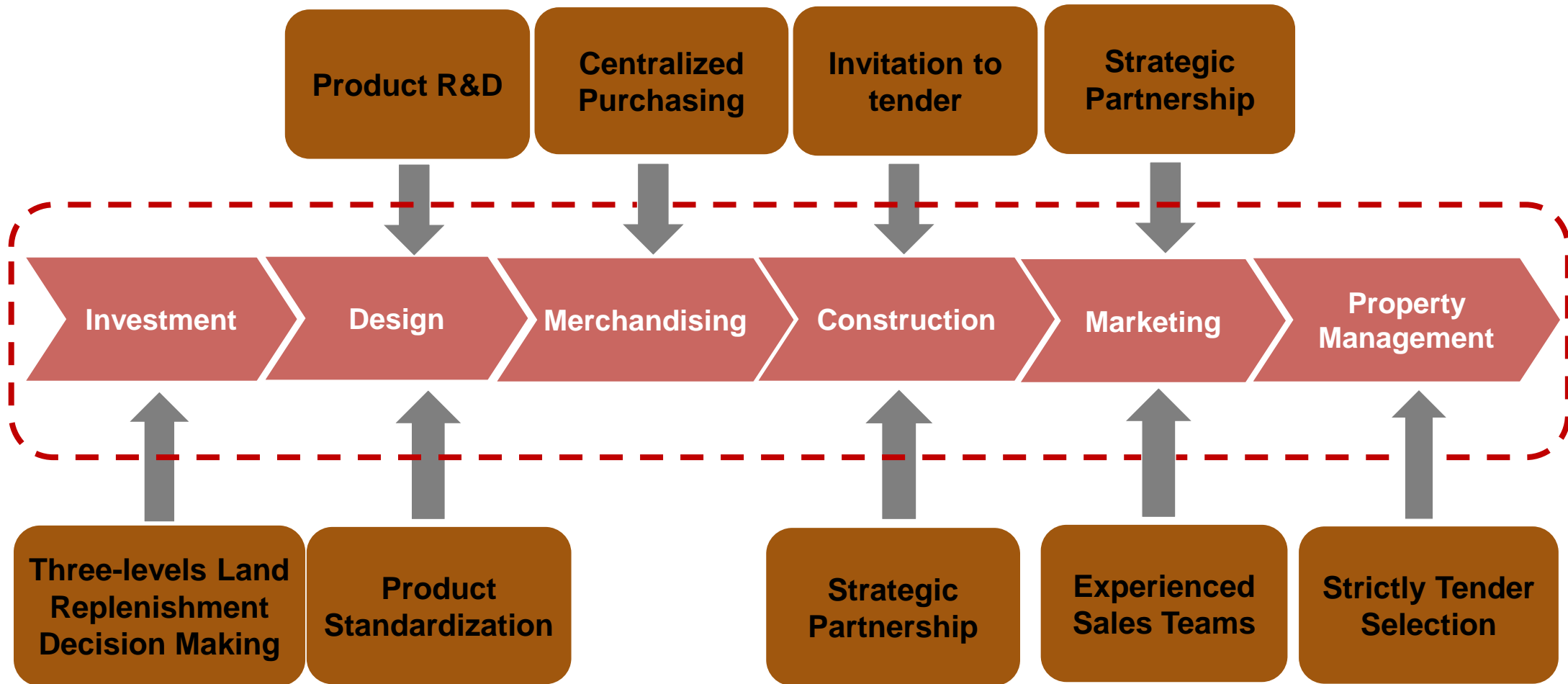
## High Profit Margins:

- 1) Sustainable high gross margins
- 2) Strong business growth potential

# Glorious Professional Management System



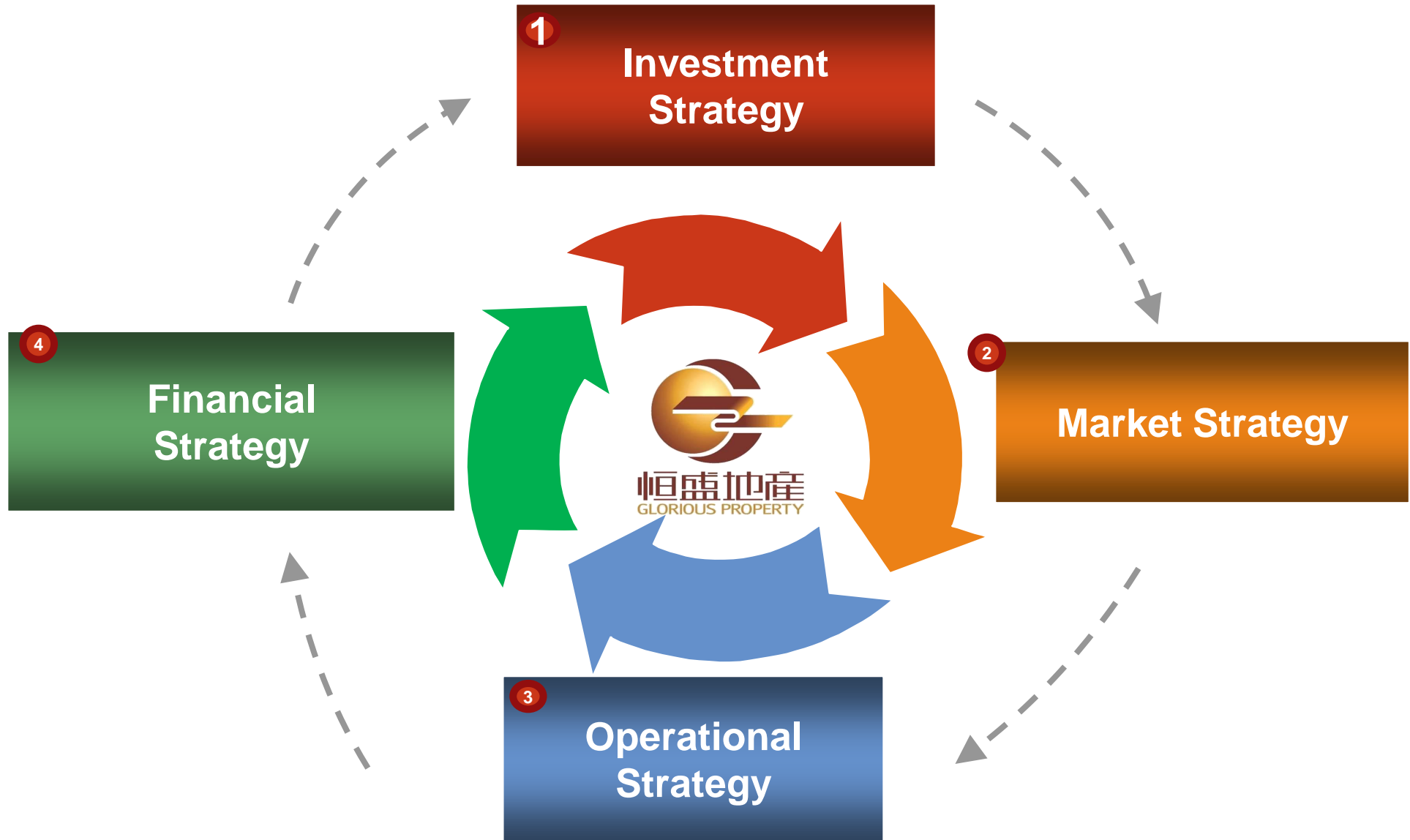
# Glorious Property Development Capabilities



## Market Outlook for FY2011

- The current government tightening policy toward property sector will persist focusing on monitoring price targets and curbing investment and speculative demand, therefore, constantly causing short-term market uncertainties
- Social housing policy, property holding tax and better land supply planning will have long-term positive impact on the sector
- We expect transaction volume tend to fall and pricing to be stable in light of policy tightening and market conditions in 2011
- The tactical strategies, measures adopted by developers and their market adaptability are keys to their successful performance in 2011

# Growth strategies for Glorious in FY2011



## 1

# Investment Strategy

## Investment Strategy

- Use multiple land acquisition methods to replenish low-cost & high quality land bank
- Accelerate investment and development pace in second and third tier cities
- Enter into third and fourth tier cities where no purchase restrictions are expected
- Add high quality commercial properties through a steady-growth approach

## 2

## Market Strategy

### Market Strategy

- Quicken asset turns and enhance sales contributions from second and third tier cities
- Sustain market share leadership in Shanghai and target at leading market share positions in Nantong, Hefei and Harbin
- Implement flexible sales strategy focusing on cash inflows
- Implement a brand-driven sales strategy focusing on retaining repeated and loyal customers



3

## Operational Strategy

### Operational Strategy

- Accelerate project development pace to obtain abundant sales resources
- Aiming at maximising profitability by balancing scale, return and cost control
- Enhance all key professional development capabilities and managerial control standards
- Strengthen product development and innovation to provide customers with best quality products and services

## 4

## Financial Strategy

### Financial Strategy

- Pursue prudent financial policy by targeting net gearing level below 60%
- Utilize multiple financing channels to satisfy the funding needs of business development
- Stick to the principle of balanced budgeting by matching cash inflows and cash outflows
- Enforce fine management of cash flows to effectively control financial risks

Thank you!