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)

INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2011

The board of directors (the "Board") of Glorious Property Holdings Limited (the "Company") announces the unaudited consolidated results of the Company and its subsidiaries (together, the "Group") for the six months ended 30 June 2011 ("2011 Interim Results"). The 2011 Interim Results have been reviewed by the audit committee of the Company (the "Audit Committee") and approved by the Board on 29 August 2011.

FINANCIAL HIGHLIGHTS

- Revenue decreased by 4.8% to RMB2,378.8 million.
- Profit attributable to the equity holders increased by 154.7% to RMB933.2 million.
- Gross profit margin for the current period was 49.5%, compared to 53.7% for the corresponding period last year.
- Net profit margin attributable to the equity holders was 39.2%, compared to 14.7% for the corresponding period last year.
- Equity attributable to the equity holders increased 6.4% to RMB15,750.3 million.
- The Company achieved a property sales of RMB7,103.0 million, representing an increase of 150.7% from the corresponding period last year. The GFA sold was 771,000 sq.m., representing an increase of 172.5% from the corresponding period last year.
- Earnings per share was RMB0.12, representing an increase of 140.0% from RMB0.05 for the corresponding period last year.

OVERALL RESULTS

For the six months ended 30 June 2011, the Group's consolidated revenue decreased by 4.8% to RMB2,378.8 million. The Group's profit attributable to equity holders of the Company for the period under review was RMB933.2 million, representing an increase of 154.7% compared to RMB366.4 million for the first half of 2010. Profit attributable to the equity holders of the Company for the six months ended 30 June 2011, excluding the fair value gain of investment properties and the related tax effect, amounted to RMB400.9 million, representing a growth of 9.4% from RMB366.4 million for the corresponding period in 2010.

Earnings per share for the six months ended 30 June 2011 was RMB0.12, which is higher than RMB0.05 for the corresponding period in 2010.

The Board has resolved not to declare any payment of interim dividend for the six months ended 30 June 2011 (Six months ended 30 June 2010: Nil).

MANAGEMENT DISCUSSION AND ANALYSIS

Market Review

During the period under review, the Central Government of China has implemented stringent austerity measures towards the property sector and effectively curbed the investment and speculation activities through imposing restriction on home purchases in first- and second-tier cities and further tightening bank lending, which led to a reduction in market demand and created a strong wait-and-see sentiment to home-buyers. Transaction volume in major cities fell significantly while housing prices tend to stabilise. Developers encountered an adverse change in their operating environment and are facing an increasingly challenging market.

To cope with stringent property austerity measures and subsequent market adjustments, the Group closely monitored the market changes and correspondingly adjusted its sales strategies. By adopting differentiating sales tactics, taking consideration of market characteristics in different cities and through better managing of sales resources, the Group launched marketable and popular products at appropriate pace to cater for the needs of home buyers. The Group stepped up sales efforts for all of its projects in cities with or without home purchase restrictions, in particular, in high-growth regions such as Northeast China. Meanwhile, the Group continues to lift the level of professionalism for its project development and accelerate development pace in order to achieve pre-sale standards in more projects and to provide more saleable resources.

Driven by Mainland China's sustainable and healthy economic development, continuous growth of disposable income per capita and acceleration of urbanization, housing demand for self-use and improvement purposes remains robust. By adopting flexible sales strategies, the Group in the first half of this year achieved a tremendous property sales growth over the same period of last year.

Business Review

1. Revenue

In the first half of 2011, the Group recorded a consolidated revenue of RMB2,378.8 million, representing a decrease of 4.8% from the same period of last year. The delivered GFA increased 45.7% to 226,117 sq.m in the first half of 2011 from 155,238 sq.m for the same period of 2010. Revenue from the sales of six projects in first-tier cities including Shanghai and Beijing and five projects in second- and third-tier cities accounted for 59.2% and 40.8% respectively. Of the total area delivered in the first half of 2011, approximately 12.1% was from projects in Shanghai region, 79.6% from Yangtze River Delta (excluding Shanghai), 3.6% from Pan Bohai Rim, and 4.7% from Northeast China.

Table 1: The projects sold and delivered during the six months ended 30 June 2011:

		Six months ended 30 June					
		2011			2010		
Properties sold and delivered	**City**	**Revenue** *RMB'000*	**GFA sold and delivered** *sq.m.*	**Average selling price** *RMB per sq.m.*	Revenue *RMB'000*	GFA sold and delivered *sq.m.*	Average selling price *RMB per sq.m.*
Sunshine Venice	Shanghai	**23,893**	**1,032**	**23,157**	3,719	180	20,630
Chateau De Paris	Shanghai	**3,287**	**152**	**21,670**	15,513	543	28,569
Shanghai Bay	Shanghai	**1,178,525**	**17,083**	**68,983**	1,587,214	42,234	37,581
Royal Lakefront	Shanghai	**97,781**	**9,106**	**10,738**	–	–	N/A
Sunshine Bordeaux	Beijing	**38,718**	**4,810**	**8,050**	17,860	3,463	5,157
Royal Mansion	Beijing	**66,871**	**2,668**	**25,067**	–	–	N/A
Sunshine Holiday	Tianjin	**5,611**	**609**	**9,218**	667,791	75,244	8,875
No. 1 City Promotion	Wuxi	**21,006**	**3,128**	**6,715**	181,446	29,642	6,121
Classical Life	Suzhou	**–**	**–**	**N/A**	13,482	1,837	7,341
Nantong Glorious Chateau	Nantong	**878,651**	**176,829**	**4,969**	–	–	N/A
Sunny Town	Shenyang	**35,060**	**6,144**	**5,706**	9,509	2,095	4,539
Harbin Villa Glorious	Harbin	**28,928**	**4,556**	**6,349**	–	–	N/A
Sub-total		**2,378,331**	**226,117**	**10,518**	2,496,534	155,238	16,082
Other revenue		**466**			1,412		
Total		**2,378,797**			2,497,946		

2. Property Sales

In the first half of 2011, the Group achieved a property sales of RMB7,103.0 million, representing an increase of 150.7% over the same period of last year. Total GFA sold was 771,000 sq.m, representing an increase of 172.5% over the same period of last year.

During the period under review, the Group pursued a more balanced growth in first-, second- and third-tier cities. Royal Lakefront in Shanghai recorded a property sale of RMB1,615.2 million, approximately achieving its annual sales target. The Group recorded a rapid growth in property sales in Northeast China achieving a property sale of RMB1,787.5 million, representing a rise of 219.8% over the same period of last year. The sales of projects in Shenyang, Changchun and Harbin performed well, achieving property sales of RMB588.4 million, RMB645.4 million and RMB553.7 million respectively.

Table 2: Property sales and GFA sold during the six months ended 30 June 2011:

	Six months ended 30 June			
	2011		2010	
City	**Sales**	**GFA sold**	Sales	GFA sold
	RMB'000	***Sq.m***	*RMB'000*	*Sq.m*
Shanghai	**2,873,436**	**127,022**	1,142,481	59,156
Beijing	**365,680**	**28,370**	259,457	9,584
Tianjin	**152,728**	**19,995**	348,553	37,146
Nantong	**1,335,087**	**181,073**	14,239	5,235
Hefei	**484,677**	**78,406**	417,400	70,858
Wuxi	**103,897**	**14,399**	93,242	13,256
Shenyang	**588,439**	**92,696**	191,754	35,607
Changchun	**645,424**	**158,984**	–	–
Harbin	**553,672**	**69,569**	368,344	52,094
Total	**7,103,040**	**770,514**	2,835,470	282,936

3. Construction and Development Plan

During the first half of 2011, two projects were completed and delivered with total GFA of 124,326 sq.m.. The projects under construction in various regions progressed as planned. The Group added 1.6 million sq.m. to new construction area in the first half and expects to add another 2.0 million sq.m. to new construction area in the second half of the year. As at 30 June 2011, the Group had a total of 32 development projects in 12 cities in four regions, that are Shanghai region, Yangtze River Delta, Pan Bohai Rim and Northeast China.

4. Land Bank

During the first half of 2011, the Group acquired two land parcels located in the New District in Jinzhou of Dalian and Rugao Economic Development Zone in Nantong respectively. In April 2011, the Group successfully secured a land parcel with a total GFA of 344,000 sq.m. in the New District in Jinzhou of Dalian by acquisition of a project company at a consideration of RMB515.0 million. In June 2011, the Group successfully acquired another land parcel with a total GFA of 374,554 sq.m. in Rugao Economic Development Zone in Nantong through public auction for RMB480.2 million. The Group plans to build residential housing and commercial amenities on both of the land parcels.

As at 30 June 2011, the total land bank of the Group was 19.64 million sq.m., which is sufficient to meet its development needs in the coming five to seven years. The average land cost is RMB1,275 per sq.m.. The relatively low-cost land bank provides the Group with a strong foundation for sustaining higher profit margins in the years to come.

The Group's land bank is evenly distributed over first-, second- and third-tier cities, of which 22% is in first-tier cities and 78% in second- and third-tier cities. The high quality, low-cost and reasonably distributed land bank of the Group will facilitate its long-term sustainable development.

Table 3: Overview of land bank of the Group as at 30 June 2011:

	Project Name	City	Location	Product Type	Land Bank (sq.m.)	Interest Attributable to the Group
Shanghai Region						
1	Shanghai Bay	Shanghai	Xuhui District	Residential, hotel, offices and retail	762,257	100%
2	Sunshine Venice	Shanghai	Putuo District	Residential, hotel and retail	286,926	100%
3	Royal Lakefront	Shanghai	Fengxian District	Residential and retail	587,279	100%
4	Shanghai Park Avenue	Shanghai	Changning District	Residential and retail	26,918	100%
5	Chateau De Paris	Shanghai	Xuhui District	Residential and retail	49,798	100%
6	Shanghai Villa Glorious	Shanghai	Baoshan District	Residential and retail	866,019	100%
7	Sunglow Xinjing	Shanghai	Xuhui District	Residential and retail	2,076	100%
8	Caohejing Project	Shanghai	Xuhui District	Offices, hotel and retail	121,300	100%
9	Zhongcao Xincun Project	Shanghai	Xuhui District	Serviced apartment and retail	91,000	100%
	Sub-total				**2,793,573**	

	Project Name	City	Location	Product Type	Land Bank *(sq.m.)*	Interest Attributable to the Group
Yangtze River Delta (excluding Shanghai)						
10	Nantong Glorious Chateau	Nantong	Rugao Economic Development Zone	Residential and retail	4,327,529	100%
11	Nantong Guanghuabei Project	Nantong	Rugao County	Residential and retail	374,554	100%
12	Rongsheng Plaza	Nantong	Xincheng District	Hotel, offices and retail	297,486	100%
13	Nantong Royal Bay	Nantong	Chongchuan District	Residential, offices and retail	738,573	100%
14	Nantong Villa Glorious	Nantong	Chongchuan District	Residential and retail	304,190	100%
15	No.1 City Promotion	Wuxi	Wuxi New District	Residential, hotel and retail	420,534	100%
16	Classical Life	Suzhou	Changshu New District	Residential and retail	10,052	100%
17	Hefei Villa Glorious	Hefei	Yaohai District	Residential and retail	331,368	100%
18	Bashangjie Project	Hefei	Yaohai District	Residential, hotel, offices and retail	1,347,100	100%
19	Hefei Royal Garden	Hefei	Luyang District	Residential, hotel, and retail	489,927	100%
20	Nanjing Royal Bay	Nanjing	Xiaguan District	Residential and retail	663,913	60%
	Sub-total				**9,305,224**	
Pan Bohai Rim						
21	Sunshine Holiday	Tianjin	Hedong District	Residential, hotel and retail	156,484	100%
22	Tianjin Royal Bay Seaside	Tianjin	Dagang District	Residential, hotel and retail	928,695	100%
23	Tianjin Royal Bay Lakeside	Tianjin	Jinghai District	Residential and retail	1,567,303	70%
24	Royal Mansion	Beijing	Haidian District	Residential and retail	89,564	100%
25	Sunshine Bordeaux	Beijing	Daxing District	Residential and retail	1,404,354	100%
26	Glorious Artstyle Townhouse	Beijing	Daxing District	Residential and retail	99,832	100%
	Sub-total				**4,246,231**	

	Project Name	City	Location	Product Type	Land Bank (*sq.m.*)	Interest Attributable to the Group
Northeast China						
27	Harbin Villa Glorious	Harbin	Qunli New District	Residential and retail	441,968	100%
28	Harbin Royal Garden	Harbin	Qunli New District	Residential and retail	224,117	100%
29	Sunny Town	Shenyang	Yuhong District	Residential and retail	642,531	100%
30	Changchun Villa Glorious	Changchun	New and High-tech Industrial Development Zone	Residential and retail	1,473,110	100%
31	Dalian Jinzhou Project	Dalian	Jinzhou District	Residential and retail	165,375	100%
32	Dalian 200# Project	Dalian	Jinzhou District	Residential and retail	344,000	70%
	Sub-total				**3,291,102**	
	Total				**19,636,131**	

5. Commercial Properties

The Group will steadily develop its commercial properties. Currently, 92% of the Group's commercial properties are still under construction and planning. Up to 2016, the total completed commercial properties of the Group are expected to reach 2.96 million sq.m., representing 15.1% of the total land bank. Retail commercial properties, high-end office buildings and high-end hotels will account for 70%, 16% and 14% of total commercial properties under development respectively. The Group plans to hold most of the commercial properties to secure stable rental income.

OUTLOOK FOR THE SECOND HALF OF 2011

The Board believes that there are uncertainties in the operating business environment for the second half of this year. The sluggish economic recovery and high unemployment rate in the U.S. will definitely drag on the pace of global economic recovery. European sovereign debt crisis showing no sign of improvement will negatively impact on the economic growth of the European Union and create further uncertainties for the global economy. Despite the fact that Mainland China's economy grew rapidly in the first half of the year, the inflation pressure was getting higher. The high inflation and anticipated slowdown of economic growth will influence the direction of Mainland China's macroeconomic policies and further affect it's property market.

The Central Government of China is expected to continue to maintain the stringent austerity measures for the property market in the second half of the year. Extending home purchase restrictions in first- and second-tier cities to third-tier cities with faster rise of home prices and the furthering of pricing restriction will result in market adjustments and fluctuations and impose a challenge on property developers to achieve their annual sales target.

Positive factors like the rapid growth of China's economy, acceleration of urbanisation, continuous growth of disposable income and the population bonus etc. will contribute to the rigid demand in a prolonged period of time in the future. In the second half of the year, the overall austerity measures targeting at the property market will become stable. Following the gradual increase in supply and price-reduction sales efforts by property developers, it is expected that the transaction volume in the property market in the second half of the year will rebound. Different property developers will have different performance this year due to difference in their sales strategies, quality of projects, target market segments and geographical distribution. The development trend of the whole property market will be beneficial to those property developers with big brand names for expanding their market share. Concentration ratio in the industry will be lifted relatively quickly.

Marketing and Sales Strategy

The Group will implement a more flexible strategy in sales and pricing and adopt tailored and refined sales strategies based on the specific characteristics of different regions, cities and projects, so as to speed up the sales and cash inflows for existing projects to accomplish the Group's sales plan and target for the year.

The Group will continue to implement a regional and nation-wide growth strategy for its property business. With the aim of achieving a balanced growth in first-, second- and third-tier cities, the Group will continue to consolidate its leadership position in Shanghai, Nantong and Harbin and strive to pursue a leading market share in other second- and third-tier cities. The Group will also explore opportunities to expand into third- and fourth-tier cities adjacent to existing cities to implement the important strategy of regional growth.

Development and Investment Strategy

The Group strikes to adhere to its prudent investment strategy of "balancing outflows and inflows." The Group will selectively, prudently and appropriately increase certain low-cost, high-quality land bank based on the cash inflows from sales and the prudent financial policy requirement. The Group will enhance the development progress for existing projects, as well as speed up the assets turnover rate, so as to ensure a timely completion and delivery of projects.

The Group will continue to invest in those cities where existing projects are located to pursue sustainable development of the business, and conditionally and selectively expand into potential second- and third-tier cities.

Commercial Properties Development Strategy

The Group will continue to adhere to its strategy of steady development of commercial properties, and will focus on developing the following two types of commercial properties in medium to long-term period: (i) urban complex projects including high-end retail properties, high-end office building and high-end hotels and (ii) retail commercial properties and community commercial projects possessing characteristics of Glorious Property, in prime areas in first- and second-tier cities.

Of the total land bank of the Group, over 2.90 million sq.m. are being used for developing commercial properties, in which retail properties accounted for approximately 70%. Most projects are located in prime areas of cities where they are situated with a huge potential of value appreciation. Those projects, as gradually completed and let out, will lift the proportion of rental income in the profit of the Group.

Financial Strategy

The Group will continue to adhere to its prudent financial policy through multiple platforms, various channels and diversified ways of financing, to ensure that the funding requirement for the rapid development of its businesses is to be met. Total borrowings will be controlled at a reasonable level. Meanwhile, the Group will maintain its refined cash flow management to effectively control financial risks. The Group will continue to optimise its debt structure by increasing the share of long-term debt and upgrading its capital structure as well.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

		Six months ended 30 June	
		2011	2010
RMB'000	*Note*	***(unaudited)***	*(unaudited)*
Revenue	*3*	**2,378,797**	2,497,946
Cost of sales		**(1,201,852)**	(1,156,588)
Gross profit		**1,176,945**	1,341,358
Other income	*4*	**73,190**	33,649
Other gains/(losses), net	*5*	**741,672**	(36,850)
Selling and marketing expenses		**(74,080)**	(71,097)
Administrative expenses		**(212,938)**	(216,752)
Finance costs	*6*	**(1,107)**	(7,640)
Share of profit of an associate		**183**	–
Share of loss of a jointly controlled entity		**(2,303)**	–
Profit before income tax		**1,701,562**	1,042,668
Income tax expenses	*7*	**(767,627)**	(676,571)
Profit for the period		**933,935**	366,097
Attributable to:			
– the equity holders of the Company		**933,217**	366,420
– non-controlling interests		**718**	(323)
		933,935	366,097
Other comprehensive income:			
Gain/loss recognised directly in equity		**–**	–
Total comprehensive income for the period		**933,935**	366,097
Total comprehensive income for the period attributable to			
– the equity holders of the Company		**933,217**	366,420
– non-controlling interests		**718**	(323)
		933,935	366,097
Earnings per share for profit attributable to the equity holders of the Company (expressed in RMB per share)			
– Basic	*8*	**0.12**	0.05
– Diluted	*8*	**0.12**	0.05

CONDENSED CONSOLIDATED BALANCE SHEET

RMB'000	*Note*	**30 June 2011** ***(unaudited)***	31 December 2010 *(audited)*
ASSETS			
Non-current assets			
Property, plant and equipment		**626,224**	573,753
Investment properties		**8,084,129**	7,223,208
Intangible assets		**3,098**	3,360
Investment in an associate		**6,034**	5,851
Investment in a jointly controlled entity		**27,607**	29,910
Loan to a jointly controlled entity		**1,966,259**	–
Deferred income tax assets		**233,301**	201,167
		10,946,652	8,037,249
Current assets			
Properties under development		**22,288,404**	16,791,838
Completed properties held for sale		**2,281,769**	1,989,004
Inventories		**6,354**	6,636
Trade and other receivables and prepayments	*9*	**10,678,339**	7,672,916
Amount due from a jointly controlled entity		**–**	1,903,472
Prepaid taxes		**221,907**	89,706
Restricted cash		**3,522,879**	1,683,880
Cash and cash equivalents		**2,232,308**	4,151,420
		41,231,960	34,288,872
Total assets		**52,178,612**	42,326,121
EQUITY			
Capital and reserves attributable to the equity holders of the Company			
Share capital		**68,745**	68,745
Share premium		**7,822,982**	7,822,982
Reserves		**7,858,582**	6,907,191
		15,750,309	14,798,918
Non-controlling interests		**1,301,069**	493,051
Total equity		**17,051,378**	15,291,969

RMB'000	*Note*	**30 June 2011** ***(unaudited)***	31 December 2010 *(audited)*
LIABILITIES			
Non-current liabilities			
Borrowings	*10*	**7,455,466**	7,780,952
Deferred income tax liabilities		**1,451,359**	1,212,088
Obligation under finance lease		**17,313**	17,232
		8,924,138	9,010,272
Current liabilities			
Advanced proceeds received from customers		**10,200,902**	6,565,180
Trade and other payables	*11*	**3,338,635**	2,458,068
Income tax payable		**3,398,924**	2,994,321
Borrowings	*10*	**9,263,767**	6,005,443
Obligation under finance lease		**868**	868
		26,203,096	18,023,880
Total liabilities		**35,127,234**	27,034,152
Total equity and liabilities		**52,178,612**	42,326,121
Net current assets		**15,028,864**	16,264,992
Total assets less current liabilities		**25,975,516**	24,302,241

NOTES:

1 Basis of preparation

This condensed consolidated financial information for the six months ended 30 June 2011 has been prepared in accordance with Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). This condensed consolidated financial information should be read in conjunction with the consolidated financial statements of the Company for the year ended 31 December 2010, which have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the HKICPA.

2 Accounting policies

Except as described below, the accounting policies adopted are consistent with those set out in the consolidated financial statements of the Company for the year ended 31 December 2010 as included in the Company's annual report for the year ended 31 December 2010.

(i) ***Change in accounting policy***

For the preparation of the condensed consolidated financial information for the six months ended 30 June 2010, the Group adopted the proportionate consolidation method as set out in HKAS 31 "Interests in Joint Ventures" for the recognition of interest in a jointly controlled entity.

The Group has changed its accounting policy to equity method when it prepared the consolidated financial statements for the year ended 31 December 2010 and continues to apply the equity method of accounting in respect of its investment in a jointly controlled entity for the current period. HKAS 8 requires retrospective application. Should the accounting policy of equity method been retrospectively applied, for the six months ended 30 June 2010, the amounts of "Other income", "Administrative expenses" and "Share of loss of a jointly controlled entity" would have been RMB0.1 million lower, RMB1.0 million lower and RMB0.9 million higher. As there is no net impact to the Group's profit before income tax and profit for the period, the directors decided not to restate the condensed consolidated statement of comprehensive income for the six months ended 30 June 2010. The change in accounting policy has no impact on the retained earnings as at 1 January 2010 and 31 December 2010.

(ii) ***New and amended standards adopted by the Group***

The Group has adopted the following new standards, amendments and interpretations on 1 January 2011:

HKAS 24 (Revised)	Related Party Disclosures
HKAS 32 (Amendment)	Financial Instruments: Presentation in Classification of Right Issue
HKAS 34 (Amendment)	Interim Financial Reporting
HK(IFRIC)-Int 14 (Amendment)	Prepayments of a Minimum Funding Requirement
HK(IFRIC)-Int 19	Extinguishing Financial Liabilities with Equity Instruments
Improvements to HKFRS 2010	

The adoption of the above new standards, amendments and interpretations to standards has no significant impact to the Group's financial position for all periods presented in this report.

Taxes on income in the six months ended 30 June 2011 are accrued using the tax rates that would be applicable to expected total annual earnings.

3 **Segment Information**

The Board considers the business from geographical perspective and assesses the performance of property development in four reportable operating segments, namely Shanghai region, Yangtze River Delta (excluding Shanghai), Pan Bohai Rim and Northeast China.

RMB'000	**Shanghai region**	**Yangtze River Delta (excluding Shanghai)**	**Pan Bohai Rim**	**Northeast China**	**All other segments**	**Total**
Six months ended 30 June 2011 (unaudited)						
Total revenue	**1,311,779**	**899,657**	**111,200**	**63,988**	**–**	**2,386,624**
Inter-segment revenue	**(7,827)**	**–**	**–**	**–**	**–**	**(7,827)**
Revenue (from external customers)	**1,303,952**	**899,657**	**111,200**	**63,988**	**–**	**2,378,797**
Segment results	**906,908**	**99,870**	**13,924**	**(33,691)**	**(35,855)**	**951,156**
Depreciation and amortisation	**(4,382)**	**(1,517)**	**(1,585)**	**(646)**	**(556)**	**(8,686)**
Fair value gain of investment properties	**482,569**	**–**	**–**	**227,186**	**–**	**709,755**
Interest income	**26,040**	**13,006**	**399**	**803**	**10,196**	**50,444**
Finance costs	**(341)**	**(405)**	**(93)**	**(246)**	**(22)**	**(1,107)**
Income tax expenses	**(670,567)**	**(39,066)**	**(8,021)**	**(49,973)**	**–**	**(767,627)**
Six months ended 30 June 2010 (unaudited)						
Total revenue	1,613,551	194,928	685,651	9,509	–	2,503,639
Inter-segment revenue	(5,693)	–	–	–	–	(5,693)
Revenue (from external customers)	1,607,858	194,928	685,651	9,509	–	2,497,946
Segment results	1,034,603	(60,971)	189,563	(12,926)	(81,845)	1,068,424
Depreciation and amortisation	(2,938)	(514)	(1,298)	(317)	(199)	(5,266)
Interest income	13,861	1,843	1,770	986	2,458	20,918
Finance costs	(6,708)	(151)	(694)	(69)	(18)	(7,640)
Income tax expenses	(600,112)	(12,212)	(66,889)	2,642	–	(676,571)

RMB'000	Shanghai region	Yangtze River Delta (excluding Shanghai)	Pan Bohai Rim	Northeast China	All other segments	Elimination	Total
As at 30 June 2011 (unaudited)							
Total segment assets	**31,685,889**	**29,435,102**	**6,202,696**	**9,290,000**	**16,423,590**	**(44,461,761)**	**48,575,516**
Total segment assets include:							
Investment in an associate	**6,034**	**–**	**–**	**–**	**–**	**–**	**6,034**
Investment in a jointly controlled entity	**27,607**	**–**	**–**	**–**	**–**	**–**	**27,607**
Deferred income tax assets							**233,301**
Other unallocated corporate assets							**3,369,795**
Total assets							**52,178,612**
As at 31 December 2010 (audited)							
Total segment assets	24,253,724	19,408,164	6,272,495	4,288,017	9,296,739	(24,218,153)	39,300,986
Total segment assets include:							
Investment in an associate	5,851	–	–	–	–	–	5,851
Investment in a jointly controlled entity	29,910	–	–	–	–	–	29,910
Deferred income tax assets							201,167
Other unallocated corporate assets							2,823,968
Total assets							42,326,121

RMB'000	Six months ended 30 June 2011 (unaudited)	2010 (unaudited)
Segment results	**951,156**	1,068,424
Fair value gain of investment properties	**709,755**	–
Depreciation and amortisation	**(8,686)**	(5,266)
Loss on redemption of the Promissory Notes	**–**	(33,768)
Operating profit	**1,652,225**	1,029,390
Interest income	**50,444**	20,918
Interest expense	**(1,107)**	(7,640)
Profit before income tax	**1,701,562**	1,042,668
Additions to:		
– Property, plant and equipment	**57,988**	31,481
– Investment properties	**151,166**	33,630
– Intangible assets	**–**	1,800
	209,154	66,911

4 Other income

RMB'000	Six months ended 30 June 2011 (unaudited)	2010 (unaudited)
Interest income	**50,444**	20,908
Rental income	**13,313**	12,660
Others	**9,433**	81
	73,190	33,649

5 Other gains/(losses), net

RMB'000	Six months ended 30 June 2011 (unaudited)	2010 (unaudited)
Fair value gain of investment properties	**709,755**	–
Exchange gains/(losses), net	**31,917**	(3,082)
Loss on redemption of the Promissory Notes	**–**	(33,768)
	741,672	(36,850)

6 Finance costs

	Six months ended 30 June	
	2011	2010
RMB'000	***(unaudited)***	*(unaudited)*
Interest expenses:		
– Bank borrowings	**624,433**	291,233
– Senior Notes due 2015	**129,611**	–
– Promissory Notes	**–**	24,335
– Shanghai Bay Arrangement	**194,546**	192,910
– Others	**181**	25,242
Total interest expenses	**948,771**	533,720
Less: interest capitalised in properties under development	**(947,664)**	(526,080)
	1,107	7,640

7 Income tax expenses

	Six months ended 30 June	
	2011	2010
RMB'000	***(unaudited)***	*(unaudited)*
Current income tax:		
– PRC corporate income tax	**126,480**	193,323
– PRC land appreciation tax	**442,492**	475,308
	568,972	668,631
Deferred income tax:		
– Origination and reversal of temporary differences	**198,655**	7,940
	198,655	7,940
	767,627	676,571

8 Earnings per share

(a) Basic

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

	Six months ended 30 June	
	2011	2010
RMB'000	***(unaudited)***	*(unaudited)*
Profit attributable to the equity holders of the Company	**933,217**	366,420
Weighted average number of ordinary shares in issue (thousands)	**7,792,646**	7,792,646

(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 six months ended 30 June 2010 and 2011, the Company only has share options that are dilutive potential ordinary shares.

	Six months ended 30 June	
	2011	2010
	(unaudited)	*(unaudited)*
Earnings (RMB'000)		
Profit attributable to the equity holders of the Company	**933,217**	366,420
Number of shares		
Weighted average number of ordinary shares in issue (thousands)	**7,792,646**	7,792,646
Adjustments for share options (thousands)	**18,109**	30,461
Weighted average number of ordinary shares for diluted earnings per share (thousands)	**7,810,755**	7,823,107

9 Trade and other receivables and prepayments

RMB'000	**30 June 2011** *(unaudited)*	31 December 2010 *(audited)*
Trade receivables from third parties (a)	**215,180**	549,951
Other receivables from third parties	**845,475**	220,056
Prepayments:	**9,617,684**	6,902,909
Related party	**1,862,759**	1,317,199
Third parties	**7,754,925**	5,585,710
	10,678,339	7,672,916

(a) Generally, the Group requires full payment from customers before delivery of properties. Credit terms are only granted to customers in very rare cases upon obtaining approval from the Company's senior management after assessing the credit history of those customers. The Group has set out policies to ensure follow-up action is taken to recover overdue debts. The ageing analysis of trade receivables at the balance sheet dates by due date is as follows:

RMB'000	**30 June 2011** *(unaudited)*	31 December 2010 *(audited)*
Within 6 months	**208,507**	533,699
Between 7-12 months	**1,546**	2,520
Over 12 months	**5,127**	13,732
	215,180	549,951

10 Borrowings

RMB'000	**30 June 2011** *(unaudited)*	31 December 2010 *(audited)*
Borrowings included in non-current liabilities:		
Bank borrowings – secured	**5,516,649**	5,811,335
Senior Notes due 2015 – secured	**1,938,817**	1,969,617
	7,455,466	7,780,952
Borrowings included in current liabilities		
Bank borrowings – secured	**7,342,213**	3,918,435
Shanghai Bay Arrangement – secured	**1,921,554**	2,087,008
	9,263,767	6,005,443
Total borrowings	**16,719,233**	13,786,395

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

RMB'000	**30 June 2011 *(unaudited)***	31 December 2010 *(audited)*
Within 1 year	**9,263,767**	6,005,443
After 1 and within 2 years	**4,560,906**	3,465,631
After 2 and within 5 years	**2,464,345**	3,754,548
After 5 years	**430,215**	560,773
	16,719,233	13,786,395

11 Trade and other payables

RMB'000	**30 June 2011 *(unaudited)***	31 December 2010 *(audited)*
Trade payables (a):	**1,829,176**	1,458,718
Related parties	**3,364**	5,510
Third parties	**1,825,812**	1,453,208
Other payables to third parties	**1,388,702**	906,214
Other taxes payable	**120,757**	93,136
	3,338,635	2,458,068

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

RMB'000	**30 June 2011 *(unaudited)***	31 December 2010 *(audited)*
Within 6 months	**1,448,402**	1,215,891
Between 7-12 months	**314,534**	97,651
Over 12 months	**66,240**	145,176
	1,829,176	1,458,718

FINANICAL REVIEW

For the six months ended 30 June 2011, the Group recorded a consolidated revenue of RMB2,378.8 million, representing a decrease of 4.8% compared to RMB2,497.9 million for the first half of 2010. The GFA of properties delivered by the Group increased by 45.7% from 155,238 sq.m. in the first half of 2010 to 226,117 sq.m. in the current period. The average selling price dropped from RMB16,082 per sq.m. in the first half of 2010 to RMB10,518 per sq.m. during the current period. Shanghai Bay (Phase I) was completed in December 2009 and continued to contribute revenue to the Group during the six months ended 30 June 2011 with an average selling price of RMB68,983 per sq.m., and contributed 49.5% of the Group's total revenue for the six months ended 30 June 2011. Nantong Glorious Chateau also started to contribute revenue for the Group in the current period with a total area delivered of 176,829 sq.m. at an average selling price of RMB4,969 per sq.m., contributing RMB878.7 million to the Group's revenue for the six months ended 30 June 2011.

The Group's consolidated gross profit for the first half of 2011 was RMB1,176.9 million, representing a decrease of 12.3% from a gross profit of RMB1,341.4 million for the corresponding period in 2010. The decrease in consolidated gross profit was mainly due to the decrease in revenue and lower profit margin for the period under review. The Group's gross profit margin for the current period was 49.5%, compared to 53.7% during the corresponding period in 2010. This was primarily due to the lower average selling price attributable for the properties sold and delivered in the first half of 2011, of which a higher proportion was derived from the sale of residential properties in second- and third-tier cities.

Other income for the six months ended 30 June 2011 was RMB73.2 million, representing an increase of 117.9% from RMB33.6 million for the corresponding period in 2010. The increase in other income was mainly attributable to the higher interest income recorded during the period under review.

Other gains, net for the six months ended 30 June 2011 amounted to RMB741.7 million, which primarily represented a fair value gain on the Group's investment properties of RMB709.8 million (2010: nil) and the exchange gain attributable to the Senior Notes due 2015 of RMB31.9 million as a result of continuous appreciation of Renminbi against United States Dollars. Other losses, net for the corresponding period in 2010 mainly represented a loss of RMB33.8 million arising from the redemption of the Promissory Notes.

The Group's profit before income tax for the six months ended 30 June 2011 was RMB1,701.6 million, representing an increase of 63.2% compared to RMB1,042.7 million for the corresponding period in 2010. The higher profit before income tax for the period under review was primarily due to the recognition of fair value gain on the Group's investment properties of RMB709.8 million in the first half of 2011.

Income tax expenses for the six months ended 30 June 2011 were RMB767.6 million, representing an increase of 13.4% as compared to RMB676.6 million for the corresponding period in 2010 as a result of the recognition of deferred tax of RMB177.4 million associated with the fair value gain of the Group's investment properties in the current period. Excluding the effect of fair value gain of the investment properties, income tax expenses for the six months ended 30 June 2011 were RMB590.2 million, which was 12.8% lower than the corresponding period in 2010. The decrease was primarily due to lower level of revenue recognised and the lower gross profit margin of the properties sold and delivered during the six months ended 30 June 2011. Excluding the tax effect of fair value gain of the investment properties, the effective income tax rate was 59.5% for the six months ended 30 June 2011, as compared to 64.9% for the corresponding period in 2010.

The Group's profit attributable to the equity holders of the Company for the six months ended 30 June 2011 was RMB933.2 million, representing an increase of 154.7% compared to RMB366.4 million for the first half of 2010. Profit attributable to the equity holders of the Company for the six months ended 30 June 2011, excluding fair value gain of investment properties and the related tax effect, amounted to RMB400.9 million, representing a growth of 9.4% from the corresponding period in 2010. Despite there was lower level of revenue recognised and the lower gross profit margin for the period under review, profit attributable to the equity holders of the Company, excluding fair value gain of investment properties and the related tax effect, for the six months ended 30 June 2011 was higher than that in the first half of 2010 due to the higher other income and other gains and the lower income tax expenses in the current period. Profit attributable to the equity holders as a percentage of revenue was 39.2% for the six months ended 30 June 2011, compared to 14.7% for the corresponding period in 2010.

Current Assets and Liabilities

As at 30 June 2011, the Group held total current assets of approximately RMB41,232.0 million (31 December 2010: RMB34,288.9 million), comprising mainly properties under development, trade and other receivables and prepayments and cash and bank balances. Properties under development increased by 32.7% from RMB16,791.8 million as at 31 December 2010 to RMB22,288.4 million as at 30 June 2011, mainly due to the continuous progress of the Group's property development projects in 2011 and an increase in the number of projects under construction. Trade and other receivables and prepayments increased by 39.2% from RMB7,672.9 million as at 31 December 2010 to RMB10,678.3 million as at 30 June 2011, mainly due to higher balance of prepayments for land premium as at 30 June 2011 whereby the relevant land use right certificates had yet to be obtained as at 30 June 2011. Total cash and bank balances (including cash and cash equivalents and restricted cash) decreased slightly from RMB5,835.3 million as at 31 December 2010 to RMB5,755.2 million as at 30 June 2011.

Total current liabilities as at 30 June 2011 amounted to RMB26,203.1 million, compared with RMB18,023.9 million as at 31 December 2010, which was mainly due to higher balances of advanced proceeds received from customers and short-term borrowing as at 30 June 2011.

The current ratio (calculated as the total current assets divided by the total current liabilities) decreased from 1.9 as at 31 December 2010 to 1.6 as at 30 June 2011 as a result of higher balances of advanced proceeds received from customers and short-term borrowings as at 30 June 2011.

Liquidity and Financial Resources

During the first half of 2011, the Group funded its property development projects principally from proceeds from pre-sales of properties, bank loans and debt financing.

As at 30 June 2011, the Group had cash and bank balances of RMB5,755.2 million (31 December 2010: RMB5,835.3 million).

As at 30 June 2011, the Group's total borrowings amounted to RMB16,719.2 million, representing an increase of 21.3% compared to RMB13,786.4 million as at 31 December 2010.

The Group monitors its capital on the basis of the gearing ratio. Gearing ratio is calculated as net debt divided by total equity attributable to the equity holders of the Company. Net debt is calculated as total borrowings less cash and bank balances (including cash and cash equivalents and restricted cash). The gearing ratios as at 30 June 2011 and 31 December 2010 were as follows:

RMB'000	**30 June 2011** ***(unaudited)***	31 December 2010 *(audited)*
Total borrowings	**16,719,233**	13,786,395
Less: cash and bank balances	**(5,755,187)**	(5,835,300)
Net debt	**10,964,046**	7,951,095
Total equity attributable to the equity holders of the Company	**15,750,309**	14,798,918
Gearing ratio	**69.6%**	53.7%

The increase in gearing ratio as at 30 June 2011 was mainly resulted from the increase in bank borrowings in the current period to finance the payment of land premium and capital expenditures.

Pledge of Assets

As at 30 June 2011, the Group had pledged certain of its subsidiaries' shares, construction in progress, investment properties, properties under development and completed properties held for sale to secure its borrowings.

Financial Guarantee

The Group has arranged bank financing for certain purchasers of the Group's property units and provided guarantees to secure the repayment obligations of such purchasers. Such guarantees will terminate upon the earlier of: (i) the issuance of the real estate ownership certificate which is generally available within an average period of one to two years upon the completion of the registration of the guarantee; or (ii) the full repayment of the mortgage loan by the purchasers of the Group's properties.

Pursuant to the terms of the guarantees, upon a default in mortgage payments by these purchasers, the Group is responsible for repaying to the banks the outstanding mortgage principal, together with accrued interest and any penalty owed by the defaulting purchasers, and the Group is entitled to take over the legal title and possession of the related properties. The guarantee period starts from the date of the grant of the respective mortgage. As at 30 June 2011, the amount of outstanding guarantees for mortgages was RMB5,585.2 million (31 December 2010: RMB4,389.5 million).

Capital Commitments

As at 30 June 2011, the Group had capital commitment as follows:

RMB'000	**30 June 2011** ***(unaudited)***	31 December 2010 *(audited)*
Land use right	**1,594,026**	2,901,524
Property development expenditures	**10,631,412**	8,602,617
Construction materials	**203,603**	44,655
	12,429,041	11,548,796

EMPLOYEE

As at 30 June 2011, the Group had approximately 1,353 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 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. As at 30 June 2011, there were 78,000,000 share options that were granted to the directors and employees of the Company under the Pre-IPO Share Option Scheme and remained outstanding. As at 30 June 2011, there was no share option being granted under the Share Option Scheme.

CORPORATE GOVERNANCE

Compliance with Code on Corporate Governance Practices

During the six months ended 30 June 2011, the Company has complied with the applicable code provisions of the Code on Corporate Governance Practices as set out in Appendix 14 of the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"), save for the deviation under the code provision E.1.2 which stipulates that the chairman of the board of directors of the company should attend the annual general meeting. The chairman of the Board did not attend the annual general meeting of the Company held on 20 May 2011 (the "AGM") due to other business engagements. Mr. Cheng Li Xiong, the chief executive officer and executive director of the Company, chaired the AGM on behalf of the chairman and was available to answer questions.

Directors' Securities Transactions

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Listing Rules as its own code of conduct regarding securities transactions by the directors of the Company. All directors have confirmed, following specific enquiries being made by the Company, that they have complied with the required standard set out in the Model Code during the six months ended 30 June 2011.

AUDIT COMMITTEE

The Audit Committee was established on 9 September 2009 with written terms of reference, and comprises four independent non-executive directors, namely, Mr. Yim Ping Kuen (chairman of the Audit Committee), Mr. Liu Shun Fai, Mr. Wo Rui Fang and Mr. Han Ping.

The Audit Committee has reviewed with management the unaudited consolidated results of the Group for the six months ended 30 June 2011 and took the view that the Company was in full compliance with all applicable accounting standards and regulations and has made adequate disclosure.

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 during the six months ended 30 June 2011.

PUBLICATION OF INTERIM RESULTS AND INTERIM REPORT

The interim results announcement is published on the websites of the Company at www.gloriousphl.com.cn and the Stock Exchange at www.hkexnews.hk. An 2011 interim report of the Company for the six months ended 30 June 2011 containing all the applicable information required by the Listing Rules will be despatched to the shareholders of the Company and published on the same websites in due course.

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

Hong Kong, 29 August 2011

As at the date of this announcement, the executive direct*ors of the Company 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 of the Company are Messrs. Yim Ping Kuen, Liu Shun Fai, Wo Rui Fang and Han Ping.*