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If you are in any doubt as to any aspect of this Scheme Document or as to the action to be taken, you should consult a licensed securities dealer, registered institution in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or otherwise transferred all your securities in Glorious Property Holdings Limited, you should at once hand this Scheme Document and the accompanying forms of proxy to the purchaser(s) or transferee(s), or to the licensed securities dealer, registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or transferee(s).

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**恒盛地產**  
GLORIOUS PROPERTY

**Best Era International Limited**      **Glorious Property Holdings Limited**  
**美年國際有限公司**                      **恒盛地產控股有限公司**  
*(Incorporated in the British Virgin Islands with limited liability)*      *(Incorporated in the Cayman Islands with limited liability)*  
**(Stock Code: 00845)**

**PROPOSED PRIVATIZATION OF  
GLORIOUS PROPERTY HOLDINGS LIMITED  
BY BEST ERA INTERNATIONAL LIMITED  
BY WAY OF A SCHEME OF ARRANGEMENT  
(UNDER SECTION 86 OF THE CAYMAN ISLANDS COMPANIES LAW)  
AND  
CONDITIONAL OFFER TO CANCEL  
ALL OUTSTANDING SHARE OPTIONS OF  
GLORIOUS PROPERTY HOLDINGS LIMITED**

**Financial Adviser to the Offeror**



**Kim Eng Securities (Hong Kong) Limited**

**Independent Financial Adviser to  
the Independent Board Committee**



**Anglo Chinese Corporate Finance, Limited**

Unless the context requires otherwise, capitalized terms used in this Scheme Document are defined under the section headed "Definitions" in Part I of this Scheme Document.

A letter from the Board is set out in Part IV of this Scheme Document. A letter from the Independent Board Committee, containing its advice to the Scheme Shareholders and the Optionholders in connection with the Scheme and the Option Offer respectively is set out in Part V of this Scheme Document. A letter from Anglo Chinese, being the Independent Financial Adviser to the Independent Board Committee, containing its advice to the Independent Board Committee in connection with the Proposal, is set out in Part VI of this Scheme Document. An Explanatory Statement regarding the Scheme is set out in Part VII of this Scheme Document.

The actions to be taken by the Shareholders and the Optionholders are set out in Part II of this Scheme Document.

Notices convening the Court Meeting to be held at 9:00 a.m. on 17 January 2014 and the EGM to be held either at 9:30 a.m. on 17 January 2014 or so soon thereafter as the Court Meeting shall have been concluded or adjourned are set out in Appendix V and Appendix VI to this Scheme Document respectively. Whether or not you are able to attend the Court Meeting and/or the EGM or any adjournment thereof, you are strongly urged to complete and sign the enclosed **pink** form of proxy in respect of the Court Meeting and the enclosed **white** form of proxy in respect of the EGM, in accordance with the instructions printed thereon, and to lodge them at the office of the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible but in any event not later than the respective times and dates as stated in Part II of this Scheme Document. If the **pink** form of proxy is not so lodged, it may also be handed to the Chairman of the Court Meeting at the Court Meeting.

This Scheme Document is issued jointly by Best Era International Limited and Glorious Property Holdings Limited.

The English language texts of this Scheme Document, the Option Offer Letter and the Form of Acceptance shall prevail over their respective Chinese texts for the purpose of interpretation.

24 December 2013

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*In this Scheme Document, unless the context otherwise requires, the following expressions have the following meanings:*

“acting in concert”	has the meaning ascribed to it in the Takeovers Code
“Announcement”	the announcement dated 21 November 2013 jointly issued by the Offeror and the Company in relation to the Proposal
“Announcement Date”	21 November 2013, being the date of the Announcement
“associate(s)”	has the meaning ascribed to it in the Takeovers Code
“Authorizations”	all the necessary authorizations, registrations, filings, rulings, consents, permissions and approvals in connection with the Proposal
“Beneficial Owner”	any beneficial owner of Shares
“Board”	the board of Directors
“Cancellation Price”	the cancellation price of HK\$1.80 per Scheme Share payable in cash by the Offeror to the Scheme Shareholders pursuant to the Scheme
“Cayman Islands Companies Law”	the Companies Law Cap. 22 (Law 3 of 1961), as consolidated and revised of the Cayman Islands
“Cayman Islands Grand Court”	the Grand Court of the Cayman Islands
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“Company”	Glorious Property Holdings Limited (恒盛地產控股有限公司), a company incorporated under the laws of the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (stock code: 00845)
“Conditions”	the conditions to the implementation of the Proposal as described in the section headed “2. Terms of the Proposal – Conditions of the Proposal” in the Explanatory Statement which is set out in Part VII of this Scheme Document

“Conditions Long Stop Date”	means Friday, 21 March 2014, being the date which is 120 days after the Announcement Date
“Court Meeting”	a meeting of the Scheme Shareholders to be convened at the direction of the Cayman Islands Grand Court at which the Scheme (with or without modification(s)) will be voted upon, which is to be held at Grand Ballroom, 2/F., Hotel Nikko Hongkong, 72 Mody Road, Tsimshatsui East, Kowloon, Hong Kong at 9:00 a.m. on Friday, 17 January 2014, notice of which is set out in Appendix V to this Scheme Document, or any adjournment thereof
“Director(s)”	director(s) of the Company
“Effective Date”	the date on which the Scheme, if approved and sanctioned by the Cayman Islands Grand Court, becomes effective in accordance with its terms and the Cayman Islands Companies Law, being the date on which a copy of the order of the Cayman Islands Grand Court sanctioning the Scheme and confirming the reduction of issued share capital resulting from the cancellation of the Scheme Shares is delivered to the Registrar of Companies in the Cayman Islands for registration pursuant to Section 86(3) of the Cayman Islands Companies Law, and which is expected to be Wednesday, 19 February 2014 (Cayman Islands time)
“EGM”	an extraordinary general meeting of the Company to be held at Grand Ballroom, 2/F., Hotel Nikko Hongkong, 72 Mody Road, Tsimshatsui East, Kowloon, Hong Kong at 9:30 a.m. on Friday, 17 January 2014 (or so soon thereafter as the Court Meeting shall have been concluded or adjourned) for the purpose of passing all necessary resolutions for the implementation of the Proposal, notice of which is set out in Appendix VI to this Scheme Document, or any adjournment thereof
“Executive”	the Executive Director of the Corporate Finance Division of the SFC or any delegate for the time being thereof
“Form of Acceptance”	the form of acceptance to the Optionholders in connection with the Option Offer

“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	the independent board committee of the Company, comprising Mr. Yim Ping Kuen, Mr. Liu Shun Fai, Mr. Wo Rui Fang and Mr. Han Ping, established by the Board to make recommendations to the Scheme Shareholders and the Optionholders in respect of the Scheme and the Option Offer respectively
“Independent Financial Adviser” or “Anglo Chinese”	Anglo Chinese Corporate Finance, Limited, a licensed corporation to carry out Type 1 (dealing in securities), Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities under the SFO and the independent financial adviser appointed to advise the Independent Board Committee in connection with the Proposal
“Investor Participant”	a person admitted to participate in CCASS as an investor participant
“Kim Eng”	Kim Eng Securities (Hong Kong) Limited, a licensed corporation to carry out Type 1 (dealing in securities), Type 4 (advising on securities) and Type 6 (advising on corporate finance) regulated activities under the SFO and the financial adviser to the Offeror in respect of the Proposal
“Last Trading Day”	18 October 2013, being the last trading day prior to the date of suspension of trading in the Shares on the Stock Exchange pending the issuance of the Announcement
“Latest Option Exercise Date”	10 February 2014, being the expected latest date upon which the Optionholders must lodge notices of exercise (accompanied by full payment) of the Share Options in order for the Optionholders to qualify for entitlements under the Scheme

“Latest Practicable Date”	20 December 2013, being the latest practicable date for the purposes of ascertaining certain information for inclusion in this Scheme Document
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Meeting Record Date”	4:30 p.m. on 14 January 2014, or such other date as shall have been announced to the Shareholders, being the record date for the purpose of determining the entitlement of Scheme Shareholders to attend and vote at the Court Meeting and the entitlement of Shareholders to attend and vote at the EGM
“Mr. Zhang”	Mr. Zhang Zhi Rong, the ultimate controlling Shareholder of the Company, the sole ultimate beneficial shareholder of the Offeror, Market Victor Limited, Novel Ventures Limited, Island Century Limited and Well Advantage Limited and the sole director of the Offeror
“Offer Period”	the period commencing on the Announcement Date and as defined in the Takeovers Code
“Offeror”	Best Era International Limited, a company incorporated in the British Virgin Islands with limited liability, which is directly wholly-owned by Mr. Zhang and is the controlling Shareholder
“Option Offer”	the conditional cash offer made by Kim Eng on behalf of the Offeror to the Optionholders to cancel their Share Option(s)
“Option Offer Letter”	a letter dated 24 December 2013 setting out the terms and conditions of the Option Offer and being sent together with this Scheme Document to all Optionholders, a sample of which is set out in Appendix VII to this Scheme Document
“Optionholder(s)”	holder(s) of the Share Option(s) (other than Mr. Zhang)
“Other CCASS Participant”	a broker, custodian, nominee or other relevant person who is, or has deposited Share(s) with, a CCASS participant
“PRC”	the People’s Republic of China

“Proposal”	the proposal for the privatization of the Company by the Offeror by way of the Scheme and the Option Offer
“Record Date”	19 February 2014, or such other time and date as shall have been announced to the Shareholders, being the record date for the purpose of determining the entitlements of the Scheme Shareholders to the Cancellation Price under the Scheme
“Registered Owner”	any owner of Shares (including without limitation a nominee, trustee, depositary or any other authorized custodian or third party) entered in the register of members of the Company
“Relevant Authorities”	appropriate governments and/or governmental bodies, regulatory bodies, courts or institutions
“Relevant Period”	the period commencing on 21 May 2013 (being the date falling six months prior to the Announcement Date) and ending on the Latest Practicable Date, both dates inclusive
“Resolutions”	(i) the resolution to approve the Scheme to be considered at the Court Meeting; and (ii) the resolutions to approve and give effect to, among other things, the reduction of the share capital of the Company by cancelling and extinguishing the Scheme Shares and to immediately restore the issued share capital of the Company to its former amount by the issue of the same number of Shares as the number of Scheme Shares cancelled and extinguished, credited as fully paid, for issuance to the Offeror to be considered at the EGM
“Scheme”	a scheme of arrangement under Section 86 of the Cayman Islands Companies Law set out in Appendix IV to this Scheme Document (subject to any modifications or additions or conditions as may be approved or imposed by the Cayman Islands Grand Court and agreed by the Offeror) involving, among other matters, the cancellation of all the Scheme Shares and the restoration of the share capital of the Company to the amount immediately before the cancellation of the Scheme Shares

“Scheme Document”	this composite document, including each of the letters, statements, appendices and notices in it
“Scheme Share(s)”	Share(s) in issue as at the Record Date other than those beneficially owned by the Offeror and persons acting in concert with it
“Scheme Shareholder(s)”	holder(s) of the Scheme Share(s)
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of a nominal value of HK\$0.01 each in the share capital of the Company
“Share Option(s)”	the outstanding, vested and unvested, share option(s) granted under the Share Option Scheme from time to time
“Share Option Scheme”	the pre-IPO share option scheme of the Company adopted by the Company on 9 September 2009
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary”	has the meaning ascribed to it under the Listing Rules
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“%”	per cent.

*All references in this Scheme Document to times and dates are references to Hong Kong times and dates, except as otherwise specified and other than references to the expected date of the Cayman Islands Grand Court hearing of the petition to sanction the Scheme and to confirm the capital reduction and the Effective Date, which are the relevant dates in the Cayman Islands. For reference only, Cayman Islands time is 13 hours behind Hong Kong time as at the date of this Scheme Document.*

*In Appendix I to this Scheme Document, the translation of Renminbi amounts into Hong Kong dollars has been made at the rate of RMB0.85093 to HK\$1.00 for the year ended 31 December 2010; RMB0.8107 to HK\$1.00 for the year ended 31 December 2011 and RMB0.81085 to HK\$1.00 for the year ended 31 December 2012; RMB0.79655 to HK\$1.00 for the six months ended 30 June 2013.*



**ACTIONS TO BE TAKEN BY SHAREHOLDERS**

For the purpose of determining the entitlements of Scheme Shareholders to attend and vote at the Court Meeting and of the Shareholders to attend and vote at the EGM, the register of members of the Company will be closed on Tuesday, 14 January 2014 and during such day, no transfer of Shares will be effected. In order to qualify to vote at the Court Meeting and the EGM, all transfers accompanied by the relevant share certificates must be lodged with Computershare Hong Kong Investor Services Limited, the Company's branch share registrar and transfer office in Hong Kong at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong before 4:30 p.m. on Monday, 13 January 2014.

A **pink** form of proxy for use at the Court Meeting and a **white** form of proxy for use at the EGM are enclosed with copies of this Scheme Document sent to the Registered Owners.

Whether or not you are able to attend the Court Meeting and/or the EGM, if you are a Scheme Shareholder, we strongly urge you to complete and sign the enclosed **pink** form of proxy in respect of the Court Meeting, and if you are a Shareholder, we strongly urge you to complete and sign the enclosed **white** form of proxy in respect of the EGM, in accordance with the instructions printed thereon, and to lodge them at the office of the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong. In order to be valid, the **pink** form of proxy for use at the Court Meeting should be lodged not later than 9:00 a.m. on Wednesday, 15 January 2014 or be handed to the Chairman of the Court Meeting at the Court Meeting, and the **white** form of proxy for use at the EGM should be lodged not later than 9:30 a.m. on Wednesday, 15 January 2014. The completion and return of a form of proxy for the Court Meeting and/or the EGM will not preclude you from attending and voting in person at the relevant meeting. In such event, the returned form of proxy will be deemed to have been revoked.

If you do not appoint a proxy and you do not attend and vote at the Court Meeting and/or the EGM, you will still be bound by the outcome of the Court Meeting and the EGM if, among other things, the Resolutions are passed by the requisite majorities of Scheme Shareholders or Shareholders (as the case may be). We therefore strongly urge you to attend and vote at the Court Meeting and the EGM in person or by proxy.

The Company will make an announcement in relation to the results of the Court Meeting and the EGM on Friday, 17 January 2014. If all the Resolutions are passed at those meetings, the Company will make further announcements of the results of the hearing of the petition to, among other things, sanction the Scheme by the Cayman Islands Grand Court and, if the Scheme is sanctioned, the Record Date, the Effective Date and the date of withdrawal of the listing of the Shares on the Stock Exchange.

**ACTIONS TO BE TAKEN BY PERSONS HOLDING SHARES THROUGH TRUST OR CCASS**

The Company will not recognize any person as holding any Shares through any trust. If you are a Beneficial Owner whose Shares are held upon trust by, and registered in the name of, a Registered Owner (other than HKSCC Nominees Limited), you should contact the Registered Owner and provide the Registered Owner with instructions in relation to the manner in which your Shares should be voted at the Court Meeting and/or the EGM. Such instructions should be given in advance of the aforementioned latest time for the lodgment of forms of proxy in respect of the Court Meeting and the EGM in order to provide the Registered Owner with sufficient time to accurately complete and submit his, her or its proxy. To the extent that any Registered Owner requires instructions from any Beneficial Owner in advance of the aforementioned latest time for the lodgment of forms of proxy in respect of the Court Meeting and/or the EGM, any such Beneficial Owner should comply with the requirements of the Registered Owner.

If you are a Beneficial Owner whose Shares are deposited in CCASS and registered under the name of HKSCC Nominees Limited, you must, unless you are an Investor Participant, contact your broker, custodian, nominee or other relevant person who is, or has, in turn, deposited such Shares with an Other CCASS Participant, regarding voting instructions to be given to such persons if you wish to vote at the Court Meeting and/or the EGM. You should contact your broker, custodian, nominee or other relevant person in advance of the latest time for the lodgment of forms of proxy in respect of the Court Meeting and/or the EGM, in order to provide such person with sufficient time to provide HKSCC with instructions in relation to the manner in which the Shares of the Beneficial Owner should be voted at the Court Meeting and/or the EGM.

If you are a Beneficial Owner whose Shares are deposited in CCASS, you may also elect to become a Shareholder of record, and thereby have the right to attend and vote at the Court Meeting (if you are a Scheme Shareholder) and the EGM (as a Shareholder). You can become a Shareholder of record by withdrawing your Shares from CCASS and becoming a Registered Owner of such Shares. For withdrawal of Shares from CCASS and registration thereof, you will be required to pay to CCASS a withdrawal fee per board lot withdrawn, a registration fee for each share certificate issued, stamp duty on each transfer instrument and, if your Shares are held through a financial intermediary, any other relevant fees charged by your financial intermediary. You should contact your broker, custodian, nominee or other relevant person in advance of the latest time for lodging transfers of the Shares into your name so as to qualify to attend and vote at the Court Meeting and the EGM, in order to provide such broker, custodian, nominee or other relevant person with sufficient time to withdraw the Shares from CCASS and register them in your name.

**ACTIONS TO BE TAKEN BY OPTIONHOLDERS**

The Option Offer Letter and the Form of Acceptance in relation to the Option Offer are being sent to all Optionholders together with this Scheme Document pursuant to the terms and conditions of the Share Option Scheme, informing them that if they wish to participate in the Scheme, they may exercise their Share Options at any time up to the

expiry of the period commencing on the date of the Option Offer Letter and ending on the Latest Option Exercise Date by giving notice of exercise to the company secretary of the Company at Suites 2501–2504, 25th Floor, Two Exchange Square, 8 Connaught Place, Central, Hong Kong, and together with payment for the aggregate amount of the exercise price of such Share Options.

In order to accept the Option Offer, you must complete and return the duly completed and executed Form of Acceptance so as to reach the Offeror, care of the Company at Suites 2501–2504, 25th Floor, Two Exchange Square, 8 Connaught Place, Central, Hong Kong, for the attention of board of the Offeror and marked “Glorious Property – Option Offer” by no later than 4:30 p.m. on Wednesday, 5 March 2014 (or such later time and/or date as may be notified to you by way of announcement(s)). No acknowledgement of receipt of any Form of Acceptance or any other document will be given. The Offeror will offer HK\$1.80 minus the exercise price for each Share Option of HK\$1.76 per Share. The sum payable to the Optionholders for the Share Option calculated on the aforesaid basis is HK\$0.04 for each Share Option.

You are urged to read the instructions and other terms and conditions of the Option Offer in the Option Offer Letter, substantially in the form set out in Appendix VII to this Scheme Document.

#### **EXERCISE YOUR RIGHT TO VOTE**

**IF YOU ARE A SHAREHOLDER OR A BENEFICIAL OWNER, THE COMPANY AND THE OFFEROR STRONGLY ENCOURAGE YOU TO EXERCISE YOUR RIGHT TO VOTE OR GIVE INSTRUCTIONS TO THE RELEVANT REGISTERED OWNER TO VOTE IN PERSON OR BY PROXY AT THE COURT MEETING AND AT THE EGM. IF YOU KEEP ANY SHARES IN A SHARE LENDING PROGRAMME, WE URGE YOU TO RECALL ANY OUTSTANDING SHARES ON LOAN TO AVOID MARKET PARTICIPANTS USING BORROWED SHARES TO VOTE.**

**IF YOU ARE A REGISTERED OWNER HOLDING SHARES ON BEHALF OF BENEFICIAL OWNERS, WE SHOULD BE GRATEFUL IF YOU WOULD INFORM THE RELEVANT BENEFICIAL OWNERS ABOUT THE IMPORTANCE OF EXERCISING THEIR VOTE.**

**IF YOU ARE IN ANY DOUBT AS TO THE ACTION TO BE TAKEN, YOU ARE ENCOURAGED TO CONSULT YOUR LICENSED SECURITIES DEALER, BANK MANAGER, SOLICITOR, PROFESSIONAL ACCOUNTANT OR OTHER PROFESSIONAL ADVISER.**

The following timetable takes into account the procedures of the Cayman Islands Grand Court for the Scheme. The expected timetable is indicative only and is subject to change. Further announcement(s) will be made if there is any change to the following expected timetable.

### Hong Kong Time

Despatch of this Scheme Document .....	Tuesday, 24 December 2013
Despatch of the Option Offer Letter .....	Tuesday, 24 December 2013
Latest time for the Optionholders to lodge notices of exercise (accompanied by full payment) of their Share Options in order to become entitled to vote at the Court Meeting and the EGM .....	4:30 p.m. on Friday, 10 January 2014
Latest time for lodging transfers of Shares in order to become entitled to vote at the Court Meeting and the EGM .....	4:30 p.m. on Monday, 13 January 2014
Register of members of the Company closed for determining the entitlement of Scheme Shareholders to attend and vote at the Court Meeting and the entitlement of the Shareholders to attend and vote at the EGM ( <i>Note 1</i> ) .....	Tuesday, 14 January 2014
Meeting Record Date .....	4:30 p.m. on Tuesday, 14 January 2014
Latest time for lodging the <b>pink</b> form of proxy in respect of the Court Meeting ( <i>Note 2</i> ) .....	9:00 a.m. on Wednesday, 15 January 2014
Latest time for lodging the <b>white</b> form of proxy in respect of the EGM ( <i>Note 2</i> ) .....	9:30 a.m. on Wednesday, 15 January 2014
Suspension of trading in the Shares on the Stock Exchange .....	9:00 a.m. on Friday, 17 January 2014
Court Meeting ( <i>Note 3</i> ) .....	9:00 a.m. on Friday, 17 January 2014
EGM ( <i>Note 3</i> ) (or so soon thereafter the Court Meeting shall have been concluded or adjourned) .....	9:30 a.m. on Friday, 17 January 2014
Announcement of the results of the Court Meeting and the EGM .....	not later than 7:00 p.m. on Friday, 17 January 2014

## Hong Kong Time

Resumption of trading in the Shares on the Stock Exchange .....	9:00 a.m. on Monday, 20 January 2014
Expected last day for trading in the Shares on the Stock Exchange .....	Monday, 10 February 2014
Latest Option Exercise Date .....	Monday, 10 February 2014
Latest time for lodging transfers of Shares in order to qualify for entitlements under the Scheme .....	4:30 p.m. on Thursday, 13 February 2014
Register of members of the Company closed for determining entitlements to qualify under the Scheme ( <i>Note 4</i> ) .....	Friday, 14 February 2014 to Wednesday, 19 February 2014 (both dates inclusive)
Court hearing of the petition to sanction the Scheme and to confirm the capital reduction and the Effective Date .....	Monday, 17 February 2014 (Cayman Islands time)
Announcement of the result of the Court Hearing, the expected Effective Date and the expected date of withdrawal of listing of the Shares on the Stock Exchange .....	Tuesday, 18 February 2014
Record Date .....	Wednesday, 19 February 2014
Effective Date ( <i>Note 5</i> ) .....	Wednesday, 19 February 2014 (Cayman Islands time)
Announcement of the Effective Date and the withdrawal of listing of the Shares on the Stock Exchange .....	Wednesday, 19 February 2014
Expected withdrawal of listing of the Shares on the Stock Exchange becomes effective ( <i>Note 6</i> ) .....	4:00 p.m. on Thursday, 20 February 2014
Cheques for cash entitlements under the Scheme to be despatched ( <i>Note 7</i> ) .....	on or before Friday, 28 February 2014
Lapse of unexercised outstanding Share Options .....	Wednesday, 5 March 2014
Latest time for lodging the Form of Acceptance in relation to the Option Offer ( <i>Note 8</i> ) .....	4:30 p.m. on Wednesday, 5 March 2014

## Hong Kong Time

Announcement of the results of the Option Offer,  
or as to whether the Option Offer  
has been revised or extended, on  
the website of the SFC ..... not later than 7:00 p.m. on  
Wednesday, 5 March 2014

The results of the Option Offer, or a statement  
as to whether the Option Offer has been revised  
or extended, be published in one leading  
English language newspaper and  
one leading Chinese language newspaper ..... Thursday, 6 March 2014

Cheques for cash entitlements under the Option Offer  
to be despatched (*Note 9*) ..... on or before  
Friday, 14 March 2014

Shareholders and Optionholders should note that the above timetable is subject to change. Further announcement(s) will be made in the event that there is any change.

*Notes:*

1. The register of members of the Company will be closed during such period for the purposes of determining the entitlement of the Scheme Shareholders to attend and vote at the Court Meeting and the entitlement of the Shareholders to attend and vote at the EGM. This book close period is not for determining entitlements under the Scheme.
2. Forms of proxy should be lodged with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, as soon as possible but in any event not later than the respective times and dates stated above or, in the case of the **pink** forms of proxy for use at the Court Meeting, they may be handed to the chairman of the Court Meeting. Completion and return of the relevant form of proxy for the Court Meeting or the EGM will not preclude a Scheme Shareholder or a Shareholder, respectively, from attending the relevant meeting and voting in person. In such event, the relevant form of proxy returned will be deemed to have been revoked.
3. The Court Meeting and the EGM will be held at Grand Ballroom, 2/F., Hotel Nikko Hongkong, 72 Mody Road, Tsimshatsui East, Kowloon, Hong Kong at the times and dates specified above. Please see the notice of the Court Meeting set out in Appendix V to this Scheme Document and the notice of the EGM set out in Appendix VI to this Scheme Document.
4. The register of members of the Company will be closed during such period for the purposes of determining the entitlements under the Scheme.
5. The Scheme will become effective upon all the Conditions having been fulfilled or waived (as applicable).
6. If the Proposal becomes unconditional and the Scheme becomes effective, it is expected that the listing of the Shares on the Stock Exchange will be withdrawn at or before 4:00 p.m. on Thursday, 20 February 2014, being the next day after the Effective Date.
7. Cheques for the cash entitlements to the Scheme Shareholders under the Scheme will be despatched by ordinary post at the risk of the recipients to their registered addresses shown in the register of members of the Company on or before Friday, 28 February 2014.

8. Form of Acceptance, duly completed and executed in accordance with the instructions on it, must be lodged with the Offeror (c/o the Company) at Suites 2501–2504, 25th Floor, Two Exchange Square, 8 Connaught Place, Central, Hong Kong for the attention of the board of the Offeror and marked “Glorious Property-Option Offer” by no later than 4:30 p.m. on Wednesday, 5 March 2014 (or such later time and/or date as may be notified through announcement(s)).
9. Cheques for the cash entitlements to the Optionholders under the Option Offer will be despatched by ordinary post at the risk of the recipients to the last known addresses of the Optionholders as notified by the Optionholders to the Company within 7 business days following the later of the Effective Date and the date of receipt by the Offeror of the duly completed Form of Acceptance.

*All references to times and dates are references to Hong Kong times and dates, except as otherwise specified.*



恒盛地產  
GLORIOUS PROPERTY

**Glorious Property Holdings Limited**  
**恒盛地產控股有限公司**

*(Incorporated in the Cayman Islands with limited liability)*  
**(Stock Code: 00845)**

*Executive Directors*

Mr. Cheng Li Xiong  
Mr. Ding Xiang Yang  
Mr. Liu Ning  
Mr. Xia Jing Hua  
Mr. Yan Zhi Rong  
Mr. Yu Xiu Yang

*Registered office*

Cricket Square  
Hutchins Drive  
P.O. Box 2681  
Grand Cayman  
KY1-1111  
Cayman Islands

*Independent non-executive Directors*

Mr. Yim Ping Kuen  
Mr. Liu Shun Fai  
Mr. Wo Rui Fang  
Mr. Han Ping

*Principal place of business  
in Hong Kong*

Suites 2501–2504, 25th Floor  
Two Exchange Square  
8 Connaught Place  
Central  
Hong Kong

24 December 2013

*To the Shareholders and the Optionholders*

Dear Sir or Madam,

**(1) PROPOSED PRIVATIZATION OF  
GLORIOUS PROPERTY HOLDINGS LIMITED  
BY BEST ERA INTERNATIONAL LIMITED  
BY WAY OF A SCHEME OF ARRANGEMENT  
(UNDER SECTION 86 OF THE CAYMAN ISLANDS COMPANIES LAW)  
AND  
(2) CONDITIONAL OFFER TO CANCEL  
ALL OUTSTANDING SHARE OPTIONS OF  
GLORIOUS PROPERTY HOLDINGS LIMITED**

**1. INTRODUCTION**

As disclosed in the Announcement, on 18 November 2013, the Offeror requested the Board to put forward to the Scheme Shareholders the proposed privatization of the Company by way of a scheme of arrangement under Section 86 of the Cayman Islands



Companies Law involving cancellation of all the Scheme Shares and allotment and issue of new Shares to the Offeror. As part of the Proposal, the Offeror will make a comparable cash offer to the Optionholders to cancel their outstanding Share Options.

Under the Scheme, the share capital of the Company will, on the effective date of the Scheme, be reduced by cancelling and extinguishing the Scheme Shares. Upon such reduction, the share capital of the Company will be increased to its former amount by the issuance at par to the Offeror, credited as fully paid, of the same number of Shares as the number of Scheme Shares cancelled. The reserve created in the Company's books of account as a result of the capital reduction will be applied in paying up in full at par the new Shares so issued, credited as fully paid, to the Offeror. Upon the Scheme becoming effective, the Company will be wholly-owned by the Offeror and persons acting in concert with it, and the Board will, as soon as practicable thereafter, make an application for the withdrawal of listing of the Shares on the Stock Exchange.

## **2. TERMS OF THE PROPOSAL**

### **The Scheme**

As at the Latest Practicable Date, there are 7,792,645,623 Shares in issue and the Scheme Shareholders are interested in 2,478,429,187 Shares, representing approximately 31.81% of the issued share capital of the Company.

Subject to the Scheme becoming effective, all the Scheme Shares will be cancelled in exchange for the payment by the Offeror to each Scheme Shareholder of the Cancellation Price of HK\$1.80 in cash for each Scheme Share. The Cancellation Price will not be increased, and the Offeror does not reserve the right to do so.

### **Comparison of Value**

The Cancellation Price of HK\$1.80 per Scheme Share represents:

- a premium of approximately 45.2% over the closing price of HK\$1.24 per Share as quoted on the Stock Exchange on the Last Trading Day;
- a premium of approximately 52.5% over the average closing price of approximately HK\$1.18 per Share based on the daily closing prices as quoted on the Stock Exchange for the 5 trading days up to and including the Last Trading Day;
- a premium of approximately 53.8% over the average closing price of approximately HK\$1.17 per Share based on the daily closing prices as quoted on the Stock Exchange for the 10 trading days up to and including the Last Trading Day;

- a premium of approximately 56.5% over the average closing price of approximately HK\$1.15 per Share based on the daily closing prices as quoted on the Stock Exchange for the 30 trading days up to and including the Last Trading Day;
- a premium of approximately 55.2% over the average closing price of approximately HK\$1.16 per Share based on the daily closing prices as quoted on the Stock Exchange for the 60 trading days up to and including the Last Trading Day;
- a premium of approximately 9.8% over the closing price of HK\$1.64 per Share as quoted on the Stock Exchange on the Latest Practicable Date; and
- a discount of approximately 39.0% to the unaudited consolidated net asset value attributable to Shareholders per Share of approximately HK\$2.95 as at 30 June 2013.

The Cancellation Price has been determined on a commercial basis after taking into account the prices of the Shares traded on the Stock Exchange, the trading multiples of comparable trading companies and with reference to other privatization transactions in Hong Kong in recent years.

#### **Highest and Lowest Prices**

The highest and lowest closing prices of the Shares quoted on the Stock Exchange during the six-month period up to and including the Last Trading Day were HK\$1.36 per Share on 9 May 2013 and HK\$1.09 per Share on 30 July 2013 respectively. During the 12-month period immediately prior to the Last Trading Day, the highest and lowest closing prices per Share were HK\$1.81 on 22 January 2013 and HK\$1.09 on 30 July 2013 respectively.

#### **The Option Offer**

As at the Latest Practicable Date, there are 74,000,000 outstanding Share Options of which Mr. Zhang holds 15,000,000 Share Options. An aggregate of 59,000,000 Shares may fall to be issued if all other outstanding Share Options are exercised by the Optionholders in full.

Pursuant to Rule 13 of the Takeovers Code, the Offeror will make a comparable cash offer to the Optionholders to cancel their outstanding Share Options which will be conditional on the Scheme becoming effective. The Option Offer will be calculated on a “see-through” basis, pursuant to which each Optionholder will be entitled to receive a sum for each Share Option equivalent to the amount calculated by deducting the exercise price per Share payable on exercise of the relevant Share Option from the Cancellation Price of HK\$1.80 per Scheme Share under the Scheme. The exercise price of all Share Options is HK\$1.76 per Share. The sum payable to the Optionholders for the Share Option calculated on the aforesaid basis is HK\$0.04 for each Share Option.

In the event that any Share Option is exercised after the Latest Practicable Date and new Shares are issued pursuant to such exercise up to the Record Date, such Shares will constitute Scheme Shares and their holders shall be eligible to receive the Cancellation Price under the Scheme. Holders of any Shares so issued prior to the Court Meeting Record Date (other than the Offeror and persons acting in concert with it) will be entitled to vote at the Court Meeting.

As at the Latest Practicable Date, Mr. Zhang holds 15,000,000 outstanding Share Options pursuant to which an aggregate of 15,000,000 Shares may fall to be issued if all such Share Options are exercised in full. Save as disclosed above, none of the Offeror and persons acting in concert with it has any Share Option. Mr. Zhang has no intention to exercise his Share Options.

### **Conditions of the Proposal**

Your attention is drawn to the section headed “Part VII – Explanatory Statement – 2. Terms of the Proposal – Conditions of the Proposal” as set out on pages 57 to 59 of this Scheme Document for the conditions of the Proposal.

### **Dividends**

Shareholders whose names appear on the register of members of the Company as at the record date for entitlement to dividend (if any) declared by the Company on or before the Effective Date will be entitled to receive such dividend (if any). The Company does not expect to declare any dividend on or before the Effective Date.

## **3. SHAREHOLDING STRUCTURE OF THE COMPANY**

As at the Latest Practicable Date, (i) there were 7,792,645,623 Shares in issue and the Scheme Shareholders were interested in 2,478,429,187 Shares, representing approximately 31.81% of the issued share capital of the Company; and (ii) there were 74,000,000 outstanding Share Options of which Mr. Zhang held 15,000,000 Share Options. An aggregate of 59,000,000 new Shares may fall to be issued if all other outstanding Share Options are exercised by the Optionholders in full.

As at the Latest Practicable Date, (i) the Offeror held 4,978,923,436 Shares representing approximately 63.89% of the issued share capital of the Company; (ii) Market Victor Limited held 81,936,000 Shares representing approximately 1.05% of the issued share capital of the Company; (iii) Novel Ventures Limited held 106,288,000 Shares representing approximately 1.36% of the issued share capital of the Company; (iv) Island Century Limited held 119,313,000 Shares representing approximately 1.53% of the issued share capital of the Company; (v) Well Advantage Limited held 27,756,000 Shares representing approximately 0.36% of the issued share capital of the Company; and (vi) Mr. Zhang held 15,000,000 outstanding Share Options pursuant to which an aggregate of 15,000,000 Shares may fall to be issued if all such Share Options are exercised in full. Save as disclosed above, the Offeror and persons acting in concert with it did not have any interest in, nor did they have any control or direction over, the issued share capital, voting rights or other securities of the Company as at the Latest Practicable Date. The Shares held

by the Offeror and persons acting in concert with it will not form part of the Scheme Shares and the Offeror and persons acting in concert with it will not vote on the Scheme at the Court Meeting. All Scheme Shareholders are entitled to vote at the Court Meeting and all Shareholders are entitled to vote at the EGM.

On the assumption that no Share Options will be exercised and there is no other change in shareholding, the table below sets out the shareholding structure of the Company as at the Latest Practicable Date and immediately following completion of the Proposal:

	As at the Latest Practicable Date		Immediately following completion of the Proposal	
	Number of Shares owned	Approximate % of the total issued share capital	Number of Shares owned (Note 2)	Approximate % of the total issued share capital
Offeror (Note 1)	4,978,923,436	63.89	7,457,352,623	95.70
Persons acting in concert with the Offeror with Shares held not subject to the Scheme:				
(a) Market Victor Limited (Note 1)	81,936,000	1.05	81,936,000	1.05
(b) Novel Ventures Limited (Note 1)	106,288,000	1.36	106,288,000	1.36
(c) Island Century Limited (Note 1)	119,313,000	1.53	119,313,000	1.53
(d) Well Advantage Limited (Note 1)	27,756,000	0.36	27,756,000	0.36
<b>Sub-total</b>	<b>5,314,216,436</b>	<b>68.19</b>	<b>7,792,645,623</b>	<b>100</b>
Scheme Shareholders	2,478,429,187	31.81	–	–
<b>Total</b>	<b>7,792,645,623</b>	<b>100</b>	<b>7,792,645,623</b>	<b>100</b>

Notes:

- (1) The Offeror, Market Victor Limited, Novel Ventures Limited, Island Century Limited and Well Advantage Limited are wholly-owned directly or indirectly by Mr. Zhang.
- (2) Under the Scheme, the issued share capital of the Company will, on the Effective Date, be reduced by cancelling and extinguishing the Scheme Shares. Forthwith upon such reduction, 2,478,429,187 Shares will be issued to the Offeror under the Scheme.

#### 4. TOTAL CONSIDERATION AND FINANCIAL RESOURCES

The amount of cash required for the Proposal is approximately HK\$4,567.37 million (assuming all Optionholders exercise their outstanding Share Options to become Scheme Shareholders before the Record Date) or approximately HK\$4,463.53 million (assuming none of the Optionholders exercise their outstanding Share Options to become Scheme Shareholders before the Record Date).

The Offeror intends to finance the cash required for the Proposal from an external loan facility. Kim Eng, being the financial adviser to the Offeror, is satisfied that sufficient financial resources are available to the Offeror to satisfy its payment obligations to the Scheme Shareholders and the Optionholders under the Proposal.

#### 5. REASONS AND BENEFIT OF THE PROPOSAL

##### **Adverse impact of a depressed Share price**

The Shares were traded at a discount to their net asset value on the Last Trading Day. The closing price of the Shares on the Last Trading Day of HK\$1.24 per Share represented a discount of approximately 58.0% to the unaudited consolidated net asset value attributable to the Shareholders per Share of approximately HK\$2.95 as at 30 June 2013. However, the Cancellation Price represents a discount of approximately 39.0% to such net asset value per Share as at 30 June 2013.

The Offeror considers that the depressed price of the Shares has had an adverse impact on the Company's reputation with customers, and therefore on its business, and also on employee morale. The implementation of the Proposal would eliminate this adverse impact.

##### **Cash exit opportunity**

The Proposal represents a cash exit opportunity for the Scheme Shareholders and the Optionholders to realise their entire investment (without incurring any brokerage and other trading costs) at a substantial premium over the market price of the Shares prior to the Last Trading Day and a premium of 9.8% to the closing price of the Shares on the Latest Practicable Date. The Cancellation Price of HK\$1.80 represents a premium of approximately 52.5%, 53.8%, 56.5% and 55.2% over each of the 5-day, 10-day, 30-day and 60-day average closing prices of the Shares, respectively, up to and including the Last Trading Day. The Cancellation Price also represents a premium of approximately 2.3% over the exercise price per Share of HK\$1.76 in respect of the Share Options.

The Shares have suffered from low trading liquidity for a significant period of time. The average daily trading volume of the Shares for the past 12 months up to and including the Last Trading Day was approximately 8.8 million Shares per day, representing only approximately 0.11% and 0.36% of the issued Shares and Shares held by the Scheme Shareholders as at the Last Trading Day, respectively. The low

trading liquidity of the Shares may make it difficult for Shareholders to execute substantial on-market disposals without adversely affecting the price of the Shares.

The Proposal provides the Scheme Shareholders with an attractive exit opportunity to realize their investment in the Company in cash (without incurring any brokerage and other trading costs) at a significant premium over the market price of the Shares prior to the Last Trading Day and a premium of 9.8% over the closing price of the Shares on the Latest Practicable Date without having to suffer any illiquidity discount.

The Independent Board Committee (details of which are set out in the letter from the Independent Board Committee on pages 24 to 25 of this Scheme Document) will make recommendations to the Scheme Shareholders and the Optionholders on the Scheme and the Option Offer respectively, after considering the advice of the Independent Financial Adviser.

The Proposal, if successful, will eliminate the costs of compliance with the Listing Rules and other relevant regulations and other costs relating to maintaining a listing status in Hong Kong, thereby allowing the Company to focus its resources on its business operations.

#### **6. INFORMATION ON THE OFFEROR**

The Offeror is a company incorporated in the British Virgin Islands with limited liability and the controlling Shareholder of the Company. The Offeror is an investment holding company directly, wholly and beneficially owned by Mr. Zhang.

#### **7. INFORMATION ON THE GROUP**

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

#### **8. THE OFFEROR'S INTENTION REGARDING THE GROUP**

Following the implementation of the Proposal, the Offeror intends that the Group will continue to operate its business in its current state. The Offeror does not have any intention to (i) make any changes to the existing business of the Group (including any material redeployment of its fixed assets); or (ii) make any changes to the continued employment of the employees of the Group, as a result of the Proposal. However, the Offeror reserves the right to make any changes that it deems necessary or appropriate to the Group's business and operations, to explore opportunities arising from time to time for acquisitions, disposals and other structuring possibilities, and that the Company will continue to explore such opportunities as they arise from time to time, subject to compliance with any relevant rules and regulations.

The Board is pleased to note the intention of the Offeror and is of the view that the Offeror's plan in respect of the Group is in the best interest of the Group as a whole.

#### **9. WITHDRAWAL OF LISTING OF THE SHARES**

Upon the Scheme becoming effective, all Scheme Shares will be cancelled and the share certificates for the Scheme Shares will thereafter cease to have effect as documents or evidence of title. The Board will apply to the Stock Exchange for the withdrawal of the listing of the Shares on the Stock Exchange immediately following the Scheme becoming effective. The Scheme Shareholders will be notified by way of an announcement of the exact dates of the last day of dealing in the Shares and on which the Scheme and the withdrawal of the listing of the Shares will become effective. The listing of the debt securities (stock code: 5907) on the Stock Exchange shall be maintained after the Scheme has become effective.

The Board intends that the listing of the Shares on the Stock Exchange shall be maintained in the event that the Scheme is not approved or does not become effective.

#### **10. COURT MEETING AND EGM**

In accordance with the direction of the Cayman Islands Grand Court, the Court Meeting will be convened for the purpose of considering and, if thought fit, passing the resolution to approve the Scheme (with or without modification(s)). All Scheme Shareholders will be entitled to attend and vote on the Scheme at the Court Meeting. The Offeror and persons acting in concert with it will not vote on the Scheme at the Court Meeting.

The EGM will be held immediately after the Court Meeting for the purpose of considering and, if thought fit, passing resolutions to approve, among other things, the reduction of the issued share capital of the Company by cancelling and extinguishing the Scheme Shares and the allotment and issue of new Shares to the Offeror. All Shareholders will be entitled to attend and vote on such resolutions at the EGM.

Notices of the Court Meeting and the EGM are set out in Appendix V and Appendix VI of this Scheme Document. The Court Meeting and the EGM will be held on Friday, 17 January 2014 at the respective times specified in such notices at Grand Ballroom, 2/F., Hotel Nikko Hongkong, 72 Mody Road, Tsimshatsui East, Kowloon, Hong Kong.

It is proposed that the register of members of the Company will be closed on Tuesday, 14 January 2014 (or such other dates as may be notified to the Shareholders by way of announcement(s)) for the purposes of determining the entitlement of the Scheme Shareholders to attend and vote at the Court Meeting and the entitlement of the Shareholders to attend and vote at the EGM. Such book close period is not for determining entitlements under the Scheme. In order to qualify to attend and vote at the Court Meeting and the EGM, the Shareholders should ensure that the relevant forms of transfer of their Shares accompanied by the relevant share certificates are lodged with the Hong Kong branch share registrar of the Company, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, by not later than 4:30 p.m. on Monday, 13 January 2014.

**11. OVERSEAS SHAREHOLDERS AND OPTIONHOLDERS**

The making of (i) the Scheme to the Scheme Shareholders and (ii) the Option Offer to the Optionholders, who are not resident in Hong Kong may be subject to the laws of the relevant jurisdictions in which such Scheme Shareholders and such Optionholders are located. Such persons should inform themselves about and observe any applicable legal or regulatory requirements. It is the responsibility of any overseas Scheme Shareholders and overseas Optionholders wishing to take any action in relation to the Scheme and the Option Offer to satisfy themselves as to the full observance of the laws of the relevant jurisdictions in connection therewith, including the obtaining of any governmental, exchange control or other consents which may be required, or the compliance with other necessary formalities and the payment of any issue, transfer or other taxes due in such jurisdictions. Any acceptance by such Scheme Shareholders and Optionholders will be deemed to constitute a representation and warranty from such persons to the Offeror, the Company and Kim Eng that those local laws and requirements have been complied with. If any Scheme Shareholder or Optionholder is in doubt as to its position, it should consult its professional advisers.

**12. ACTIONS TO BE TAKEN BY SHAREHOLDERS AND OPTIONHOLDERS**

Your attention is drawn to the sections headed “Part VII – Explanatory Statement – 20. Actions to be taken – Actions to be taken by Shareholders” and “Part VII – Explanatory Statement – 20. Actions to be taken – Actions to be taken by Optionholders” respectively set out on pages 69 to 70 and pages 70 to 71, respectively, of this Scheme Document.

**13. RECOMMENDATIONS**

Anglo Chinese has been appointed by the Independent Board Committee to advise the Independent Board Committee in connection with the Proposal. The text of the letter of advice from the Independent Financial Adviser containing its recommendation and the principal factors and reasons that it has taken into consideration in arriving at its recommendation is set out on pages 26 to 54 of this Scheme Document. We would advise you to read this letter carefully before you take any action in respect of the Proposal.

The Independent Board Committee has considered the terms of the Proposal and taken into account the advice of the Independent Financial Adviser, in particular the factors, reasons and recommendation as set out in the letter from the Independent Financial Adviser on pages 26 to 54 of this Scheme Document. The Independent Board Committee’s recommendation is set out in the section headed “Letter from the Independent Board Committee” on pages 24 to 25 of this Scheme Document.

**14. TAXATION**

Your attention is drawn to the paragraph headed “Part VII – Explanatory Statement – 18. Taxation” as set out on page 68 of this Scheme Document.



It is emphasised that none of the Company, the Offeror, Kim Eng, their respective professional advisers or any of their respective directors or associates or any other person involved in the Proposal accepts responsibility for any tax or other effects on, or liabilities of, any person or persons as a result of the implementation or otherwise of the Proposal.

**15. FURTHER INFORMATION**

You are urged to read carefully the letter from the Independent Board Committee, the letter from the Independent Financial Adviser, the Explanatory Statement, the Scheme and the notices of the Court Meeting and the EGM contained in this Scheme Document and the other appendices to this Scheme Document. Optionholders are urged to read carefully the Option Offer Letters which are being sent together with this Scheme Document to all Optionholders.

Yours faithfully,  
For and on behalf of  
**Glorious Property Holdings Limited**  
**Cheng Li Xiong**  
*Chairman*



恒盛地產  
GLORIOUS PROPERTY

**Glorious Property Holdings Limited**  
**恒盛地產控股有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 00845)**

*Executive Directors*

Mr. Cheng Li Xiong  
Mr. Ding Xiang Yang  
Mr. Liu Ning  
Mr. Xia Jing Hua  
Mr. Yan Zhi Rong  
Mr. Yu Xiu Yang

*Registered office*

Cricket Square  
Hutchins Drive  
P.O. Box 2681  
Grand Cayman  
KY1-1111  
Cayman Islands

*Independent non-executive Directors*

Mr. Yim Ping Kuen  
Mr. Liu Shun Fai  
Mr. Wo Rui Fang  
Mr. Han Ping

*Principal place of business  
in Hong Kong*

Suites 2501–2504, 25th Floor  
Two Exchange Square  
8 Connaught Place  
Central  
Hong Kong

24 December 2013

*To the Shareholders and the Optionholders*

Dear Sir or Madam,

**(1) PROPOSED PRIVATIZATION OF  
GLORIOUS PROPERTY HOLDINGS LIMITED  
BY BEST ERA INTERNATIONAL LIMITED  
BY WAY OF A SCHEME OF ARRANGEMENT  
(UNDER SECTION 86 OF THE CAYMAN ISLANDS COMPANIES LAW)  
AND  
(2) CONDITIONAL OFFER TO CANCEL  
ALL OUTSTANDING SHARE OPTIONS OF  
GLORIOUS PROPERTY HOLDINGS LIMITED**

We refer to the scheme document (the “**Scheme Document**”) dated 24 December 2013 jointly issued by the Company and Best Era International Limited in relation to the Proposal, of which this letter forms part. Unless the context requires otherwise, terms used in this letter shall have the same meaning as given to them in the Scheme Document.

We have been appointed by the Board as the Independent Board Committee to advise the Scheme Shareholders and the Optionholders in respect of the Proposal.

Anglo Chinese has been appointed, with our approval, as the independent financial adviser in respect of the Proposal.

We wish to draw your attention to (a) the letter from the Board as set out on pages 14 to 23 of the Scheme Document; (b) the letter from the Independent Financial Adviser as set out on pages 26 to 54 of the Scheme Document which sets out the factors and reasons taken into account by the Independent Financial Adviser in arriving at its recommendations; and (c) the Explanatory Statement as set out on pages 55 to 71 of the Scheme Document.

Having considered the terms of the Proposal and having taken into account the advice of the Independent Financial Adviser, in particular the factors, reasons and recommendations as set out in the letter from the Independent Financial Adviser, we consider the terms of the Proposal and the Option Offer are fair and reasonable so far as the Scheme Shareholders and the Optionholders are concerned.

Accordingly, we recommend:

- (1) the Scheme Shareholders who wish to sell all or some of their Shares should consider selling in the market if such Scheme Shareholders believe that the Share price may fall back to the levels seen prior to the Last Trading Day, following any lapse of the Scheme when the Conditions of the Scheme have not been satisfied or applicably waived;
- (2) the Scheme Shareholders to vote in favour of the resolution to approve the Scheme at the Court Meeting;
- (3) the Shareholders to vote in favour of the special resolution and the ordinary resolution at the EGM; and
- (4) the Optionholders to accept the Option Offer.

Yours faithfully,

**Independent Board Committee**

**Mr. Yim Ping Kuen**  
*Independent Non-  
executive Director*

**Mr. Liu Shun Fai**  
*Independent Non-  
executive Director*

**Mr. Wo Rui Fang**  
*Independent Non-  
executive Director*

**Mr. Han Ping**  
*Independent Non-  
executive Director*

*The following is the text of the letter from Anglo Chinese to the Independent Board Committee and the Independent Shareholders, prepared for the purpose of inclusion in this Scheme Document.*

## ANGLO CHINESE

CORPORATE FINANCE, LIMITED

40th Floor, Two Exchange Square, 8 Connaught Place, Central, Hong Kong.  
www.anglochinese.com

財務顧問有限公司  
英高

24 December 2013

The Independent Board Committee of  
Glorious Property Holdings Limited  
Suites 2501–2504, 25th Floor  
Two Exchange Square  
8 Connaught Place  
Central, Hong Kong

Dear Sirs,

**PROPOSED PRIVATISATION OF  
GLORIOUS PROPERTY HOLDINGS LIMITED  
BY BEST ERA INTERNATIONAL LIMITED  
BY WAY OF A SCHEME OF ARRANGEMENT  
(UNDER SECTION 86 OF THE CAYMAN ISLANDS COMPANIES LAW)**

**OPTION OFFER ON BEHALF OF  
BEST ERA INTERNATIONAL LIMITED  
TO CANCEL THE SHARE OPTIONS IN  
GLORIOUS PROPERTY HOLDINGS LIMITED**

**PROPOSED WITHDRAWAL OF LISTING**

### INTRODUCTION

We refer to our appointment as the independent financial adviser to the Independent Board Committee in relation to (i) the proposed privatisation of the Company by way of the Scheme and (ii) the Option Offer (collectively known as the "Proposal"). Expressions used in this letter have the same meanings as defined in the Scheme Document dated 24 December 2013 of which this letter forms part.

On 18 November 2013, the Board approved the Company to pursue the proposed privatisation of the Company by way of the Scheme. Upon the despatch of this Scheme Document, the Offeror extends the Option Offer to the Optionholders to cancel their outstanding Share Options. The Option Offer is conditional upon the Scheme becoming effective. Upon the Scheme becoming effective, the listing of the Shares on the Stock Exchange will be withdrawn and the Company will be wholly owned by the Offeror and persons acting in concert with it as described more fully below.

The Independent Board Committee, comprising the Company's all four independent non-executive Directors, namely Messrs. Yim Ping Kuen, Liu Shun Fai, Wo Rui Fang and Han Ping, has been formed to advise the Scheme Shareholders on whether or not the Proposal is fair and reasonable and as to voting in connection with the Proposal. We have been appointed to advise the Independent Board Committee accordingly.

In formulating our opinions and recommendations, we have reviewed the Board minutes approving the Proposal; the published information on the Group including its audited annual financial statements for the three financial years, the last of which ended on 31 December 2012 and the interim report of the Company for the six months ended 30 June 2013; management accounts of the Group for the nine months period ended 30 September 2013; financial projections of the Group for the year ending 31 December 2013 and 2014; share prices and trading volume of the Shares for the past three years prior to the Last Trading Day, monthly newsletters published in the Company's website [www.gloriousphl.com.cn](http://www.gloriousphl.com.cn) containing information on the Group's monthly pre-sales up to the end of October 2013 and annual pre-sales target supplied by the Group to research analysts for 2010, 2011 and 2012.

We have also been given the opportunity to discuss with the management of the Company its business strategy and prospects.

We have relied on the accuracy of the information, facts and representations and the opinions expressed by the Company and the Directors referred to in this Scheme Document. We have assumed that the information, facts, representations and opinions were true at the time they were made and continue to be true at the date of the Scheme Document. We consider we have reviewed sufficient information to reach the conclusions set out in this letter and have no reason to believe any of the information provided to us by the Directors of the Company is inaccurate or that any material information has been omitted or withheld from the information supplied or the opinions expressed in the Scheme Document. We have not, however, conducted an independent investigation into the business and affairs of the Group, nor have we carried out any independent verification of the information supplied.

Apart from normal professional fees for our services to the Company in connection with the engagement described above, no arrangement exists whereby we will receive any fees or benefits from the Company, its subsidiaries, directors, chief executive, substantial shareholders or any associates of any of them.

In the sections that follow, we set out the principal factors that we have taken into account in arriving at our advice to the Independent Board Committee in respect of the Proposal.

#### **TERMS OF THE PROPOSAL**

Under the Scheme, all Scheme Shares held by the Scheme Shareholders will, upon the Scheme becoming effective, be cancelled in exchange for the Cancellation Price of HK\$1.80 in cash for each Scheme Share. As stated in the joint announcement dated 11 December 2013 issued by the Offeror and the Company, the Offeror notified the Company on 11 December 2013 that the Cancellation Price will not be increased and the Offeror does not reserve the right to do so. Scheme Shareholders and potential investors should be aware that, following the making of this statement relating to the no increase in the Cancellation Price, the Offeror will not be allowed to increase the Cancellation Price as provided under Rule 18.3 of the Takeovers Code. All the issued share capital of the Company will, on the effective date of the Scheme, be reduced by cancelling and extinguishing the Scheme Shares. Forthwith upon such reduction, 2,478,429,187 Shares will be issued to the Offeror under the Scheme.

Under the Option Offer, the Offeror will offer to purchase all Share Options for cancellation in exchange for HK\$0.04 in cash for each Share Option, subject to and conditional upon the Scheme becoming effective.

The Scheme will become effective and binding on the Company, the Offeror and persons acting in concert with the Offeror, and all Scheme Shareholders upon the fulfillment of the conditions set out in the section headed "Conditions of the Proposal" on page 57 in the Explanatory Statement, otherwise the Proposal and the Scheme will lapse.

Upon the Proposal becoming effective, the listing of the Shares on the Stock Exchange will be withdrawn. Assuming the conditions of the Proposal are fulfilled or as applicably waived, it is expected that the Scheme will become effective on or around 19 February 2014 and listing of the Shares on the Stock Exchange will be withdrawn on 20 February 2014.

As at the Latest Practicable Date, the Offeror which together with persons acting in concert with it, namely, Market Victor Limited, Novel Ventures Limited, Island Century Limited and Well Advantage Limited, all of which are wholly-owned directly or indirectly by Mr. Zhang, the ultimate controlling Shareholder of the Company, held in aggregate approximately 68.19% of the Shares in issue. Upon the Scheme becoming effective, the Company will become wholly-owned by the Offeror and persons acting in concert with it. The Scheme Shares held by Scheme Shareholders who are entitled to vote at the Court Meeting account for in aggregate 31.81% of the total Shares in issue as at the Latest Practicable Date.

As at the Latest Practicable Date, save for the irrevocable and unconditional undertaking given by China Life Insurance (Overseas) Co. Ltd to the Offeror that it will attend and vote in favour of the resolution to approve the Scheme at the Court Meeting, and attend and vote in favour of the special resolution and the ordinary resolution at the EGM in respect of its 699,531,000 Shares (representing approximately 8.97% of the issued share capital of the Company as at the Latest Practicable Date), none of the Offeror and persons acting in concert with it had received any irrevocable commitment from any Shareholders in respect of voting at the Court Meeting and, or the EGM.

On the basis of the Cancellation Price payable in cash of HK\$1.80 per Scheme Share, the entire issued share capital of 7,792,645,623 Shares as at the Latest Practicable Date is valued at approximately HK\$14,026.8 million. The Scheme valued the 2,478,429,187 Scheme Shares as at the Latest Practicable Date at approximately HK\$4,461.2 million.

As at the Latest Practicable Date, the Company had 74,000,000 Share Options of which Mr. Zhang held 15,000,000 Share Options. Save as disclosed, none of the Offeror and persons acting in concert with it has any Share Option. Mr. Zhang has no intention to exercise this Share Options. All of the Share Options, excluding the Share Options held by Mr. Zhang, are convertible into 59,000,000 new Shares if all of the Share Options (excluding those held by Mr. Zhang) are exercised by the Optionholders in full. Pursuant to Rule 13 of the Takeovers Code, the Offeror extends the Option Offer to the Optionholders to cancel their outstanding Share Options. The Option Offer is conditional on the Scheme becoming effective. Consideration payable under the Option Offer is calculated on a "see-through" basis, pursuant to which each Optionholder is entitled to receive a sum for each Share Option equivalent to the amount calculated by deducting the exercise price per Share payable on exercise of the relevant Share Option of HK\$1.76 from the Cancellation Price of HK\$1.80 per Scheme Share. The sum payable to the Optionholders for the Share Option calculated on the basis set out above is HK\$0.04 for each Share Option.

On the basis of the offer price under the Option Offer (“Option Offer Price”) of HK\$0.04 per Share Option and assuming none of the Share Options are exercised prior to the Record Date, the Option Offer is valued at approximately HK\$2.36 million. In the event that any Share Option is exercised after the Announcement Date and new Shares are issued pursuant to such exercise up to the Record Date, such Shares will constitute Scheme Shares and their holders shall be eligible to receive the Cancellation Price under the Scheme. Holders of any Shares so issued (other than the Offeror and persons acting in concert with it) will be entitled to vote at the Court Meeting. In the event all Share Options are exercised in full prior to the Record Date, no consideration will be payable under the Option Offer. If this happens, the total number of Scheme Shares will increase to 2,537,429,187. In this circumstance the Scheme will value the Scheme Shares at approximately HK\$4,567.37 million.

We note that Kim Eng is satisfied that sufficient financial resources are available to the Company for implementation of the Proposal. The maximum amount of cash required to effect the Proposal is approximately HK\$4,567.37 million (assuming all Optionholders exercise their outstanding Share Options to become Scheme Shareholders before the Record Date) or approximately HK\$4,463.53 million (assuming none of the Optionholders exercise their outstanding Share Options to become Scheme Shareholders before the Record Date). The Offeror intends to finance the cash payable under the Proposal from an external loan facility of the Offeror.

The table below shows the shareholding interest of (a) the Offeror and persons acting in concert with the Offeror; and (b) the Scheme Shareholders as at the Latest Practicable Date on the assumption that no Share Options will be exercised and there is no other change in shareholding:

<b>Offeror and Persons acting in concert with the Offeror</b>	<b>Number of Shares held and that are not subject to the Scheme</b>	<b>% of the issued Shares</b>
The Offeror	4,978,923,436	63.89%
Market Victor Limited	81,936,000	1.05%
Novel Ventures Limited	106,288,000	1.36%
Island Century Limited	119,313,000	1.53%
Well Advantage Limited	27,756,000	0.36%
<b>Sub-total for Offeror and persons acting in concert with it</b>	<b>5,314,216,436</b>	<b>68.19%</b>
Scheme Shareholders	2,478,429,187	31.81%
<b>Total</b>	<b><u>7,792,645,623</u></b>	<b><u>100.00%</u></b>

As mentioned above, upon the Scheme becoming effective, the Offeror and persons acting in concert with it will own the entire issued share capital of the Company.

The Shares held by the Offeror and persons acting in concert with it will not form part of the Scheme Shares. The Offeror and persons acting in concert with it will abstain from voting on the Scheme at the Court Meeting. All Scheme Shareholders are entitled to vote at the Court Meeting and all Shareholders are entitled to vote at the EGM.

## IMPORTANT ASPECTS OF THE PROPOSAL

### Background to and reasons for the Scheme

The Proposal was initiated by the Offeror for the Board to consider. The Offeror is a company incorporated in the British Virgin Islands with limited liability and is wholly and beneficially owned by Mr. Zhang who is a controlling Shareholder of the Company. The Offeror held approximately 63.89% of the issued Shares on the Announcement Date and as at the Latest Practicable Date, and will become the single largest Shareholder upon the Scheme becoming effective.

The Directors (excluding the Independent Board Committee) consider the terms of the Proposal to be fair and reasonable and in the interests of the Shareholders and the Optionholders. The Company put forward to the Scheme Shareholders the Scheme to privatise the Company for the following reasons:

- the depressed price of the Shares has had an adverse impact on the Company's reputation with customers, its business and employee morale. The implementation of the Proposal will eliminate this adverse impact;
- the Proposal represents a cash exit opportunity for the Scheme Shareholders and the Optionholders to realize their entire investment without incurring any brokerage and other trading costs, and at a substantial premium over the market price of the Shares prior to the Announcement Date and avoiding illiquidity discount. The Cancellation Price also represents a premium of approximately 2.3% over the exercise price per Share of HK\$1.76 in respect of the Share Options;
- the low trading liquidity of the Shares make it difficult for Shareholders to execute substantial market disposals without adversely affecting the price of the Shares;
- the Proposal if successful will eliminate the costs of compliance with Listing Rules and other relevant regulations and other costs relating to maintaining the listing status in Hong Kong, and thereby allowing the Company to focus its resources on its business operations.

We have discussed with the Directors and the Board (excluding the Independent Board Committee) has confirmed that, save for the Proposal, the Company did not receive any other proposal in relation to the privatisation of the Company in the last twelve months and that no discussion is taking place with any third party regarding the disposal of Shares held by the Offeror and persons acting in concert with it.

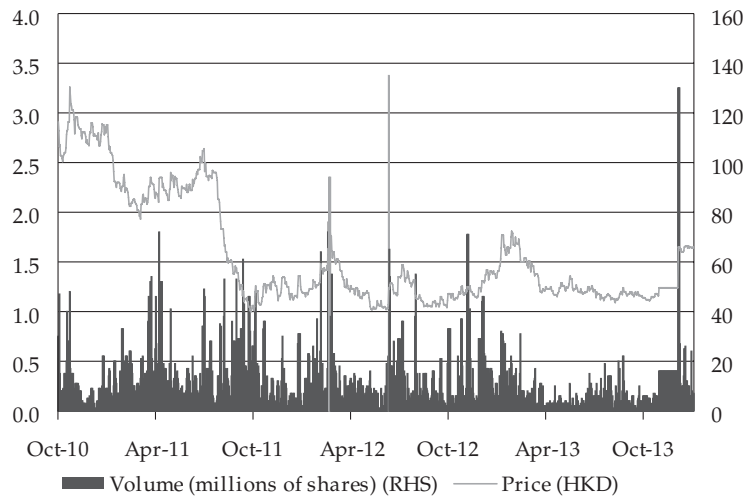


## OTHER IMPORTANT CONSIDERATIONS

## Price of the Shares

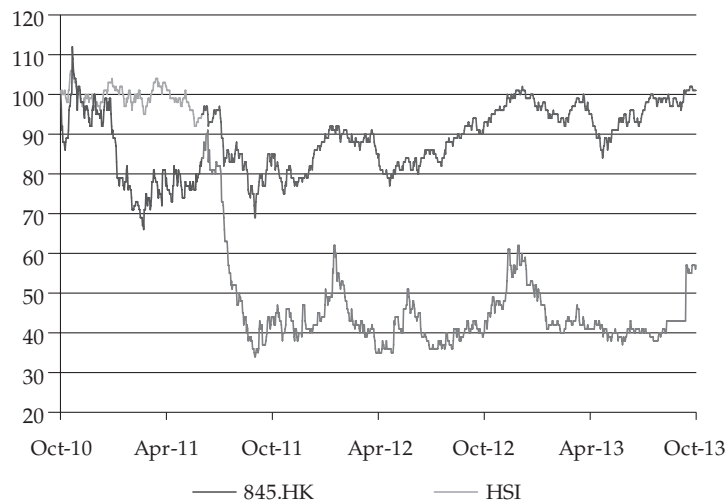
We have considered the Cancellation Price in relation to the closing price of the Shares on the Stock Exchange in the past three years prior to the Last Trading Day on 18 October 2013 and on the Latest Practicable Date, and the performance of the Shares compared against the Hang Seng Index. (See the two charts below.)

**Performance of the Shares over a three year period up to the Latest Practicable Date**



Source: Bloomberg

**Performance of the Shares against Hang Seng Index over a three year period up to the Latest Practicable Date**



Source: Bloomberg

Over the past three years commencing 19 October 2010, the Shares traded above the Cancellation Price of HK\$1.80 per Scheme Share during the period from 19 October 2010 to 16 August 2011. During this approximately ten month period, the Shares traded at over HK\$3.0 between HK\$3.00 and HK\$3.3 from 8 to 16 November 2010 and on 19 November 2010, and subsequently the Share price decreased gradually some 43% from HK\$3.3 to HK\$1.88, the daily highest price on 16 August 2011.

Subsequently during the period between 17 August 2011 and the Last Trading Day on 18 October 2013, the Shares traded below the Cancellation Price other than the following days as set out below:

- 24 February 2012 that reached a high of HK\$1.82 (and closed on HK\$1.80);
- 27 February 2012 that reached a high of HK\$1.86 (and closed on HK\$1.73);
- 7 January 2013 that reached a high of HK\$1.82 (and closed on HK\$1.77);
- 21 January 2013 that reached a high of HK\$1.81 (and closed on HK\$1.75);
- 22 January 2013 that reached a high of HK\$1.84 (and closed on HK\$1.81);
- 23 January 2013 that reached a high of HK\$1.84 (and closed on HK\$1.78);

The Cancellation Price is some 0.55% lower than the highest closing price of HK\$1.81 in the last 12 months prior to the Last Trading Day, and 45% lower than the highest closing price of HK\$3.26 on 8 November 2010 in the last three year period prior to the Last Trading Day. However, Scheme Shareholders should note that such high share price was likely driven by investors' expectation that the Group's business, given its large land bank and low land costs would generate substantial profits for the Group. Based on our analysis of the financial performance and condition of the Group as described more fully below, trading prices of the Shares of over HK\$1.80 during the past three years prior to the Last Trading Day are in our view unlikely to be sustained in the foreseeable future unless the profitability and financial health of the Group improve significantly. The Cancellation Price is at a premium of 80% to the lowest closing price of HK\$1.0 on 10 October 2011 and 18 May 2012 in the three year period under review.

As can be seen from the chart above, in the last three year period prior to the Last Trading Day, the price of the Shares generally displayed a downward trend starting from around end of November 2010. Although the Group announced good and much improved results for 2010 financial year on 30 March 2011, the Shares tracked sideways with the trading range in the period from April to July 2011 of HK\$2.10 to HK\$2.70. The price of the Shares first started to fall below the Cancellation Price on 17 August 2011. During the period from 30 March 2012 when the Group reported lower profits for 2011 to the Last Trading Day, the fundamentals affecting the valuation of the Shares showed signs of continuing weakness. On 8 August 2012, the Company issued a profit warning announcement that stated that the unaudited consolidated net profit of the Group for the six months ended 30 June 2012 was expected to show a significant decrease as compared with the same period in 2011 as the Group's total gross floor area delivered to buyers

decreased during the first half of 2012. Later, the Company issued a profit warning on 21 December 2012 in respect of the Group's 2012 annual results. The expected losses were primarily caused by delay in construction of auxiliary facilities in some projects of the Group and adjustments made to the composition of property projects delivered. Further, domestic austerity measures adopted by the Government of the PRC to monitor the overheated economy inevitably affected the Group's business and its financial and trading prospects. From 31 January 2013 until the Last Trading Day, the Shares fell some 26.6%.

The Cancellation Price of HK\$1.80 per Scheme Share represents:

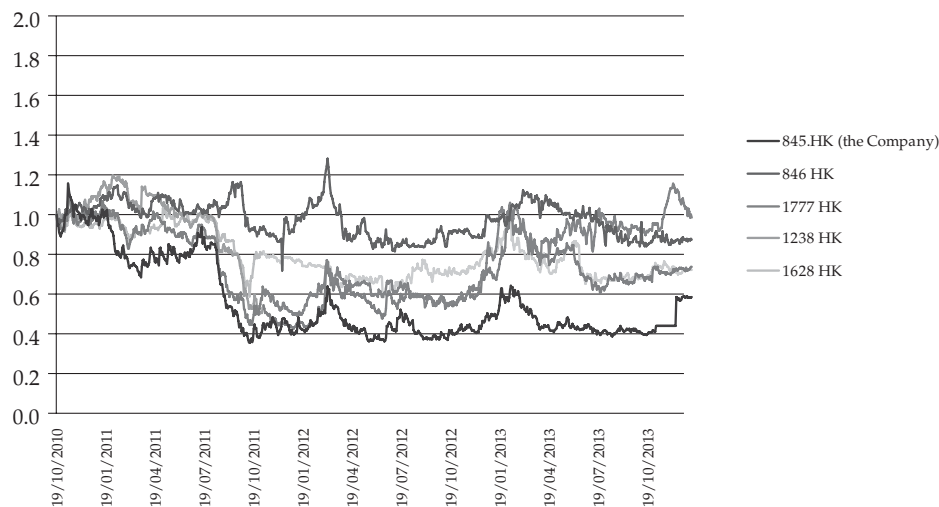
- a premium of some 45.2% over the closing price of the Shares of HK\$1.24 per Share on the Last Trading Day;
- a premium of some 52.5% over the average closing price of the Shares of HK\$1.18 per Share during the five trading days up to and including the Last Trading Day;
- a premium of some 53.8% over the average closing price of the Shares of HK\$1.17 per Share during the ten trading days up to and including the Last Trading Day;
- a premium of some 56.5% over the average closing price of the Shares of HK\$1.15 per Share during the 30 trading days up to and including the Last Trading Day;
- a premium of some 55.2% over the average closing price of the Shares of HK\$1.16 per Share during the 60 trading days up to and including the Last Trading Day;
- a premium of some 53.8% over the average closing price of the Shares of HK\$1.17 per Share during the 90 trading days up to and including the Last Trading Day;
- a discount of some 39% over the unaudited consolidated net asset value attributable to Shareholders per Share of HK\$2.95 as at 30 June 2013; and
- a premium of some 9.8% over the closing price of the Shares of HK\$1.64 per Share on the Latest Practicable Date.

It is stated in the Announcement that the Cancellation Price has been determined on a commercial basis after taking into account the prices of the Shares traded on the Stock Exchange, the trading multiples of comparable trading companies and with reference to other privatization transactions in Hong Kong in recent years.

During the three year period prior to the Last Trading Day, the Shares underperformed the Hang Seng Index by a considerable margin. In the same period, the past performance of the Shares shows that there has been a lack of significant retail and, or institutional investors' interest in the Company. Since its listing, the Group did not raise any capital from the capital market other than the issue of high yield secured senior notes, namely, (a) in 2010, the Group issued US\$300 million 13.0% senior notes due in October 2015 and (b) in 2013, two tranches of 13.25% senior notes totaling US\$400 million due in March 2018. It is considered that the Company will unlikely be able to take advantage of its listing status to raise funds from the capital markets on terms acceptable to the Group in the foreseeable future or enjoy other benefits that outweigh the costs associated with maintaining the listing.

It is also noted that the share price performance of the Company during the three year period prior to the Last Trading Day fell behind that of its peers capitalised at between HK\$6,000 million and HK\$14,000 million on the Last Trading Day and the Latest Practicable Date. (See chart below. Please refer to the table in the section headed "Comparable Companies Analysis" of this letter for further data on the comparable companies.)

#### Performance of the Shares against comparable companies over a three year period up to the Latest Practicable Date



Source: Bloomberg

Based on the market price over the last three years prior to the Last Trading Day and the analysis of the price of the Shares described above, we are of the opinion that the Cancellation Price represents a reasonable premium over the market value of the Shares.

#### Business operations and past financial performance of the Group

The Group, listed on 2 October 2009, is principally engaged in the development and sale of high quality residential and commercial properties in key economic cities in the PRC. As at the Latest Practicable Date, the Group had developed or was developing

projects in twelve cities across the PRC, namely, Shanghai, Beijing, Tianjin, Harbin, Wuxi, Suzhou, Nanjing, Nantong, Hefei, Changchun, Shenyang and Dalian.

The market capitalization of the Company as at the Last Trading Day amounted to some HK\$9.66 billion.

*Property Pre-sales, GFA sold and Land Bank*

The following table shows the Group's property pre-sales, gross floor area ("GFA") sold as pre-sales by region in 2010, 2011, 2012 and six months ended 30 June 2013, as compared to annual pre-sales target and expected total annual saleable GFA for presales from 2010 to 2013:

Region	Property pre-sales					Pre-sale GFA sold					
	2010	2011	2012	Jan-June 2013	Jan-Oct 2013	2010	2011	2012	Jan-June 2013	Jan-Oct 2013	
	(RMB'million)				(Note 1)	(square metres)					
Shanghai Region	5,723.6	3,703.8	4,481.6	2,172.8	2,423.7	242,448	161,339	305,092	84,902	90,936	
Yangtze River Delta	3,517.9	3,976.1	2,355.2	952.3	1,529.4	481,967	569,468	335,114	117,782	175,883	
Pan Bohai Rim	1,340.2	1,374.5	737.6	222.6	353.2	122,414	134,263	105,087	26,854	42,781	
Northeast China	2,098.6	4,267.7	3,355.9	696.8	956.7	300,022	699,731	529,309	114,397	158,785	
<b>Total</b>	<b>12,680.3</b>	<b>13,322.0</b>	<b>10,930.4</b>	<b>4,044.6</b>	<b>5,262.9</b>	<b>1,146,851</b>	<b>1,564,802</b>	<b>1,274,602</b>	<b>343,935</b>	<b>468,385</b>	
	Target property pre-sales				Expected total saleable GFA for pre-sale						
	2010	2011	2012	2013	2010	2011	2012	2013			
	(RMB'million)				(square metres)						
Annual pre-sales target (Note 2)	15,000	15,000	13,000	11,000							
Total expected annual saleable GFA stated in prior year's annual report (sq.m) (Note 3)						3,138,274	3,131,228	2,217,788		Not applicable (Note 4)	
Shortfall	(2,300)	(1,700)	(2,100)	Not applicable	1,991,423	1,566,426	943,186				

*Notes:*

- The information for the period from January to October 2013 is extracted from the Company's monthly newsletter for October 2013 published on its website, [www.gloriousphl.com.cn](http://www.gloriousphl.com.cn).
- The annual sales target figures are contained in annual results presentation materials supplied by the Company to research analysts.
- Total annual saleable GFA represents inventory carried forward from previous years and additional GFA that the Group expects to receive pre-sale permits from the relevant PRC local government for launching to the market for pre-sale in the following financial year.
- As stated in the Group's 2012 annual report, it is expected that the total annual saleable GFA for pre-sales in 2013 will be approximately 2.1 million square metres.

*Property pre-sales*

In 2011, the Group had a good performance in property pre-sales that increased some 5.1% to RMB13,322 million from the previous year. In the following year, the Group's pre-sales decreased 18% as compared to 2011 due to the low volume of newly launched properties and deferment of new projects during 2012. During the first half of 2013, the Group recorded contracted property pre-sales of RMB4,044.6 million, representing a year-on-year decrease of 27.5%. The decrease was primarily due to the decrease in the number of new projects launched by the Group during the first half of 2013.

It is noted that the actual property pre-sales for 2010, 2011 and 2012 fell short of the Group's annual pre-sales target.

*GFA sold as pre-sales and expected annual saleable GFA (as pre-sales)*

As can be seen from the table above, there was a shortfall in actual pre-sales GFA (as compared against the annual pre-sale GFA resources expected to be launched) of approximately 2.0 million, 1.6 million and 0.9 million square metres in 2010, 2011 and 2012, respectively. We are given to understand that this shortfall in 2010, 2011 and 2012 was due to inefficient on-site project management, delay in construction of auxiliary facilities in some projects and tighten government austerity measures that had led to delays in the application for pre-sale permits and delay in project execution and delivery.

*Land bank*

The Group has quality land reserves particularly in Shanghai, Nanjing and Tianjin. The Group's land bank was distributed over first, second and third tier cities, of which 22.2% was in first tier cities and the remaining 77.8% was in second and third tier cities.

Tabulate below are the details of the Group's land bank and the average land cost for the periods indicated:

	As at 31 December			As
	2010	2011	2012	30 June
	<i>sq.m</i>	<i>sq.m</i>	<i>sq.m</i>	2013 <i>sq.m</i>
<b>Land bank at the beginning of the year/period</b>	16,947,667	19,154,824	17,895,475	16,180,178
<b>GFA sold and delivered during the year/period</b>	(505,295)	(1,012,818)	(1,042,891)	(404,453)
<b>Acquisition made during the year/period</b>	2,456,593	732,859	0	0
<b>Other adjustments (Note 1)</b>	255,859	279,959	(672,406)	(22,113)
<b>Land bank at year/period end (in sq.m)</b>				
– Shanghai Region	2,794,434	2,051,242	2,008,738	1,992,156
– Yangtze River Delta (excluding Shanghai)	9,118,007	9,160,800	8,296,080	8,015,985
– Pan Bohai Rim	4,258,038	4,085,026	3,992,739	3,992,739
– Northeast China	2,984,345	2,598,407	1,882,621	1,752,732
<b>Total land bank at year/period end (Note 2)</b>	<b>19,154,824</b>	<b>17,895,475</b>	<b>16,180,178</b>	<b>15,753,612</b>
<b>Average land cost (in RMB)</b>	1,270	1,338	1,302	1,309

Notes:

- Other adjustments include (a) GFA of projects completed but not yet recognized pending government approval and, or receipt of sales proceeds; (b) completed GFA of completed public or common usage areas that are not sold; and (c) newly increased GFA of existing projects due to changes in project planning such as increased plot ratio approved by local government.
- As stated in the listing prospectus of the Company dated 21 September 2009, part of the Group's property interests with GFA of some 6.1 million square metres are governed by relevant master agreements entered between the Group and the local PRC government authorities whereby the Group is required to apply for land use rights certificates in respect of such land before development work may commence. As at the Latest Practicable Date, the management has confirmed that GFA totalling about 4.5 million square metres of the Group's development projects are subject to the Group having obtained land use rights from the relevant PRC authorities.

As can be seen from the table above, the volume of GFA sold and delivered in the three financial years, the last of which ended on 31 December 2012 and the first half of 2013 accounts for 3.0%, 5.3%, 5.8% and 2.5% of the Group's total land bank at the beginning of the relevant year or period. The main cause of the low sales activity relative to the size of the Group's land bank is weak project management and sales execution and planning that led to delay in completing the planned project and in launching the planned

projects to the market for pre-sales and sales. The Group's tight liquidity condition (as described in the sub-section headed "Financial condition of the Group") has also hindered the acceleration of developing more projects at the same time.

As at the Latest Practicable Date, the Company is not in discussions with any third party, and has not entered into any legally binding agreement with respect to potential disposals of land reserves of the Group.

### *Earnings*

The tabulation below shows the breakdown of the Group's principal sources of revenue and profits for the past three financial years, the last of which ended on 31 December 2012 and for the six month ended 30 June 2013.

	Year ended 31 December			Six month ended	
	2010	2011	2012	2012	2013
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Revenue					
Shanghai Region	3,654,286	4,860,714	1,541,123	959,738	489,100
Yangtze River Delta (Excluding Shanghai)	249,370	1,496,586	3,773,956	96,963	1,162,608
Pan Bohai Rim	1,900,206	662,161	156,657	96,024	300,684
Northeast China	1,310,163	2,565,982	2,913,004	189,442	1,000,712
<b>Total Revenue</b>	<b>7,114,025</b>	<b>9,585,443</b>	<b>8,384,740</b>	<b>1,342,167</b>	<b>2,953,104</b>
<b>Gross Profit</b>	<b>3,419,091</b>	<b>3,797,197</b>	<b>1,921,374</b>	<b>553,238</b>	<b>340,211</b>
<i>Gross profit margin</i>	48%	40%	23%	41%	12%
Profit before tax	5,962,229	4,021,025	1,869,043	358,187	240,769
Less: Fair value changes of investment property	(2,452,402)	(677,136)	(504,280)	(46,158)	(123,400)
Add: Finance cost	3,750	2,526	8,326	4,739	2,206
Add: Depreciation and amortisation	12,221	20,297	25,619	12,273	12,559
<b>EBITDA (adjusted for fair value changes of investment property)</b>	<b>3,525,798</b>	<b>3,366,712</b>	<b>1,398,708</b>	<b>329,041</b>	<b>132,134</b>
<i>EBITDA margin</i>	50%	35%	17%	25%	4%
<b>Profit attributable to owners of the Company</b>	<b>3,608,552</b>	<b>2,215,654</b>	<b>1,081,631</b>	<b>166,243</b>	<b>224,718</b>
<i>Net profit margin</i>	51%	23%	13%	12%	8%
Earnings per share					
Basic	0.46	0.28	0.14	0.02	0.03
Diluted	0.46	0.28	0.14	0.02	0.03
Dividends per share	0.03	0	0	0	0

Source: Annual reports and interim reports of the Group for the relevant periods



*For the year ended 31 December 2011 compared to 2010*

For the year ended 31 December 2011, the Group recorded total revenue of RMB9,585.4 million largely from sales of residential properties, representing an increase of 34.7% from RMB7,114.0 million in 2010. Gross profit margin however decreased from 48.1% in 2010 to 39.6% in 2011 as a higher proportion of properties that were sold and delivered in the second and third tier cities where the average selling prices and profit margins are generally lower. Average selling prices in these cities decreased to RMB9,460 per square metre in 2011 from RMB14,071 per square metre in 2010. As a result of a decrease in gross profit margin and fair value gain of investment properties, net profit attributable to the owner of the Company for the year ended 31 December 2011 decreased to RMB2,215.7 million, representing a decrease of 38.6% from 2010. Net profit attributable to the owner of the Company, excluding fair value gain of investment properties and related tax effect and other one-off gains amounted to RMB1,734.9 million, representing an increase of 33.0% as compared to RMB1,304.1 million recorded in 2010. On this basis, net profit margin was 18.1% for the 2011 financial year (2010: 18.3%).

*For the year ended 31 December 2012 compared to 2011*

For the year ended 31 December 2012, the Group's recorded revenue of RMB8,384.7 million, representing a 12.5% decline compared to the revenue of RMB9,585.4 million in 2011. Gross profit margin in 2012 was 22.9% compared to 39.6% in 2011. The gross profit margin in 2012 was the lowest since 2009 that recorded a gross profit margin of 48.1%. EBITDA margin in 2012 was 17%, representing a decline from the EBITDA margin of 35% in 2011. The Group's profit attributable to owners of the Company for the 2012 financial year was RMB1,081.6 million, representing a decrease of 51.2% compared to RMB2,215.7 million for 2011. Profit attributable to the owners of the Company for 2012, excluding the fair value gain of investment properties and the related tax effect and other one-off gain or losses amounted to RMB703.4 million, representing a decrease of 59.5% from RMB1,734.9 million for 2011. Net profit margin based on the profit attributable to the owners of the Company for 2012 (excluding the fair value gain of investment properties and the related tax effect and other one-off gain or losses) of RMB703.4 million is 8.4% (2011: 18.1%). The principal causes of the decline in profitability in 2012 are due to (a) the delay in construction of auxiliary facilities in certain projects to be sold in 2012; (b) deferment of certain projects; (c) a higher proportion of properties were delivered in the second and third tier cities during 2012 that command lower average selling prices and profit margins. The average selling price recognised in these cities decreased to RMB8,040 per square metre (2011: RMB9,460 per square metre); and (d) higher land costs associated with the properties for the new projects sold and delivered in 2012. Return on equity declined to 5.6% in 2012 (2011: 12.1%) based on profit attributable to the owners of the Company.

*For the six months ended 30 June 2013*

Revenue for the six months ended 30 June 2013 increased 120% to RMB2,953.1 million (First half of 2012: RMB1,342.2 million) as GFA of properties delivered by the Group increased from 85,688 square metres in the first half of 2012 to 404,453 square metres in the period under review. However, gross profit margin for this period decreased to 11.5% from 41.2% for the corresponding period in 2012 is due to poor profitability of residential project sales in second and third tier cities in the PRC, and where the average selling price and profit margins were lower. The Group's average selling price decreased significantly from RMB15,663 per square metre in the first half of 2012 to RMB7,301 per square metre in the period under review. In addition, the other cause for the decrease in profit margin is the shift in delivery of project sales mix away from Shanghai region (that accounted for 17% of the total revenue in the first half of 2013 (2012: 72%), and particularly the Shanghai Bay project (that generated revenue of RMB430.3 million or 15% of the total revenue for the first half of 2013). Profit attributable to the owners of the Company for the six months ended 30 June 2013 amounted to RMB224.7 million, representing an increase of 35.2% from the corresponding period in 2012. For the same period, profit attributable to the owners of the Company, excluding fair value changes gain of investment properties and related tax effect, amounted to RMB132.2 million, representing an increase of 0.4% from the corresponding period in 2012.

Net profit margin (based on profit attributable to owners of the Company of RMB224.7 million) decreased to 7.6% during the six months ended 30 June 2013 (2012: 12.3%).

In assessing the earnings of the Group in relation to the Scheme, we have had particular regard to both the past performance of the Group's core operations and the Directors' views on the outlook of the Group. On the basis of the Group's past performance and the Group's prospects as viewed by the Directors described more fully below, we would not expect the market to accord a high valuation for the Group.

*Earnings per share*

Based on the Cancellation Price of HK\$1.80 per Scheme Share, the Scheme values the Shares at a historic 12 months trailing earnings multiple of 12.2 times. This multiple represents a significant premium over the average price earnings multiples of 6.4 times for Hong Kong listed PRC property developers capitalized between HK\$6,000 million and HK\$14,000 million on the Last Trading Day and the Latest Practicable Date and we consider to be broadly comparable to the Group, as the table below shows.

<b>Year end</b>	<b>Market capitalisation as at Last Trading Day (HK\$ million)</b>	<b>Companies</b>	<b>Trailing 12 months price earnings multiple (Note) (in times)</b>
31 December	13,284	Mingfa Group International Co Ltd	7.9
31 December	6,665	Fantasia Holdings Group Co Ltd	5.3
31 December	6,679	Powerlong Real Estate Holdings Ltd	3.9
31 December	6,601	Yuzhou Properties Co Ltd	8.6
<b>Average price earnings multiple</b>			<b>6.4</b>
<b>The Company as implied under the Scheme based on trailing 12 months ended 30 June 2013</b>			<b>12.2</b>

*Source: Bloomberg*

*Note:* Price earnings multiple is calculated by dividing the average daily closing price of the respective shares of the latest full financial year by the basic earning per share for the trailing 12 month period.

On the basis of the reasonable premium over price earnings multiple implied by the Cancellation Price as described above, we consider the Cancellation Price of HK\$1.80 to be fair and reasonable.

### Price performance against published net asset value

We have assessed the traded price of the Shares against the published net asset value of the Shares based on the audited consolidated financial statements of the Group which reflect the open market value of its investment properties based on a professional valuation, completed properties held for sale at the lower of cost and net realizable value and properties under development at lower of cost and net realizable value. We consider this to be a reasonably surrogate for the underlying net asset value of the Shares and we have assumed that this information was generally available to the market from the date of publication of the financial statements. Using this analysis which is set out below, it can be seen that the Shares have consistently traded at a substantial discount to underlying net asset value since the period from April 2012 when the 2011 audited consolidated financial statements were published.

Period	NAV date	Published NAV (RMB'000)	NAV per share (HK\$)	Share price (HK\$)		Premium/ (Discount) to NAV (%)	
				Low	High	Low	High
12-04-2010 to 30-08-2010	31-12-2009	11,353,852	1.65	2.15	3.36	30%	103%
30-08-2010 to 23-03-2011	30-06-2010	11,525,182	1.70	1.93	3.26	14%	92%
23-03-2011 to 29-08-2011	31-12-2010	14,798,918	2.23	1.49	2.64	(33)%	18%
29-08-2011 to 30-03-2012	30-06-2011	15,750,309	2.43	1.00	1.80	(59)%	(26)%
30-03-2012 to 28-08-2012	31-12-2011	17,050,918	2.70	1.02	1.47	(62)%	(46)%
28-08-2012 to 05-02-2013	30-06-2012	17,226,421	2.70	1.04	1.81	(61)%	(33)%
05-02-2013 to 29-08-2013	31-12-2012	18,151,070	2.90	1.09	1.67	(62)%	(42)%
29-08-2013 to Last Trading Day	30-06-2013	18,379,132	2.95	1.11	1.24	(62)%	(58)%

Source: Bloomberg

Note: The RMB/HK\$ exchange rate as at the NAV date of each relevant period has been used in compiling the net asset value per Share in HK\$. The net asset value in HK\$ as at 30 June 2013 is based on the disclosure in the Announcement.

We have compared the discount to latest published net asset value of the Shares as implied by the Cancellation Price with the discounts prevailing as at the Last Trading Day of a number of comparable companies, capitalized at between HK\$6,000 million and HK\$14,000 million on the Last Trading Day and the Latest Practicable Date, that are engaged primarily in property development and investment in the PRC, as shown in the table below.

**Discount to net asset value of a number of listed companies with  
property assets located primarily in the PRC**

<b>Name of company</b>	<b>Premium/(Discount) to latest published net worth</b>
Mingfa Group International Co Ltd	11%
Fantasia Holdings Group Co Ltd	(23)%
Powerlong Real Estate Holdings Ltd	(68)%
Yuzhou Properties Co Ltd	(14)%
<b>The Company*</b>	<b>(39)%</b>

*Source: Bloomberg*

\* *Data relating to the discount to NAV of the Company is based on the Cancellation Price of HK\$1.80 per Scheme Share.*

Based on our selection criteria of Hong Kong listed companies engaged in the sale and development of properties in the PRC, and capitalised between HK\$6,000 million and HK\$14,000 million on the Last Trading Day and the Latest Practicable Date, the companies set out in the table above represent an exhaustive list of companies we consider as fair and representative for our comparison analysis.

*Net asset value as adjusted for valuation as at 30 September 2013 and related tax effects*

Set out in Appendix I of this document is a tabulation which shows the consolidated net asset value of the Group adjusted for the valuation of its property interest by Jones Lang LaSalle Corporate Appraisal and Advisory Limited as at 30 September 2013 and related tax effects is RMB18,886.4 million, equivalent to RMB2.42 (or HK\$3.03) per Scheme Share.

The Cancellation Price of HK\$1.80 per Share represents a discount of some (a) 39% to the unaudited consolidated net asset value attributable to Shareholders per Share of HK\$2.95 as at 30 June 2013; and (b) 40.1% to the consolidated net asset value of the Group adjusted for an independent valuation of its property interest as at 30 September 2013 and related tax effects described above. This is a significant discount given the quality land reserves of the Group and in the context of a privatisation proposal. In assessing whether this discount is fair and reasonable, we have particular regard to the following factors:

- the Company is a controlled company with 68.19% of its issued Shares held by the Offeror and persons acting in concert with it. Further, Scheme Shareholders do not have the ability to control the disposition of the underlying assets of the Company, so they cannot force the realisation of the Group's assets and the distribution of the proceeds to the Shareholders. Consequently, an offer which takes much greater account of the underlying asset value of the Group is not a realistic prospect. In these circumstances, in the absence of the Proposal, Scheme Shareholders can only look to the market to realise their investment in the Company and this as we have shown has valued the Shares consistently at a substantial discount to their underlying net asset value; and
- the Shares have traded for a large part of the period since April 2012 until the Last Trading Day on 18 October 2013 at a significant discount to the Group's published net asset value per Share. The value of the Shares as determined by the market represented the price at which investors were prepared to pay for it as a non-controlling interest and not a break up value of the Group's underlying net assets. Of the four Hong Kong listed companies that are engaged in property development and investment business in the PRC and are in our view broadly comparable to the Group, Mingfa Group International Co. Ltd., a thinly traded stock with an average daily trading volume of some 0.02% of its issued shares in the twelve months period prior to the Last Trading Day, traded at a 11% premium to its latest published net asset value. Powerlong Real Estate Holdings Limited traded at a discount of some 68% to its latest published net asset value. Excluding these two outliers, three of the remaining comparable companies traded at a discount in the range of between 14% and 23% of net asset value.

In our opinion, the discount to the latest published net asset value of the Shares as implied by the Consideration Price is of itself a factor which would indicate that the terms of the Proposal to be not fair and reasonable. However, we consider that this factor is outweighed by the two factors described above, and is on balance of itself a factor which would not cause us to recommend Scheme Shareholders to vote against the Scheme.

### The financial condition of the Group

As at 30 June 2013, the Group had a total land bank of 15.8 million square metres that are located in 12 cities within Shanghai, Yangtse River Delta, Pan Bohai Rim and Northeast China Regions. Of the 15.8 million square metres of land bank, the Group is required to apply to the relevant local government for land use rights in respect of 4.5 million square metres before the land can be used for development. As stated in the 2013 interim report, the Group had sufficient land bank to meet its development required for the next five years based on the current development progress.

As at 30 June 2013, the Group's total borrowings including bank borrowings, the US\$300 million senior notes with a coupon rate of 13.0% that will mature on 25 October 2015 and the two tranches totalling US\$400 million senior notes with a coupon rate of 13.25% that will mature on 4 March 2018, amounted to some RMB17,349.7 million, of which short term bank borrowings due within 12 months amounted to some HK\$8,136.8 million. These senior notes were given a lowered credit rating of Caa2 and CCC+ by Moody and Standard & Poor, respectively in September 2013.

On 25 October 2010, the Company issued 13.0% senior notes due 2015 with an aggregate nominal value of US\$300,000,000 (equivalent to RMB1,974,000,000) at par value (the "Senior Notes due 2015"). The interest is payable semi-annually in arrears. The net proceeds, after deducting the direct issue costs, amounted to approximately US\$292,805,673 (equivalent to RMB1,926,661,328). The Senior Notes due 2015 will mature on 25 October 2015. The Company, at its option, can redeem the Senior Notes due 2015 (i) in whole, or in part, on or after 25 October 2013 at the redemption price equal to 106.50% before 25 October 2014 and 103.25% thereafter of the principal amount plus accrued and unpaid interest and (ii) in whole but not in part, prior to 25 October 2013 at redemption price equal to 100% of the principal amount plus a premium and accrued and unpaid interest. The Senior Notes due 2015 are secured by the shares of the Group's subsidiaries which are incorporated outside the PRC. The Senior Notes due 2015 are listed on the Singapore Exchange Securities Trading Limited. According to the offering memorandum of the Senior Notes due 2015, the Group is subject to certain restrictions on sale of assets by the Group. As an example, the Group can only dispose of its property projects at a consideration at least equal to the fair market value of the projects concerned.

On 4 March 2013, the Company issued 13.25% senior notes due 2018 with an aggregate nominal value of US\$250,000,000 at par value. On 20 March 2013, the Company further issued 13.25% senior notes due 2018 with an aggregate nominal value of US\$150,000,000 at par value. These senior notes further issued are consolidated and form a single series with the senior notes issued on 4 March 2013 (collectively the "Senior Notes due 2018"). The interest is payable semi-annually in arrears. The net proceeds, after deducting the direct issuance costs, amounted to approximately US\$391,943,000. The Senior Notes due 2018 will mature on 4 March 2018. The Company, at its option, can redeem the Senior Notes due 2018 (i) in whole, or in part, on or after 4 March 2016 at the redemption price equal to 106.625% before 4 March 2017 and 103.313% thereafter of the principal amount plus accrued and unpaid interest and (ii) in whole but not in part, prior to 4 March 2016 at redemption price equal to 100% of the principal amount plus a premium and accrued and unpaid interest. The Senior Notes due 2018 are secured by the

shares of certain subsidiaries of the Company which are incorporated outside the PRC. The Senior Notes due 2018 are listed on the Hong Kong Stock Exchange and rank pari passu to the Senior Notes due 2015.

The Group's gearing ratio is high relative to some of its comparable companies as shown in the table below.

**Gearing of listed companies with property assets located  
primarily in the PRC**

<b>Name of company</b>	<b>Gearing ratio based on latest published net debts and total equity attributable to owners of the Company</b>
Mingfa Group International Co Ltd	64.7%
Fantasia Holdings Group Co Ltd	97.8%
Powerlong Real Estate Holdings Ltd	62.3%
Yuzhou Properties Co Ltd	59.7%
 The Company	 78.5%

*Source: Bloomberg*

The Group had restricted cash of RMB1,863.0 million, and cash and cash equivalents of RMB1,067.4 million as at 30 June 2013, totaling RMB2,930.4 million. Set against this, the committed capital expenditures as at 30 June 2013 amounted to about HK\$7,031 million. As at 30 June 2013, the Group had a net debt of RMB14,419.2 million. Its cash on hand of RMB2,930.4 million as described above was lower than short term borrowings of RMB8,136.8 million and trade and other payable of RMB5,338.9 million as at 30 June 2013. For the six months ended 30 June 2013, the Group recorded a net cash outflow used in operating activities of RMB964 million. In view of this and weak property presales for the six months ended 30 June 2013, the financial liquidity of the Group appears to be difficult.



*Debt profile and liquidity ratios of the Group*

	31 December			30 June	30 September
	2010	2011	2012	2013	2013
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
<b>Debt profile</b>					
Current borrowings	6,005,443	9,302,813	6,094,505	8,136,793	
Non-current borrowings	<u>7,780,952</u>	<u>5,583,223</u>	<u>9,689,677</u>	<u>9,212,880</u>	
Gross debt or borrowings	13,786,395	14,886,036	15,784,182	17,349,673	17,151,600
Net debt	7,951,095	11,719,683	12,483,993	14,419,179	(Note)
Net gearing (%)	53.7%	68.7%	68.8%	78.5%	
Total borrowing/Equity attributable to owners of the Company (%)	93.2%	87.3%	87.0%	94.4%	
Weighted average effective interest ratio for the Company's borrowings	11.9%	10.9%	12.3%	13.6%	
Interest cover (times)	3.00	1.84	0.75	0.11	
<b>Liquidity</b>					
Current ratio (times)	1.9	1.5	1.8	1.6	
Quick ratio (times)	0.7	0.5	0.5	0.5	

*Note:* This figure represents the borrowings of the Group as shown in the sub-section headed "Indebtedness" in Appendix I of this document.

## Reported Group's capital commitment as of the date indicated:

	31 December 2010	31 December 2011	31 December 2012	30 June 2013
	RMB'000	RMB'000	RMB'000	RMB'000
- Land use rights	2,901,524	1,360,990	279,068	237,471
- Property development expenditures	8,602,617	8,916,932	6,888,784	6,785,868
- Construction materials	<u>44,655</u>	<u>79,193</u>	<u>19,346</u>	<u>8,006</u>
	<u>11,548,796</u>	<u>10,357,115</u>	<u>7,187,198</u>	<u>7,031,345</u>

Reported significant contingent liabilities have been:

31 December 2010	31 December 2011	31 December 2012	30 June 2013
Nil	Nil	Nil	Nil

On the basis of the figures above, we consider the leverage of the Group to be high. It is noted that while the Group raised US\$400 million Senior Notes due 2018 in March 2013, short term bank borrowings as a percentage of total borrowings rose to 47% by end of June 2013 (31 December 2012: 39%). The Group also had the lowest interest cover ratio amongst its peers as shown in the “Comparable Companies Analysis” table below. As stated in the Group’s 2013 interim report, the Group intends to control its debt and maintain its gearing ratio at a reasonable scale.

### Comparable Companies Analysis

Set out in the table below is data on Hong Kong publicly traded companies, capitalized between HK\$6,000 million and HK\$14,000 million on the Last Trading Day and the Latest Practicable Date, that are principally engaged in the development and sale of properties in the PRC, and which we find to be comparable to the Company.

Company Name	Stock Code	Market cap (HK\$ million)	P/E (trailing 12m) (x)	P/Book (latest) (x)	Premium/ discount to NAV (%)	Sales (RMB million)	Net income (RMB million)	Net profit margin (%)	Dividend Yield (%)	ROE (%)	Interest cover (x)
Mingfa Group											
International Co Ltd	846	12,370	7.36	1.03	3.36	3,741	1,765	47.17	0.00	20.02	2.99
Fantasia Holdings Group Co Ltd	1777	6,411	5.46	0.79	(21.43)	6,230	1,139	18.29	4.35	20.16	4.04
Powerlong Real Estate Holdings Ltd	1238	6,679	3.91	0.32	(68.19)	5,872	2,194	37.36	6.19	10.74	1.60
Yuzhou Properties Co Ltd	1628	6,359	8.24	0.83	(17.29)	3,894	726	18.65	4.63	13.53	2.10
<b>Maximum</b>		<b>12,370</b>	<b>8.24</b>	<b>1.03</b>	<b>3.36</b>	<b>6,230</b>	<b>2,194</b>	<b>47.17</b>	<b>6.19</b>	<b>20.16</b>	<b>4.04</b>
<b>Minimum</b>		<b>6,359</b>	<b>3.91</b>	<b>0.32</b>	<b>(68.19)</b>	<b>3,741</b>	<b>726</b>	<b>18.29</b>	<b>0.00</b>	<b>10.74</b>	<b>1.60</b>
<b>Median</b>		<b>6,545</b>	<b>6.41</b>	<b>0.81</b>	<b>(19.36)</b>	<b>4,883</b>	<b>1,452</b>	<b>28.01</b>	<b>4.49</b>	<b>16.77</b>	<b>2.55</b>
<b>Average</b>		<b>7,955</b>	<b>6.24</b>	<b>0.74</b>	<b>(25.89)</b>	<b>4,934</b>	<b>1,456</b>	<b>30.37</b>	<b>3.79</b>	<b>16.11</b>	<b>2.68</b>
The Company*		12,780	12.20	0.60	(39.00)	8,385	1,082	12.90	0.00	6.40	0.75

\* Price earnings ratio, price to book ratio and discount to NAV relating to the Company are calculated based on the Cancellation Price of HK\$1.80 per Scheme Share.

Source: Bloomberg as at the Latest Practicable Date other than interest cover that is calculated based on earnings before interest, tax, depreciation and amortization and fair value gain on investment properties divided by total interest expense. All other data are based on closing prices on the Latest Practicable Date.

As can be seen from the table above, the Company's financial performance in terms of net profit margin, dividend yield and return on equity, fall behind listed PRC property developers capitalized between HK\$6,000 million and HK\$14,000 million on the Last Trading Day and the Latest Practicable Date, that we consider to be broadly comparable to the Company.

### **Dividend**

The Company paid a dividend of RMB0.03 per Share for the 2009 financial year shortly after its listing on 5 October 2009. The Company did not pay any dividend for the subsequent three financial years in 2010 to 2012. As the Company did not pay dividends in the past three financial years, we have not considered the dividend yield implied under the Scheme.

The Board understands that the Group is unlikely to pay dividends to the Shareholders in the near term taking into account the Group's current financial condition and performance, expected capital expenditures and funding requirements.

### **Future prospects of the Group**

The Group is facing challenges to improve its profitability while experiencing tight liquidity arising from weak property presales and significant short term borrowings and high borrowing costs and gearing. The Group expects that its business will continue to be affected by austerity measures on the property market in the near term. If the property market and property prices continue to grow significantly in the future, the central government in the PRC may tighten the austerity measures in certain major cities and further expand the scope of the property taxes pilot scheme, thereby affecting the operating environment of the Group. As stated in the Group's 2013 interim report, the Group believes that there are still many uncertainties in the external operating environment in the second half of 2013. The slow economic recovery in Europe, the United States of America and Japan is expected to bring pressure to the steady growth of the economy in the PRC. Further, the ability of the management to improve the Group future profitability depends on their ability to speed up sales of inventory and cash inflows, to accelerate the development pace to increase saleable resources, and lower and control its debt and gearing ratio. As the Group principally funds its operations from property pre-sale proceeds and bank borrowings, the Group expects that the currently high gearing ratio and weak pre-sales may hinder future growth of the Group.

### **Future Intentions of the Offeror regarding the Company**

Upon the Scheme becoming effective, the Company will apply to the Stock Exchange for the withdrawal of the listing of the Shares on the Stock Exchange immediately following the effective date of the Scheme, which is currently scheduled to be on 19 February 2014. The Company will notify the Scheme Shareholders by way of a press announcement of the exact dates on which the Scheme and the withdrawal of the listing of the Shares will become effective.

If the Scheme is not approved or lapses, the listing of the Shares on the Stock Exchange will not be withdrawn.

Upon the successful implementation of the Proposal, the Offeror intends to operate the business of the Group in its current state. The Offeror does not have any intention to (a) make any changes to the existing business of the Group; or (b) make any changes to the continued employment of the employees of the Group, as a result of the Proposal. The Offeror will be solely responsible for the funding, or procuring the requisite funding, for the Group's business in the future.

### Liquidity of the Shares

The average daily volume of trading in the Shares over the periods prior to the Last Trading Day on 18 October 2013 is set out below:

Over past twelve months	8,936,214 Shares (or 0.11% of the issued share capital of the Company and 0.36% of the Shares held in public hands) per day with an average value of HK\$1.28 per Share
Over past six months	5,784,875 Shares (or 0.07% of the issued share capital of the Company and 0.23% of the Shares held in public hands) per day with an average value of HK\$1.19 per Share
Over past three months	5,950,670 Shares (or 0.08% of the issued share capital of the Company and 0.24% of the Shares held in public hands) per day with an average value of HK\$1.16 per Share
Over last ten trading days	5,948,501 Shares (or 0.08% of the issued share capital of the Company and 0.24% of the Shares held in public hands) per day with an average value of HK\$1.17 per Share
On the Last Trading Day	16,104,000 Shares (or 0.21% of the issued share capital of the Company and 0.65% of the Shares held in public hands) with a value of HK\$1.24 per Share

Although there have been periods when traded volumes in the Shares has been high, as can be seen in the share price and volume chart in the section headed "Price of the Shares" of this letter, daily traded volumes have declined to an average of some 5,784,875 Shares with an average value of about HK\$1.19 million during the past six months prior to the Last Trading Day. Generally lack of liquidity is a factor which lowers the value of a listed investment. The Proposal will enable Scheme Shareholders to reinvest the consideration received under the Scheme in more marketable securities within a short period of time (of about two months from the date of the Scheme Document to the expected date when payment under the Proposal will be made) and which would not be readily available otherwise.

## Other Privatisations

We have compared the Cancellation Price with other successful privatisations in Hong Kong since 1 January 2011, in terms of the premium or discount of the cash consideration offered in other privatisations in Hong Kong to the prevailing trading price and net asset values of the shares in the companies being privatised.

### Comparable Transactions Analysis

#### Successful privatisations of Hong Kong listed companies since 2011

Target Company	Announcement Date	Market capitalisation based on closing price of last trading day (HK\$ million)	Offer price (HK\$)	Premium/(discount) of the offer price to average closing price before and including the last trading day before the initial announcement					Premium / (discount) to NAV
				Closing price of last trading day	Last 30 trading days	Last 60 trading days	Last 90 trading days	Premium / (discount)	
Fubon Bank (Hong Kong) Ltd.	19/01/2011	4,431	5.20	37.6%	43.2%	41.0%	39.3%	46.20%	
Shanghai Forte Land Co., Ltd. (Note)	20/01/2011	7,057	3.50	25.4%	34.3%	40.0%	43.0%	7.50%	
Little Sheep Group Ltd.	13/05/2011	5,162	6.50	30.0%	29.6%	33.0%	32.3%	380.00%	
International Mining Machinery Holdings Ltd.	14/07/2011	8,516	8.50	29.8%	15.8%	10.5%	16.3%	269.60%	
China Resources Microelectronics Ltd.	18/07/2011	2,945	0.48	43.3%	29.7%	24.4%	21.9%	13.20%	
HannStar Board International Holdings Ltd.	08/08/2011	1,119	1.25	47.1%	51.8%	56.8%	48.0%	(43.90)%	
Zhengzhou China Resource Gas Co. Ltd.	19/10/2011	1,264	15.13	49.8%	42.2%	31.7%	26.1%	86.47%	
ERA Mining Machinery Ltd.	10/11/2011	3,751	0.88	33.3%	58.4%	83.0%	83.7%	284.30%	
Hang Ten Group Holdings Ltd.	19/12/2011	1,670	2.70	58.8%	54.3%	64.9%	60.4%	178.40%	
Cosway Corporation Ltd.	20/12/2011	3,866	1.10	34.1%	45.1%	35.6%	32.9%	348.98%	
Alibaba.com Ltd.	21/02/2012	46,269	13.50	45.9%	58.8%	60.4%	59.3%	638.85%	
Samling Global Ltd.	23/03/2012	3,092	0.76	5.6%	43.2%	67.4%	70.1%	(30.00)%	
Trauson Holdings Co. Ltd.	17/01/2013	3,484	7.50	66.7%	81.7%	83.8%	96.4%	352.40%	
PCD Stores (Group) Ltd.	31/01/2013	4,589	1.20	10.1%	20.7%	30.0%	45.5%	69.01%	
			<b>Maximum</b>	<b>66.7%</b>	<b>81.7%</b>	<b>83.8%</b>	<b>96.4%</b>	<b>638.85%</b>	
			<b>Minimum</b>	<b>5.6%</b>	<b>15.8%</b>	<b>10.5%</b>	<b>16.3%</b>	<b>(43.90)%</b>	
			<b>Median</b>	<b>35.9%</b>	<b>43.2%</b>	<b>40.5%</b>	<b>44.2%</b>	<b>132.44%</b>	
			<b>Average</b>	<b>37.0%</b>	<b>43.5%</b>	<b>47.3%</b>	<b>48.2%</b>	<b>185.79%</b>	
<b>The Company</b>	21/11/2013	9,663	1.80	45.2%	56.5%	55.2%	53.8%	(43.60)%	

Note: Shanghai Forte Land Co., Ltd. is principally engaged in the development and sale of high quality commercial and residential properties in the PRC.

Source: Bloomberg and website of the Stock Exchange – [www.hkexnews.hk](http://www.hkexnews.hk)

The analysis above shows that the premium to trading prices of the Shares implied under the Scheme is in line with the average premium to trading prices in other successful privatisation proposals that carry an average premium to closing price (for the last 30, 60 and 90 trading days before the privatization proposal is announced) of between 43.5% and 48.2%. Scheme Shareholders should note that different stock market conditions and businesses of the companies involved in other privatisation proposals referred to above may lead to different premium of offer or cancellation consideration when compared to the current Proposal.

### **THE OPTION OFFER**

Upon the despatch of this Scheme Document, the Offeror extends pursuant to Rule 13 of the Takeovers Code, the Option Offer to the Optionholders to cancel their outstanding Share Options. The Option Offer is conditional on the Scheme becoming effective. Consideration payable under the Option Offer is calculated on a “see-through” basis, pursuant to which each Optionholder is entitled to receive a sum for each Share Option equivalent to the amount calculated by deducting the exercise price per Share payable on exercise of the relevant Share Option of HK\$1.76 from the Cancellation Price of HK\$1.80 per Scheme Share. The sum payable to the Optionholders for the Share Option calculated on the aforesaid basis is HK\$0.04 for each Share Option.

We consider that the cash consideration of HK\$0.04 per Share Option offered under the Option Offer is fair and reasonable.

### **CONSEQUENCES OF A FAILURE TO IMPLEMENT THE PROPOSAL**

Based on our discussions with management of the Group, it is noted that the prospects for a speedy recovery of the Group’s profitability in the near term and the outlook of the property sector in the PRC carries considerable uncertainty pending the PRC austerity measures to curb the overheated property market in the PRC and the Group’s ability to accelerate the property project development pace to increase saleable resources and sales, and to control its debt level and gearing. In addition, in view of the level of controlling interests currently held by the Offeror and persons acting in concert with it, we consider that were the Proposal to be rejected by the Scheme Shareholders, the price of the Shares would decline to a level materially below the level prevailing immediately before the Announcement Date. In assessing whether to support the Proposal, Scheme Shareholders should consider carefully the likely short term consequences on the value of their investment in the Company that would result were the Proposal not to be implemented.

### **OPINION AND RECOMMENDATION**

Based on the above principal factors and reasons as summarised below, we consider the terms of the Proposal to be on balance fair and reasonable as far as the Scheme Shareholders are concerned.

- the Cancellation Price carries a reasonable premium to the market price of the Shares prevailing for about eight months prior to the Last Trading Day and since then until the Latest Practicable Date;

- in considering the discount to the latest published net asset value of the Shares as implied by the Consideration Price that we consider to be significant given the quality land bank of the Group and in the context of a privatisation proposal, we have had regard to the fact that (a) the Company is a controlled company with 68.19% of its issued Shares held by the Offeror and persons acting in concert with it where the Scheme Shareholders do not have the ability to control the disposition of the underlying assets of the Company. In the absence of the Proposal, they can only look to the market to realise their investment in the Company and the market has consistently valued the Shares at a substantial discount to the Group's published net asset value per Share. This trading at a discount to published net asset value is not uncommon to Hong Kong listed PRC property developers like the Company; and (b) the market price of the Shares represented the price at which investors were prepared to pay for it as a non-controlling interest and not a break up value of the Group's underlying net assets;
- as mentioned above, the Company had since its listing been controlled by the Offeror and its concert parties that controlled in aggregate 68.19% of the issued Shares on the Last Trading Day and on the Latest Practicable Date. Given this shareholding structure of the Company, no competing offer for the Company is reasonably likely to be made. Further any proposal from a third party to acquire the Company would require the agreement of the controlling shareholder to be successful. The Scheme therefore provides the Scheme Shareholders with an opportunity to readily realize their investments in the Shares at a premium to the market price of the Shares prevailing for about eight months prior to the Last Trading Day, and which may not be available otherwise;
- the future prospects of the Group carries considerable uncertainty subject to the Group's ability to improve its profitability and liquidity position by accelerating project development process and controlling its debt to a reasonable level;
- the payment of the Cancellation Price in cash under the Scheme gives the Scheme Shareholders flexibility to redeploy capital invested in the Company into other investments that they consider more attractive;
- Scheme Shareholders have limited windows of opportunity to dispose of their Shares in size on the Stock Exchange and may suffer illiquidity discounts given the historical low trading volume of the Shares. The Proposal allows the Scheme Shareholders to divest all or part of their Shares within a short period of time (of about two months from the date of the Scheme Document to the expected date when payment under the Proposal will be made) and which would not be readily available otherwise;

- the Cancellation Price is not out of line with the average premiums to prevailing market prices in other privatizations made in Hong Kong in recent year; and
- given the past performance of the Shares in the three year period prior to the Last Trading Day that shows there has been a lack of significant retail and, or institutional investors' interest in the Company. It is considered that the Company will unlikely be able to take advantage of its listing status to raise funds from the capital markets in terms acceptable to the Group in the foreseeable future or enjoy other benefits that outweigh the costs associated with maintaining the listing.

Although we consider the terms of the Proposal to be fair and reasonable, Scheme Shareholders who wish to sell all or some of their Shares should consider selling in the market if such Scheme Shareholders believe that the Share price may fall back to the levels seen prior to the Last Trading Day, following any lapse of the Scheme when the conditions of the Scheme have not been satisfied or applicably waived.

Accordingly, we advise the Independent Board Committee to recommend that Scheme Shareholders and the Shareholders vote in favour of the relevant resolution(s) which will be proposed at the Court Meeting and the EGM respectively to approve and implement the Scheme.

We also consider the terms of the Option Offer to be fair and reasonable so far as the Optionholders are concerned and advise the Independent Board Committee to recommend the Optionholders to accept the Option Offer.

Yours faithfully,  
For and on behalf of  
**Anglo Chinese Corporate Finance, Limited**

**Stephanie Wong**  
*Director*



*This Explanatory Statement constitutes the statement required under Order 102, rule 20(4)(e) of the Rules of the Grand Court of the Cayman Islands 1995 (revised).*

## SCHEME OF ARRANGEMENT TO CANCEL ALL THE SCHEME SHARES

### 1. INTRODUCTION

As disclosed in the Announcement, on 18 November 2013, the Offeror requested the Board to put forward a proposal to the Scheme Shareholders regarding (a) the proposed privatization of the Company by way of a scheme of arrangement under Section 86 of the Cayman Islands Companies Law involving the cancellation of all the Scheme Shares in consideration of the payment by the Offeror of HK\$1.80 in cash for each Scheme Share, and the allotment and issue of new Shares to the Offeror, as a result of which it is intended that the Company will be wholly-owned by the Offeror and persons acting in concert with it; and (b) the Option Offer to the Optionholders to cancel all outstanding Share Options which is conditional on the Scheme becoming effective.

The purpose of this Explanatory Statement is to set out the terms and effects of the Proposal and to give the Scheme Shareholders and the Optionholders other relevant information in relation to the Proposal, in particular, to provide the intentions of the Offeror with regard to the Company and the shareholding structure of the Company before and after the Scheme.

Particular attention of the Scheme Shareholders and the Optionholders is drawn to (a) a letter from the Board set out in Part IV of this Scheme Document; (b) a letter of recommendation from the Independent Board Committee set out in Part V of this Scheme Document; (c) a letter of advice from the Independent Financial Adviser set out in Part VI of this Scheme Document; (d) the Scheme set out in Appendix IV to this Scheme Document; and (e) the Option Offer Letters being sent to all Optionholders together with this Scheme Document, a sample of which is set out in Appendix VII to this Scheme Document.

### 2. TERMS OF THE PROPOSAL

The Proposal will be implemented by way of the Scheme and the Option Offer.

#### **The Scheme**

As at the Latest Practicable Date, there are 7,792,645,623 Shares in issue and the Scheme Shareholders are interested in 2,478,429,187 Shares, representing approximately 31.81% of the issued share capital of the Company.

Subject to the Scheme becoming effective, all the Scheme Shares will be cancelled in consideration of the payment by the Offeror to each Scheme Shareholder of the Cancellation Price of HK\$1.80 in cash for each Scheme Share. The Cancellation Price will not be increased, and the Offeror does not reserve the right to do so.

### The Option Offer

As at the Latest Practicable Date, there were 74,000,000 outstanding Share Options of which Mr. Zhang held 15,000,000 Share Options. An aggregate of 59,000,000 Shares may fall to be issued if all other outstanding Share Options are exercised by the Optionholders in full.

The Option Offer to the Optionholders to cancel their outstanding Share Options will be conditional on the Scheme becoming effective. The Option Offer will be calculated on a “see-through” basis, pursuant to which each Optionholder will be entitled to receive a sum for each Share Option equivalent to the amount calculated by deducting the exercise price per Share payable on exercise of the relevant Share Option from the Cancellation Price of HK\$1.80 per Scheme Share under the Scheme. The exercise price of all Share Options is HK\$1.76 per Share. The sum payable to the Optionholders for the Share Option calculated on the aforesaid basis is HK\$0.04 for each Share Option.

In the event that any Share Option is exercised at any time up to the Latest Option Exercise Date and new Shares are issued pursuant to such exercise, such Shares will constitute Scheme Shares and their holders will be eligible to receive the Cancellation Price under the Scheme.

As at the Latest Practicable Date, Mr. Zhang held 15,000,000 outstanding Share Options pursuant to which an aggregate of 15,000,000 Shares may fall to be issued if all such Share Options are exercised in full. Save as disclosed above, none of the Offeror and persons acting in concert with it held any Share Option as at the Latest Practicable Date.

The Option Offer Letter and the Form of Acceptance in relation to the Option Offer are being sent to all Optionholders together with this Scheme Document pursuant to the terms and conditions of the Share Option Scheme, informing them that if they wish to participate in the Scheme, they may exercise their Share Options at any time up to the expiry of the period commencing on the date of the Option Offer Letter and ending on the Latest Option Exercise Date by giving notice of exercise to the company secretary of the Company at Suites 2501–2504, 25th Floor, Two Exchange Square, 8 Connaught Place, Central, Hong Kong, and together with payment for the aggregate amount of the exercise price of such Share Options.

In order to accept the Option Offer, you must complete and return the duly completed and executed Form of Acceptance so as to reach the Offeror, care of the Company at Suites 2501–2504, 25th Floor, Two Exchange Square, 8 Connaught Place, Central, Hong Kong, for the attention of the board of the Offeror and marked “Glorious Property – Option Offer” by no later than 4:30 p.m. on Wednesday, 5 March 2014 (or such later time and/or date as may be notified to you by way of announcement(s)). No acknowledgement of receipt of any Form of Acceptance or any other document will be given. A sample of the Option Offer Letter is set out in Appendix VII to this Scheme Document.

Any Share Options granted under the Share Option Scheme that are not exercised or cancelled pursuant to the acceptance of the Option Offer will lapse automatically within fourteen (14) days after the Effective Date.

**Dividends**

Shareholders whose names appear on the register of members of the Company as at the record date for entitlement to dividend (if any) declared by the Company on or before the Effective Date will be entitled to receive such dividend (if any). The Company does not expect to declare any dividend on or before the Effective Date.

**Conditions of the Proposal**

The Proposal is, and the Scheme will become effective and binding on the Company and all Shareholders, subject to the fulfillment or waiver (as applicable) of the following Conditions:

- (a) the approval of the Scheme (by way of poll) by a majority in number of the Scheme Shareholders representing not less than 75% in value of the Scheme Shares held by the Scheme Shareholders present and voting either in person or by proxy at the Court Meeting;
- (b) the approval of the Scheme (by way of poll) by the Scheme Shareholders holding at least 75% of the votes attaching to the Scheme Shares held by the Scheme Shareholders that are voted either in person or by proxy at the Court Meeting and the number of votes cast (by way of poll) by the Scheme Shareholders present and voting either in person or by proxy at the Court Meeting against the resolution to approve the Scheme at the Court Meeting is not more than 10% of the votes attaching to all Scheme Shares held by the Scheme Shareholders;
- (c) (i) the passing of a special resolution by a majority of not less than three-fourths of the votes cast by the Shareholders present and voting in person or by proxy at an extraordinary general meeting of the Company to approve and give effect to the reduction of the share capital of the Company by cancelling and extinguishing the Scheme Shares, and (ii) the passing of an ordinary resolution by the Shareholders at an extraordinary general meeting of the Company to immediately thereafter increase the issued share capital of the Company to the amount prior to the cancellation of the Scheme Shares and apply the reserve created as a result of the aforesaid cancellation of the Scheme Shares to pay up in full at par such number of new Shares as is equal to the number of Scheme Shares cancelled as a result of the Scheme, credited as fully paid, for issuance to the Offeror;
- (d) the Cayman Islands Grand Court's sanction of the Scheme (with or without modifications) and, to the extent necessary, its confirmation of the reduction of the share capital of the Company, and the delivery to the Registrar of Companies in the Cayman Islands of a copy of the order of the Cayman Islands Grand Court for registration;

- (e) compliance, to the extent necessary, with the procedural requirements and conditions, if any, under Sections 15 and 16 of the Cayman Islands Companies Law in relation to the reduction of the issued share capital of the Company;
- (f) all Authorizations in connection with the Proposal having been obtained or made from, with or by (as the case may be) the Relevant Authorities in the Cayman Islands, Hong Kong and any other relevant jurisdictions;
- (g) all Authorizations remaining in full force and effect without variation, and all necessary statutory or regulatory obligations in all relevant jurisdictions having been complied with and no requirement having been imposed by any Relevant Authorities which is not expressly provided for, or is in addition to requirements expressly provided for, in relevant laws, rules, regulations or codes in connection with the Proposal or any related matters, documents (including circulars) or things, in each case up to and at the time when the Scheme becomes effective;
- (h) all necessary consents which may be required under any existing contractual obligations of the Company being obtained;
- (i) if required, the obtaining by the Offeror of such other necessary consent, approval, authorization, permission, waiver or exemption which may be required from any Relevant Authorities or other third parties which are necessary or desirable for the performance of the Scheme under the applicable laws and regulations;
- (j) no government, governmental, quasi-governmental, statutory or regulatory body, court or agency in any jurisdiction having taken or instituted any action, proceeding, suit, investigation or enquiry (or enacted, made or proposed, and there not continuing to be outstanding, any statute, regulation, demand or order) that would make the Proposal or the Scheme or its implementation in accordance with its terms void, unenforceable, illegal or impracticable (or which would impose any material and adverse conditions or obligations with respect to the Proposal or the Scheme or its implementation in accordance with its terms), other than such actions, proceedings, suits, investigations or enquiries as would not have a material adverse effect on the legal ability of the Offeror to proceed with the Proposal or the Scheme;
- (k) save as publicly announced prior to the Announcement Date, since 30 June 2013, there having been no adverse change in the business, assets, financial or trading positions, profits or prospects of any member of the Group (to an extent which is material in the context of the Group taken as a whole or in the context of the Proposal); and

- (l) since the Announcement Date, there not having been instituted or remaining outstanding any litigation, arbitration proceedings, prosecution or other legal proceedings to which any member of the Group is a party (whether as plaintiff, defendant or otherwise) and no such proceedings having been threatened in writing against any such member (and no investigation by any government or quasi-governmental, supranational, regulatory or investigative body or court against or in respect of any such member or the business carried on by any such member having been threatened in writing, announced, instituted or remaining outstanding by, against or in respect of any such member), in each case which is material and adverse in the context of the Group taken as a whole or in the context of the Proposal.

The Offeror reserves the right to waive Conditions (f), (g), (h), (i), (j), (k) and (l) either in whole or in part, either generally or in respect of any particular matter. Conditions (a), (b), (c), (d) and (e) cannot be waived in any event. Pursuant to Note 2 to Rule 30.1 of the Takeovers Code, the Offeror may only invoke any or all of the Conditions as a basis for not proceeding with the Scheme if the circumstances which give rise to a right to invoke any such Condition are of material significance to the Offeror in the context of the Proposal. All of the Conditions will have to be fulfilled or waived (as applicable) on or before the Conditions Long Stop Date (or such later date as the Offeror and the Company may agree or, to the extent applicable, as the Cayman Islands Grand Court may direct), failing which the Proposal and the Scheme will lapse. The Company has no right to waive any of the Conditions.

When the Conditions are satisfied or waived (as applicable), the Scheme will become effective and binding on the Company and all the Scheme Shareholders. Assuming that the Conditions are satisfied or validly waived (as applicable), it is expected that the Scheme will become effective on or around Wednesday, 19 February 2014 (Cayman Islands time).

### **3. THE SCHEME AND THE COURT MEETING**

Pursuant to Section 86 of the Cayman Islands Companies Law, where an arrangement is proposed between a company and its members or any class of them, the Cayman Islands Grand Court may, on the application of the company or any member of the company, order a meeting of the members of the company or class of members, as the case may be, to be summoned in such manner as the Cayman Islands Grand Court directs.

It is expressly provided in Section 86 of the Cayman Islands Companies Law that if a majority in number representing 75% in value of the members or class of members, as the case may be, present and voting either in person or by proxy at the meeting held as directed by the Cayman Islands Grand Court as aforesaid, agree to any arrangement, the arrangement shall, if sanctioned by the Cayman Islands Grand Court, be binding on all members or class of members, as the case may be, and also on the company.

**4. ADDITIONAL REQUIREMENTS AS IMPOSED BY RULE 2.10 OF THE TAKEOVERS CODE**

In addition to satisfying any requirements imposed by law as summarized above, other than with the consent of the Executive to dispense with compliance or strict compliance therewith, Rule 2.10 of the Takeovers Code requires that the Scheme may only be implemented if:

- (a) the Scheme is approved by Scheme Shareholders holding at least 75% of the votes attaching to the Scheme Shares held by Scheme Shareholders that are voted either in person or by proxy at the Court Meeting; and
- (b) the number of votes cast by Scheme Shareholders present and voting either in person or by way of proxy at the Court Meeting against the resolution to approve the Scheme at the Court Meeting is not more than 10% of the votes attaching to all Scheme Shares held by all the Scheme Shareholders.

As at the Latest Practicable Date, the Scheme Shareholders held in aggregate 2,478,429,187 Shares and 10% of the votes attached to all disinterested Shares referred to in paragraph (b) above was approximately 247,842,918 Shares. The Offeror and persons acting in concert with it will not vote on the Scheme at the Court Meeting.

**5. BINDING EFFECT OF THE SCHEME**

Upon the Scheme becoming effective it will be binding on the Company and all Scheme Shareholders, regardless of how they voted (or whether they voted) at the Court Meeting and the EGM.

**6. IRREVOCABLE UNDERTAKINGS TO ACCEPT THE PROPOSAL**

As at the Latest Practicable Date, save for the irrevocable and unconditional undertaking given by China Life Insurance (Overseas) Co. Ltd. to the Offeror that it will attend and vote in favour of the resolution to approve the Scheme at the Court Meeting, and attend and vote in favour of the special resolution and the ordinary resolution at the EGM in respect of its 699,531,000 Shares (representing approximately 8.97% of the issued share capital of the Company as at the Latest Practicable Date), none of the Offeror and persons acting in concert with it had received any irrevocable commitment from any Shareholders in respect of voting at the Court Meeting and/or the EGM.

**7. SHAREHOLDING STRUCTURE OF THE COMPANY**

As at the Latest Practicable Date, (i) there were 7,792,645,623 Shares in issue and the Scheme Shareholders are interested in 2,478,429,187 Shares, representing approximately 31.81% of the issued share capital of the Company; and (ii) there were 74,000,000 outstanding Share Options of which Mr. Zhang held 15,000,000 Share Options. An aggregate of 59,000,000 new Shares may fall to be issued if all other outstanding Share Options are exercised by the Optionholders in full.

As at the Latest Practicable Date, (a) the Offeror held 4,978,923,436 Shares representing approximately 63.89% of the issued share capital of the Company; (b) Market Victor Limited held 81,936,000 Shares representing approximately 1.05% of the issued share capital of the Company; (c) Novel Ventures Limited held 106,288,000 Shares representing approximately 1.36% of the issued share capital of the Company; (d) Island Century Limited held 119,313,000 Shares representing approximately 1.53% of the issued share capital of the Company; (e) Well Advantage Limited held 27,756,000 Shares representing approximately 0.36% of the issued share capital of the Company; and (f) Mr. Zhang held 15,000,000 outstanding Share Options, pursuant to which an aggregate of 15,000,000 Shares may fall to be issued if all such Share Options are exercised in full. Save as disclosed above, the Offeror and persons acting in concert with it did not have any interest in, nor did they have any control or direction over, the issued share capital, voting rights or other securities of the Company as at the Latest Practicable Date. The Shares held by the Offeror and persons acting in concert with it will not form part of the Scheme Shares and the Offeror and persons acting in concert with it will not vote on the Scheme at the Court Meeting. All Scheme Shareholders are entitled to vote at the Court Meeting and all Shareholders are entitled to vote at the EGM.

Save for the Share Options, there were no outstanding options, warrants, derivatives or other securities issued by the Company that carry a right to subscribe for or which were convertible into Shares, and there were no outstanding derivatives in respect of the Shares that have been entered into by the Offeror or persons acting in concert with it as at the Latest Practicable Date.

On the assumption that no Share Options will be exercised and there is no other change in shareholding, the table below sets out the shareholding structure of the Company as at the Latest Practicable Date and immediately following completion of the Proposal:

	As at the Latest Practicable Date		Immediately following completion of the Proposal	
	Number of Shares owned	Approximate % of the total issued share capital	Number of Shares owned (Note 2)	Approximate % of the total issued share capital
Offeror (Note 1)	4,978,923,436	63.89	7,457,352,623	95.70
Persons acting in concert with the Offeror with Shares held not subject to the Scheme:				
(a) Market Victor Limited (Note 1)	81,936,000	1.05	81,936,000	1.05
(b) Novel Ventures Limited (Note 1)	106,288,000	1.36	106,288,000	1.36
(c) Island Century Limited (Note 1)	119,313,000	1.53	119,313,000	1.53
(d) Well Advantage Limited (Note 1)	27,756,000	0.36	27,756,000	0.36
<b>Sub-total</b>	<b>5,314,216,436</b>	<b>68.19</b>	<b>7,792,645,623</b>	<b>100</b>
Scheme Shareholders	2,478,429,187	31.81	–	–
<b>Total</b>	<b>7,792,645,623</b>	<b>100</b>	<b>7,792,645,623</b>	<b>100</b>

Notes:

- (1) The Offeror, Market Victor Limited, Novel Ventures Limited, Island Century Limited and Well Advantage Limited are wholly-owned directly or indirectly by Mr. Zhang.
- (2) Under the Scheme, the issued share capital of the Company will, on the Effective Date, be reduced by cancelling and extinguishing the Scheme Shares. Forthwith upon such reduction, the same number of Shares will be issued to the Offeror under the Scheme.

Following the Effective Date and the withdrawal of listing of the Shares on the Stock Exchange, the Company will be wholly-owned by the Offeror and persons acting in concert with it.



## 8. TOTAL CONSIDERATION AND FINANCIAL RESOURCES

The amount of cash required for the Proposal is approximately HK\$4,567.37 million (assuming all Optionholders exercise their outstanding Share Options to become Scheme Shareholders before the Latest Option Exercise Date) or approximately HK\$4,463.53 million (assuming none of the Optionholders exercise their outstanding Share Options to become Scheme Shareholders before the Latest Option Exercise Date).

The Offeror intends to finance the cash required for the Proposal from an external loan facility provided by China Minsheng Banking Corporation Ltd., Hong Kong Branch. Under the terms of the loan documentation, all the Shares to be held by the Offeror after the Scheme has become effective will be pledged in favour of China Minsheng Banking Corporation Ltd., Hong Kong Branch as facility agent as security for the obligations of the Offeror under the loan facility. Kim Eng, being the financial adviser to the Offeror, is satisfied that sufficient financial resources are available to the Offeror to satisfy its payment obligations to the Scheme Shareholders and the Optionholders under the Proposal.

## 9. COMPARISON OF VALUE OF THE CANCELLATION FEE

The Cancellation Price of HK\$1.80 per Scheme Share represents:

- a premium of approximately 45.2% over the closing price of HK\$1.24 per Share as quoted on the Stock Exchange on the Last Trading Day;
- a premium of approximately 52.5% over the average closing price of approximately HK\$1.18 per Share based on the daily closing prices as quoted on the Stock Exchange for the 5 trading days up to and including the Last Trading Day;
- a premium of approximately 53.8% over the average closing price of approximately HK\$1.17 per Share based on the daily closing prices as quoted on the Stock Exchange for the 10 trading days up to and including the Last Trading Day;
- a premium of approximately 56.5% over the average closing price of approximately HK\$1.15 per Share based on the daily closing prices as quoted on the Stock Exchange for the 30 trading days up to and including the Last Trading Day;
- a premium of approximately 55.2% over the average closing price of approximately HK\$1.16 per Share based on the daily closing prices as quoted on the Stock Exchange for the 60 trading days up to and including the Last Trading Day;

- a premium of approximately 9.8% over the closing price of HK\$1.64 per Share as quoted on the Stock Exchange on the Latest Practicable Date; and
- a discount of approximately 39.0% to the unaudited consolidated net asset value attributable to Shareholders per Share of approximately HK\$2.95 as at 30 June 2013.

The Cancellation Price has been determined on a commercial basis after taking into account the prices of the Shares traded on the Stock Exchange, the trading multiples of comparable trading companies and with reference to other privatization transactions in Hong Kong in recent years.

## 10. REASONS AND BENEFIT OF THE PROPOSAL

### **Adverse impact of a depressed Share price**

The Shares were traded at a discount to their net asset value on the Last Trading Day. The closing price of the Shares on the Last Trading Day of HK\$1.24 per Share represented a discount of approximately 58.0% to the unaudited consolidated net asset value attributable to the Shareholders per Share of approximately HK\$2.95 as at 30 June 2013. However, the Cancellation Price represents a discount of approximately 39.0% to such net asset value per Share as at 30 June 2013.

The Offeror considers that the depressed price of the Shares has had an adverse impact on the Company's reputation with customers, and therefore on its business, and also on employee morale. The implementation of the Proposal would eliminate this adverse impact.

### **Cash exit opportunity**

The Proposal represents a cash exit opportunity for the Scheme Shareholders and the Optionholders to realise their entire investment (without incurring any brokerage and other trading costs) at a substantial premium over the market price of the Shares prior to the Last Trading Day and a premium of 9.8% to the closing price of the Shares on the Latest Practicable Date. The Cancellation Price of HK\$1.80 represents a premium of approximately 52.5%, 53.8%, 56.5% and 55.2% over each of the 5-day, 10-day, 30-day and 60-day average closing prices of the Shares, respectively, up to and including the Last Trading Day. The Cancellation Price also represents a premium of approximately 2.3% over the exercise price per Share of HK\$1.76 in respect of the Share Options.

The Shares have suffered from low trading liquidity for a significant period of time. The average daily trading volume of the Shares for the past 12 months up to and including the Last Trading Day was approximately 8.8 million Shares per day, representing only approximately 0.11% and 0.36% of the issued Shares and Shares held by the Scheme Shareholders as at the Last Trading Day, respectively. The low

trading liquidity of the Shares may make it difficult for Shareholders to execute substantial on-market disposals without adversely affecting the price of the Shares.

The Proposal provides the Scheme Shareholders with an attractive cash exit opportunity to realize their investment in the Company in cash (without incurring any brokerage and other trading costs) at a significant premium over the market price of the Shares prior to the Last Trading Day and a premium of 9.8% over the closing price of the Shares on the Latest Practicable Date without having to suffer any illiquidity discount.

The Proposal, if successful, will eliminate the costs of compliance with the Listing Rules and other relevant regulations and other costs relating to maintaining a listing status in Hong Kong, thereby allowing the Company to focus its resources on its business operations.

#### **11. INFORMATION ON THE OFFEROR**

The Offeror is a company incorporated in the British Virgin Islands with limited liability and the controlling Shareholder of the Company. The Offeror is an investment company directly, wholly and beneficially owned by Mr. Zhang.

#### **12. INFORMATION ON THE COMPANY**

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

#### **13. THE OFFEROR'S INTENTION REGARDING THE GROUP**

Following the implementation of the Proposal, the Offeror intends that the Group will continue to operate its business in its current state. The Offeror does not have any intention to (i) make any changes to the existing business of the Group (including any material redeployment of its fixed assets); or (ii) make any changes to the continued employment of the employees of the Group, as a result of the Proposal. However, the Offeror reserves the right to make any changes that it deems necessary or appropriate to the Group's business and operations, to explore opportunities arising from time to time for acquisitions, disposals and other structuring possibilities, and that the Company will continue to explore such opportunities as they arise from time to time, subject to compliance with any relevant rules and regulations.

#### **14. SHARE CERTIFICATES, DEALINGS AND WITHDRAWAL OF LISTING OF THE SHARES**

Upon the Scheme becoming effective, all Scheme Shares will be cancelled and the share certificates for the Scheme Shares will thereafter cease to have effect as documents or evidence of title. The Board will apply to the Stock Exchange for the withdrawal of the

listing of the Shares on the Stock Exchange immediately following the Scheme becoming effective. The Scheme Shareholders will be notified by way of an announcement of the exact dates of the last day of dealing in the Shares and on which the Scheme and the withdrawal of the listing of the Shares will become effective. The listing of the debt securities (stock code: 5907) on the Stock Exchange shall be maintained after the Scheme has become effective.

The listing of the Shares on the Stock Exchange shall be maintained in the event that the Scheme is not approved or does not become effective. In such circumstances, the Company has no intention to seek the immediate withdrawal of the listing of the Shares on the Stock Exchange in connection with the Proposal.

If the Scheme is not approved or the Proposal otherwise lapse, there are restrictions under the Takeovers Code on making subsequent offers, to the effect that neither the Offeror nor any person acting in concert with it in the course of the Proposal may within 12 months from the date on which the Proposal lapses announce an offer or possible offer for the Company, except with the consent of the Executive.

#### **15. COSTS OF THE SCHEME**

In light of the recommendation of the Independent Board Committee as set out in Part V of this Scheme Document and the recommendation of the Independent Financial Adviser as set out in Part VI of this Scheme Document, Rule 2.3 of the Takeovers Code is not applicable, and the Offeror and the Company have agreed that all costs, charges and expenses of the advisers and counsels appointed by the Company, including the Independent Financial Adviser, will be borne by the Company, all costs, charges and expenses of the advisers and counsels appointed by Offeror will be borne by the Offeror, and other costs, charges and expenses of this Scheme will be shared between the Offeror and the Company equally.

#### **16. REGISTRATION AND PAYMENT**

Assuming that the Record Date falls on Wednesday, 19 February 2014, it is proposed that the register of members of the Company will be closed from Friday, 14 February 2014 to Wednesday, 19 February 2014 (both dates inclusive) (or such other date as Shareholders may be notified by announcement) in order to establish entitlements under the Scheme. In order to qualify for entitlements under the Scheme, Scheme Shareholders should ensure that their Shares are lodged with the Hong Kong branch share registrar of the Company for registration in their names or in the names of their nominees before 4:30 p.m. on Thursday, 13 February 2014. The Hong Kong branch share registrar of the Company is Computershare Hong Kong Investor Services Limited, which is located at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong.

Upon the Scheme becoming effective, payment of the Cancellation Price for the Scheme Shares will be made to the Scheme Shareholders whose names appear on the register of members of the Company as at the Record Date. On the basis that the Scheme becomes effective on or about Wednesday, 19 February 2014 (Cayman Islands time), (a) cheques for payment of the Cancellation Price payable under the Scheme are expected to be despatched by the Offeror as soon as possible but in any event within 7 business days following the Effective Date, which is expected to be on or before Friday, 28 February 2014;

and (b) cheques for payment to the Optionholders under the Option Offer are expected to be despatched by the Offeror as soon as possible but in any event within 7 business days following the later of the Effective Date and the date of receipt by the Offeror of the duly completed Form of Acceptance. In particular, cheques will be sent to the persons entitled thereto at their respective registered addresses as appear in the register of members of the Company on the Record Date or the last known addresses of the Optionholders as notified by the Optionholders to the Company. All such cheques will be sent at the risk of the person(s) entitled thereto and none of the Offeror, Kim Eng and the Hong Kong branch share registrar of the Company or any of them will be responsible for any loss or delay in despatch.

On or after the day being six calendar months after the posting of such cheques, the Offeror shall have the right to cancel or countermand payment of any such cheque which has not been cashed or has been returned uncashed, and shall place all monies represented thereby in a deposit account in the Offeror's name with a licensed bank in Hong Kong selected by the Company.

The Offeror shall hold such monies until the expiry of six years from the Effective Date and shall prior to such date, make payments therefrom of the sums to persons who satisfy the Offeror that they are respectively entitled thereto. On the expiry of six years from the Effective Date, the Offeror shall be released from any further obligation to make any payments under the Scheme.

Assuming that the Scheme becomes effective, all existing certificates representing the Scheme Shares will cease to have effect as documents or evidence of title as from the Effective Date, which is expected to be on or about Wednesday, 19 February 2014 (Cayman Islands time).

Settlement of the Cancellation Price to which the Scheme Shareholders are entitled under the Scheme or the consideration to which the Optionholders are entitled under the Option Offer will be implemented in full in accordance with the terms of the Scheme or the Option Offer, without regard to any lien, right of set-off, counterclaim or other analogous right to which the Offeror may otherwise be, or claim to be, entitled against any such Scheme Shareholder or such Optionholder.

## **17. OVERSEAS SHAREHOLDERS AND OPTIONHOLDERS**

The making of (a) the Scheme to the Scheme Shareholders and (b) the Option Offer to the Optionholders, who are not resident in Hong Kong may be subject to the laws of the relevant jurisdictions in which such Scheme Shareholders and such Optionholders are located. Such persons should inform themselves about and observe any applicable legal or regulatory requirements. It is the responsibility of any overseas Scheme Shareholders and overseas Optionholders wishing to take any action in relation to the Scheme and the Option Offer to satisfy themselves as to the full observance of the laws of the relevant jurisdictions in connection therewith, including the obtaining of any governmental, exchange control or other consents which may be required, or the compliance with other necessary formalities and the payment of any issue, transfer or other taxes due in such jurisdictions. Any acceptance by such Scheme Shareholders and Optionholders will be deemed to constitute a representation and warranty from such persons to the Offeror, the Company and Kim Eng that those local laws and requirements have been complied with. If any Scheme Shareholder or Optionholder is in doubt as to its position, it should consult its professional advisers.

## 18. TAXATION

As the Scheme does not involve the sale and purchase of Hong Kong stock, no stamp duty will be payable pursuant to the Stamp Duty Ordinance (Chapter 117 of the Laws of Hong Kong) on the cancellation of the Scheme Shares upon the Scheme becoming effective. No stamp duty is payable in relation to the Option Offer. The Scheme Shareholders and the Optionholders, whether in Hong Kong or in other jurisdictions, are recommended to consult their own professional advisers if they are in doubt as to the taxation implications of the Proposal and, in particular, whether the receipt of the Cancellation Price would make such Scheme Shareholders, or the payment under the Option Offer would make such Optionholders, liable to taxation in Hong Kong or in other jurisdictions.

It is emphasized that none of the Company, the Offeror, Kim Eng, their respective professional advisers or any of their respective directors or associates or any other person involved in the Proposal accepts responsibility for any tax or other effects on, or liabilities of, any person or persons as a result of the implementation or otherwise of the Proposal.

## 19. COURT MEETING AND EGM

In accordance with the direction of the Cayman Islands Grand Court, the Court Meeting will be convened for the purpose of considering and, if thought fit, passing the resolution to approve the Scheme (with or without modification(s)). All Scheme Shareholders will be entitled to attend and vote on the Scheme at the Court Meeting. The Offeror and persons acting in concert with it will not vote on the Scheme at the Court Meeting.

The EGM will be held immediately after the Court Meeting for the purpose of considering and, if thought fit, passing resolutions to approve, among other things, the reduction of the issued share capital of the Company by cancelling and extinguishing the Scheme Shares and the allotment and issue of new Shares to the Offeror. All Shareholders will be entitled to attend and vote on such resolutions at the EGM.

Notices of the Court Meeting and the EGM are set out in Appendix V and Appendix VI to this Scheme Document. The Court Meeting and the EGM will be held on Friday, 17 January 2014 at the respective times specified in such notices at Grand Ballroom, 2/F., Hotel Nikko Hongkong, 72 Mody Road, Tsimshatsui East, Kowloon, Hong Kong.

It is proposed that the register of members of the Company will be closed on Tuesday, 14 January 2014 (or such other dates as may be notified to the Shareholders by way of announcement(s)) for the purposes of determining the entitlement of the Scheme Shareholders to attend and vote at the Court Meeting and the entitlement of the Shareholders to attend and vote at the EGM. Such book close period is not for determining entitlements under the Scheme. In order to qualify to attend and vote at the Court Meeting and the EGM, the Shareholders should ensure that the relevant forms of transfer of their Shares accompanied by the relevant share certificates are lodged with the Hong Kong branch share registrar of the Company, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, by not later than 4:30 p.m. on Monday, 13 January 2014.

**20. ACTIONS TO BE TAKEN****Actions to be taken by the Shareholders**

A **pink** form of proxy for use at the Court Meeting and a **white** form of proxy for use at the EGM are enclosed with copies of this Scheme Document sent to the Registered Owners.

Whether or not you are able to attend the Court Meeting and/or the EGM, if you are a Scheme Shareholder, we strongly urge you to complete and sign the enclosed **pink** form of proxy in respect of the Court Meeting, and if you are a Shareholder, we strongly urge you to complete and sign the enclosed **white** form of proxy in respect of the EGM, in accordance with the instructions printed thereon, and to lodge them at the office of the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong. In order to be valid, the **pink** form of proxy for use at the Court Meeting should be lodged not later than 9:00 a.m. on Wednesday, 15 January 2014 or be handed to the Chairman of the Court Meeting at the Court Meeting, and the **white** form of proxy for use at the EGM should be lodged not later than 9:30 a.m. on Wednesday, 15 January 2014. The completion and return of a form of proxy for the Court Meeting and/or the EGM will not preclude you from attending and voting in person at the relevant meeting. In such event, the returned form of proxy will be deemed to have been revoked.

If you do not appoint a proxy and you do not attend and vote at the Court Meeting and/or the EGM, you will still be bound by the outcome of the Court Meeting and the EGM if, among other things, the Resolutions are passed by the requisite majorities of Scheme Shareholders or Shareholders (as the case may be). We therefore strongly urge you to attend and vote at the Court Meeting and the EGM in person or by proxy.

The Company will make an announcement in relation to the results of the Court Meeting and the EGM on Friday, 17 January 2014. If all the Resolutions are passed at those meetings, the Company will make further announcements of the results of the hearing of the petition to, among other things, sanction the Scheme by the Cayman Islands Grand Court and, if the Scheme is sanctioned, the Record Date, the Effective Date and the date of withdrawal of the listing of the Shares on the Stock Exchange.

**Actions to be taken by person holding shares through trust or CCASS**

The Company will not recognize any person as holding any Shares through any trust. If you are a Beneficial Owner whose Shares are held upon trust by, and registered in the name of, a Registered Owner (other than HKSCC Nominees Limited), you should contact the Registered Owner and provide the Registered Owner with instructions in relation to the manner in which your Shares should be voted at the Court Meeting and/or the EGM. Such instructions should be given in advance of the aforementioned latest time for the lodgment of forms of proxy in respect of the Court Meeting and the EGM in order to provide the Registered Owner

with sufficient time to accurately complete and submit his, her or its proxy. To the extent that any Registered Owner requires instructions from any Beneficial Owner in advance of the aforementioned latest time for the lodgment of forms of proxy in respect of the Court Meeting and/or the EGM, any such Beneficial Owner should comply with the requirements of the Registered Owner.

If you are a Beneficial Owner whose Shares are deposited in CCASS and registered under the name of HKSCC Nominees Limited, you must, unless you are an Investor Participant, contact your broker, custodian, nominee or other relevant person who is, or has, in turn, deposited such Shares with an Other CCASS Participant, regarding voting instructions to be given to such persons if you wish to vote at the Court Meeting and/or the EGM. You should contact your broker, custodian, nominee or other relevant person in advance of the latest time for the lodgment of forms of proxy in respect of the Court Meeting and/or the EGM, in order to provide such person with sufficient time to provide HKSCC with instructions in relation to the manner in which the Shares of the Beneficial Owner should be voted at the Court Meeting and/or the EGM.

If you are a Beneficial Owner whose Shares are deposited in CCASS, you may also elect to become a Shareholder of record, and thereby have the right to attend and vote at the Court Meeting (if you are a Scheme Shareholder) and the EGM (as a Shareholder). You can become a Shareholder of record by withdrawing your Shares from CCASS and becoming a Registered Owner of such Shares. For withdrawal of Shares from CCASS and registration thereof, you will be required to pay to CCASS a withdrawal fee per board lot withdrawn, a registration fee for each share certificate issued, stamp duty on each transfer instrument and, if your Shares are held through a financial intermediary, any other relevant fees charged by your financial intermediary. You should contact your broker, custodian, nominee or other relevant person in advance of the latest time for lodging transfers of the Shares into your name so as to qualify to attend and vote at the Court Meeting and the EGM, in order to provide such broker, custodian, nominee or other relevant person with sufficient time to withdraw the Shares from CCASS and register them in your name.

#### **Actions to be taken by the Optionholders**

The Option Offer Letter and the Form of Acceptance in relation to the Option Offer are being sent to all Optionholders together with this Scheme Document pursuant to the terms and conditions of the Share Option Scheme, informing them that if they wish to participate in the Scheme, they may exercise their Share Options at any time up to the expiry of the period commencing on the date of the Option Offer Letter and ending on the Latest Option Exercise Date by giving notice of exercise to the company secretary of the Company at Suites 2501–2504, 25th Floor, Two Exchange Square, 8 Connaught Place, Central, Hong Kong, and together with payment for the aggregate amount of the exercise price of such Share Options.

In order to accept the Option Offer, you must complete and return the duly completed and executed Form of Acceptance so as to reach the Offeror, care of the Company at Suites 2501–2504, 25th Floor, Two Exchange Square, 8 Connaught Place,



Central, Hong Kong, for the attention of board of the Offeror and marked “Glorious Property – Option Offer” by no later than 4:30 p.m. on Wednesday, 5 March 2014 (or such later time and/or date as may be notified to you by way of announcement(s)). No acknowledgement of receipt of any Form of Acceptance or any other document will be given. The Offeror will offer HK\$1.80 minus the exercise price for each Share Option of HK\$1.76 per Share. The sum payable to the Optionholders for the Share Option calculated on the aforesaid basis is HK\$0.04 for each Share Option.

You are urged to read the instructions and other terms and conditions of the Option Offer in the Option Offer Letter, substantially in the form set out in Appendix VII to this Scheme Document.

## **21. RECOMMENDATION**

Your attention is drawn to the following:

- (a) the paragraph headed “13. Recommendations” in the “Letter from the Board” set out in Part IV of this Scheme Document;
- (b) the letter from the Independent Board Committee set out in Part V of this Scheme Document; and
- (c) the letter from the Independent Financial Adviser set out in Part VI of this Scheme Document.

## **22. FURTHER INFORMATION**

Further information is set out in the Appendices to, and elsewhere in, this Scheme Document, all of which form part of this Explanatory Statement.

Shareholders and Scheme Shareholders should rely only on the information contained in this Scheme Document. None of the Company, the Offeror, Kim Eng or any of their respective affiliates has authorized anyone to provide you with information that is different from what is contained in this Scheme Document.

## I. FINANCIAL SUMMARY

The following summary financial information for each of the three financial years ended 31 December 2010, 2011 and 2012 and for the six months ended 30 June 2013 is extracted from the audited consolidated financial statements of the Group as set forth in the annual reports for the years ended 31 December 2010, 2011 and 2012 dated 23 March 2011 (pages 63 to 132), 20 March 2012 (pages 87 to 150) and 28 March 2013 (pages 91 to 160), respectively, and the unaudited interim report dated 29 August 2013 (pages 73 to 92) of the Group which are published on both the website of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company (<http://www.gloriousphl.com.cn>).

The auditors of the Company did not issue any qualified opinion on the financial statements of the Group for each of the three years ended 31 December 2010, 2011 and 2012. The Company had no items which are exceptional or extraordinary because of size, nature or incidence for the three years ended 31 December 2012.

**Consolidated Statement of Comprehensive Income**

RMB'000	Six months	Year ended 31 December		
	ended 30 June 2013 (unaudited)	2012 (audited)	2011 (audited)	2010 (audited)
Revenue	2,953,104	8,384,740	9,585,443	7,114,025
Cost of sales	(2,612,893)	(6,463,366)	(5,788,246)	(3,694,934)
Gross profit	340,211	1,921,374	3,797,197	3,419,091
Other income	52,111	82,043	182,695	803,239
Other gains, net	178,981	520,077	724,419	2,410,578
Selling and marketing expenses	(138,419)	(235,457)	(240,998)	(197,133)
Administrative expenses	(187,889)	(405,582)	(435,957)	(421,057)
Finance costs	(2,206)	(8,326)	(2,526)	(3,750)
Share of (loss)/profit of an associate	(360)	(1,704)	338	1,351
Share of loss of a jointly controlled entity	(1,660)	(3,382)	(4,143)	(50,090)
Profit before income tax	240,769	1,869,043	4,021,025	5,962,229
Income tax expenses	(17,850)	(790,855)	(1,811,944)	(2,353,451)
Profit for the year	222,919	1,078,188	2,209,081	3,608,778
Profit for the year attributable to:				
- the owners of the Company	224,718	1,081,631	2,215,654	3,608,552
- non-controlling interests	(1,799)	(3,443)	(6,573)	226
	222,919	1,078,188	2,209,081	3,608,778
Other comprehensive income	-	-	-	-
Total comprehensive income for the year	222,919	1,078,188	2,209,081	3,608,778
Total comprehensive income for the year attributable to:				
- the owners of the Company	224,718	1,081,631	2,215,654	3,608,552
- non-controlling interests	(1,799)	(3,443)	(6,573)	226
	222,919	1,078,188	2,209,081	3,608,778
Earnings per share for profit attributable to the owners of the Company (expressed in RMB per share)				
- Basic	0.03	0.14	0.28	0.46
- Diluted	0.03	0.14	0.28	0.46

## Consolidated Balance Sheet

	30 June 2013 (unaudited)	31 December 2012 (audited)	31 December 2011 (audited)	31 December 2010 (audited)
<b>RMB'000</b>				
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment	1,233,033	1,102,115	722,872	573,753
Investment properties	11,293,986	10,607,946	8,557,663	7,223,208
Intangible assets	2,046	2,305	2,833	3,360
Investment in an associate	4,125	4,485	6,189	5,851
Investment in a jointly controlled entity	20,725	22,385	25,767	29,910
Loan to a jointly controlled entity	1,927,891	1,978,997	1,967,905	–
Deferred income tax assets	332,743	312,487	308,027	201,167
	<u>14,814,549</u>	<u>14,030,720</u>	<u>11,591,256</u>	<u>8,037,249</u>
<b>Current assets</b>				
Properties under development	23,525,334	22,256,445	22,862,050	16,791,838
Completed properties held for sale	4,994,790	5,044,360	2,929,268	1,989,004
Inventories	6,575	7,275	6,849	6,636
Trade and other receivables and prepayments	8,490,496	7,774,301	9,942,396	7,672,916
Prepaid taxes	267,150	213,886	205,995	1,903,472
Restricted cash	1,863,033	2,307,440	2,145,255	89,706
Cash and cash equivalents	1,067,461	992,749	1,021,098	1,683,880
	<u>40,214,839</u>	<u>38,596,456</u>	<u>39,112,911</u>	<u>34,288,872</u>
<b>Total assets</b>	<u>55,029,388</u>	<u>52,627,176</u>	<u>50,704,167</u>	<u>42,326,121</u>
<b>EQUITY</b>				
<b>Capital and reserves attributable to the owners of the Company</b>				
Share capital	68,745	68,745	68,745	68,745
Share premium	7,822,982	7,822,982	7,822,982	7,822,982
Reserves	10,487,405	10,259,343	9,159,191	6,907,191
	<u>18,379,132</u>	<u>18,151,070</u>	<u>17,050,918</u>	<u>14,798,918</u>
Non-controlling interests	1,288,936	1,290,735	1,293,778	493,051
	<u>19,668,068</u>	<u>19,441,805</u>	<u>18,344,696</u>	<u>15,291,969</u>
<b>Total equity</b>	<u>19,668,068</u>	<u>19,441,805</u>	<u>18,344,696</u>	<u>15,291,969</u>

<i>RMB'000</i>	30 June 2013 <i>(unaudited)</i>	31 December 2012 <i>(audited)</i>	31 December 2011 <i>(audited)</i>	31 December 2010 <i>(audited)</i>
<b>LIABILITIES</b>				
<b>Non-current liabilities</b>				
Borrowings	9,212,880	9,689,677	5,583,223	7,780,952
Deferred income tax liabilities	1,694,294	1,654,072	1,476,239	1,212,088
Obligation under finance lease	17,665	17,571	17,396	17,232
	<u>10,924,839</u>	<u>11,361,320</u>	<u>7,076,858</u>	<u>9,010,272</u>
<b>Current liabilities</b>				
Advanced proceeds received from customers	6,939,349	5,668,013	6,915,588	6,565,180
Trade and other payables	5,338,942	5,606,416	4,751,758	2,458,068
Income tax payable	4,020,529	4,454,249	4,311,586	2,994,321
Borrowings	8,136,793	6,094,505	9,302,813	6,005,443
Obligation under finance lease	868	868	868	868
	<u>24,436,481</u>	<u>21,824,051</u>	<u>25,282,613</u>	<u>18,023,880</u>
<b>Total liabilities</b>	<u><u>35,361,320</u></u>	<u><u>33,185,371</u></u>	<u><u>32,359,471</u></u>	<u><u>27,034,152</u></u>
<b>Total equity and liabilities</b>	<u><u>55,029,388</u></u>	<u><u>52,627,176</u></u>	<u><u>50,704,167</u></u>	<u><u>42,326,121</u></u>
<b>Net current assets</b>	<u><u>15,778,358</u></u>	<u><u>16,772,405</u></u>	<u><u>13,830,298</u></u>	<u><u>16,264,992</u></u>
<b>Total assets less current liabilities</b>	<u><u>30,592,907</u></u>	<u><u>30,803,125</u></u>	<u><u>25,421,554</u></u>	<u><u>24,302,241</u></u>

## II. AUDITED CONSOLIDATED FINANCIAL STATEMENTS

The following financial information is extracted from the audited consolidated financial statements of the Group prepared in accordance with the Hong Kong Financial Reporting Standards for the financial year ended 31 December 2012:

**Consolidated Balance Sheet***As at 31 December 2012*

	<i>Note</i>	<b>2012</b> <i>RMB'000</i>	<b>2011</b> <i>RMB'000</i>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	6	1,102,115	722,872
Investment properties	7	10,607,946	8,557,663
Intangible assets	8	2,305	2,833
Investment in an associate	9	4,485	6,189
Investment in a jointly controlled entity	10	22,385	25,767
Loan to a jointly controlled entity	10	1,978,997	1,967,905
Deferred income tax assets	21	312,487	308,027
		<u>14,030,720</u>	<u>11,591,256</u>
<b>Current assets</b>			
Properties under development	12	22,256,445	22,862,050
Completed properties held for sale	13	5,044,360	2,929,268
Inventories	14	7,275	6,849
Trade and other receivables and prepayments	15	7,774,301	9,942,396
Prepaid taxes		213,886	205,995
Restricted cash	16	2,307,440	2,145,255
Cash and cash equivalents	17	992,749	1,021,098
		<u>38,596,456</u>	<u>39,112,911</u>
<b>Total assets</b>		<u><u>52,627,176</u></u>	<u><u>50,704,167</u></u>
<b>EQUITY</b>			
<b>Capital and reserves attributable to the owners of the Company</b>			
Share capital	18	68,745	68,745
Share premium	18	7,822,982	7,822,982
Reserves		10,259,343	9,159,191
		<u>18,151,070</u>	<u>17,050,918</u>
Non-controlling interests		1,290,735	1,293,778
<b>Total equity</b>		<u><u>19,441,805</u></u>	<u><u>18,344,696</u></u>

	<i>Note</i>	<b>2012</b> <i>RMB'000</i>	<b>2011</b> <i>RMB'000</i>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Borrowings	20	9,689,677	5,583,223
Deferred income tax liabilities	21	1,654,072	1,476,239
Obligations under finance lease	22	17,571	17,396
		<u>11,361,320</u>	<u>7,076,858</u>
<b>Current liabilities</b>			
Advanced proceeds received from customers		5,668,013	6,915,588
Trade and other payables	23	5,606,416	4,751,758
Income tax payable		4,454,249	4,311,586
Borrowings	20	6,094,505	9,302,813
Obligations under finance lease	22	868	868
		<u>21,824,051</u>	<u>25,282,613</u>
<b>Total liabilities</b>		<u><b>33,185,371</b></u>	<u><b>32,359,471</b></u>
<b>Total equity and liabilities</b>		<u><b>52,627,176</b></u>	<u><b>50,704,167</b></u>
<b>Net current assets</b>		<u><b>16,772,405</b></u>	<u><b>13,830,298</b></u>
<b>Total assets less current liabilities</b>		<u><b>30,803,125</b></u>	<u><b>25,421,554</b></u>

**Balance Sheet***As at 31 December 2012*

	<i>Note</i>	<b>2012</b> <i>RMB'000</i>	<b>2011</b> <i>RMB'000</i>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Interests in subsidiaries	11	7,456,784	7,400,320
Property and equipment	6	50	73
		<u>7,456,834</u>	<u>7,400,393</u>
<b>Current assets</b>			
Prepayments	15	743	544
Restricted cash	16	–	200,000
Cash and cash equivalents	17	3,096	74,093
		<u>3,839</u>	<u>274,637</u>
<b>Total assets</b>		<u><b>7,460,673</b></u>	<u><b>7,675,030</b></u>
<b>EQUITY</b>			
<b>Capital and reserves attributable to the owners of the Company</b>			
Share capital	18	68,745	68,745
Share premium	18	7,822,982	7,822,982
Reserves	19	(2,441,115)	(2,170,748)
<b>Total equity</b>		<u><b>5,450,612</b></u>	<u><b>5,720,979</b></u>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Borrowings	20	1,901,024	1,897,100
<b>Current liabilities</b>			
Trade and other payables	23	11,048	6,214
Amounts due to subsidiaries	24	97,989	50,737
		<u>109,037</u>	<u>56,951</u>
<b>Total liabilities</b>		<u><b>2,010,061</b></u>	<u><b>1,954,051</b></u>
<b>Total equity and liabilities</b>		<u><b>7,460,673</b></u>	<u><b>7,675,030</b></u>
<b>Net current (liabilities)/assets</b>		<u><b>(105,198)</b></u>	<u><b>217,686</b></u>
<b>Total assets less current liabilities</b>		<u><b>7,351,636</b></u>	<u><b>7,618,079</b></u>

**Consolidated Statement of Comprehensive Income***Year ended 31 December 2012*

	Note	2012 RMB'000	2011 RMB'000
Revenue	5	8,384,740	9,585,443
Cost of sales	27	<u>(6,463,366)</u>	<u>(5,788,246)</u>
Gross profit		1,921,374	3,797,197
Other income	25	82,043	182,695
Other gains, net	26	520,077	724,419
Selling and marketing expenses	27	(235,457)	(240,998)
Administrative expenses	27	(405,582)	(435,957)
Finance costs	28	(8,326)	(2,526)
Share of (loss)/profit of an associate	9	(1,704)	338
Share of loss of a jointly controlled entity	10	<u>(3,382)</u>	<u>(4,143)</u>
Profit before income tax		1,869,043	4,021,025
Income tax expenses	31	<u>(790,855)</u>	<u>(1,811,944)</u>
Profit for the year		<u>1,078,188</u>	<u>2,209,081</u>
Profit for the year attributable to:			
– the owners of the Company		1,081,631	2,215,654
– non-controlling interests		<u>(3,443)</u>	<u>(6,573)</u>
		<u>1,078,188</u>	<u>2,209,081</u>
Other comprehensive income		<u>–</u>	<u>–</u>
Total comprehensive income for the year		<u>1,078,188</u>	<u>2,209,081</u>
Total comprehensive income for the year attributable to:			
– the owners of the Company		1,081,631	2,215,654
– non-controlling interests		<u>(3,443)</u>	<u>(6,573)</u>
		<u>1,078,188</u>	<u>2,209,081</u>
Earnings per share for profit attributable to the owners of the Company (expressed in RMB per share)			
– Basic	32	<u>0.14</u>	<u>0.28</u>
– Diluted	32	<u>0.14</u>	<u>0.28</u>
Dividend	33	<u>–</u>	<u>–</u>
Dividend per share (expressed in RMB per share)	33	<u>–</u>	<u>–</u>



## Consolidated Statement of Changes in Equity

Year ended 31 December 2012

	Year ended 31 December 2012									
	Attributable to the owners of the Company									
	Share capital	Share premium	Merger reserve	Statutory reserve	Other reserve	Employee share-based compensation reserve	Retained earnings	Total	Non-controlling interests	Total equity
	RMB'000 (note 18)	RMB'000 (note 18)	RMB'000 (note 19(b))	RMB'000 (note 19(c))	RMB'000 (note 19(d))	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
<b>Balance at 1 January 2012</b>	68,745	7,822,982	(770,477)	263,994	264,317	176,537	9,224,820	17,050,918	1,293,778	18,344,696
Total comprehensive income for the year	-	-	-	-	-	-	1,081,631	1,081,631	(3,443)	1,078,188
Employee share-based compensation (note 39)	-	-	-	-	-	18,521	-	18,521	-	18,521
Transfer to statutory reserve	-	-	-	40,835	-	-	(40,835)	-	-	-
Capital injection from non-controlling shareholder of a subsidiary	-	-	-	-	-	-	-	-	400	400
<b>Balance at 31 December 2012</b>	<b>68,745</b>	<b>7,822,982</b>	<b>(770,477)</b>	<b>304,829</b>	<b>264,317</b>	<b>195,058</b>	<b>10,265,616</b>	<b>18,151,070</b>	<b>1,290,735</b>	<b>19,441,805</b>
	Year ended 31 December 2011									
	Attributable to the owners of the Company									
	Share capital	Share premium	Merger reserve	Statutory reserve	Other reserve	Employee share-based compensation reserve	Retained earnings	Total	Non-controlling interests	Total equity
	RMB'000 (note 18)	RMB'000 (note 18)	RMB'000 (note 19(b))	RMB'000 (note 19(c))	RMB'000 (note 19(d))	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
<b>Balance at 1 January 2011</b>	68,745	7,822,982	(770,477)	132,734	264,317	140,191	7,140,426	14,798,918	493,051	15,291,969
Total comprehensive income for the year	-	-	-	-	-	-	2,215,654	2,215,654	(6,573)	2,209,081
Employee share-based compensation (note 39)	-	-	-	-	-	36,346	-	36,346	-	36,346
Transfer to statutory reserve	-	-	-	131,260	-	-	(131,260)	-	-	-
Acquisition of subsidiaries (note 38)	-	-	-	-	-	-	-	-	799,300	799,300
Capital injection from non-controlling shareholder of a subsidiary	-	-	-	-	-	-	-	-	8,000	8,000
<b>Balance at 31 December 2011</b>	<b>68,745</b>	<b>7,822,982</b>	<b>(770,477)</b>	<b>263,994</b>	<b>264,317</b>	<b>176,537</b>	<b>9,224,820</b>	<b>17,050,918</b>	<b>1,293,778</b>	<b>18,344,696</b>

**Consolidated Statement of Cash Flows**

Year ended 31 December 2012

	<i>Note</i>	<b>2012</b> <i>RMB'000</i>	<b>2011</b> <i>RMB'000</i>
<b>Cash flows from operating activities</b>			
Cash generated from operations	34	1,764,709	796,364
Income tax paid		(482,710)	(453,677)
Interest paid		<u>(1,438,112)</u>	<u>(1,786,517)</u>
<b>Net cash used in operating activities</b>		<u>(156,113)</u>	<u>(1,443,830)</u>
<b>Cash flows from investing activities</b>			
Purchases of property, plant and equipment		(409,411)	(170,567)
Payments for the construction of investment properties		(404,288)	(657,319)
Proceeds from disposals of property, plant and equipment		1,498	1,050
Interest received		111,717	51,271
Receipts from/(advances to) a third party		<u>58,793</u>	<u>(190,965)</u>
<b>Net cash used in investing activities</b>		<u>(641,691)</u>	<u>(966,530)</u>
<b>Cash flows from financing activities</b>			
Capital injection from non-controlling shareholder of a subsidiary		400	8,000
Proceeds from borrowings		9,180,718	9,544,110
Repayment of borrowings		(8,947,928)	(8,490,850)
Advances received from third parties		567,680	119,850
Changes in restricted cash		<u>(31,466)</u>	<u>(1,900,000)</u>
<b>Net cash generated from/(used in) financing activities</b>		<u>769,404</u>	<u>(718,890)</u>
<b>Net decrease in cash and cash equivalents</b>			
Cash and cash equivalents at beginning of the year		1,021,098	4,151,420
Exchange gains/(losses) on cash and bank balances		<u>51</u>	<u>(1,072)</u>
<b>Cash and cash equivalents at end of the year</b>	17	<u><u>992,749</u></u>	<u><u>1,021,098</u></u>

**Notes to the Consolidated Financial Statements**

31 December 2012

**1 GENERAL INFORMATION**

Glorious Property Holdings Limited (the "Company") and its subsidiaries (together, the "Group") is principally engaged in the development of real estate projects in the People's Republic of China (the "PRC").

The Company is a limited liability company incorporated in the Cayman Islands on 27 July 2007 and its shares are listed on The Stock Exchange of Hong Kong Limited (the "Hong Kong Stock Exchange") (Stock Code: 00845). The address of its registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands.

These financial statements are presented in thousands of units of Renminbi (RMB'000), unless otherwise stated. These financial statements have been approved for issue by the Board on 28 March 2013.

**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

**(a) 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.

The preparation of consolidated financial statements in conformity with the HKFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements, are disclosed in note 4 below.

As at 31 December 2012, the Company's current liabilities exceeded its current assets by RMB105,198,000. The directors of the Company have prepared cash flow projections for the year ending 31 December 2013 and the key assumptions are set out in note 3(a)(v). The directors consider that the Company will continue operation for the foreseeable future and will be able to meet its liabilities as and when they fall due. Accordingly, the financial statements have been prepared on a going concern basis.

**(i) Change in accounting policy**

In December 2010, the HKICPA amended HKAS 12 "Income taxes" to introduce an exception to the principle for the measurement of deferred tax assets or liabilities arising on an investment property measured at fair value. HKAS 12 requires an entity to measure the deferred tax relating to an asset depending on whether the entity expects to recover the carrying amount of the asset through use or sale. The amendment introduces a rebuttable presumption that an investment property measured at fair value is recovered entirely by sale. The amendment is applicable retrospectively to annual periods beginning on or after 1 January 2012 with early adoption permitted.

The Board considers the Group's business model is to consume substantially all of the economic benefits embodied in the investment properties over time, rather than through sale. Accordingly, the presumption is rebutted and related deferred tax is not remeasured upon the adoption of this amendment.

There are no other amended standards or interpretations that are effective for the first time for the accounting period beginning on or after 1 January 2012 that would be expected to have a material impact on the Group.

(ii) *Standards, amendments and interpretations that are not yet effective and have not been early adopted by the Group*

The following new standards and amendments to standards have been published but are not effective for the financial year beginning 1 January 2012 and the Group has not early adopted:

- HKAS 1 (Amendment) "Presentation of financial statements" requires entities to group items presented in "other comprehensive income" on the basis of whether they are potentially reclassifiable to profit or loss subsequently (reclassification adjustments). HKAS 1 (Amendment) will be effective for accounting period beginning on or after 1 July 2012.
- HKFRS 9 "Financial instruments" addresses the classification, measurement and recognition of financial assets and financial liabilities. HKFRS 9 was issued in November 2009 and October 2010. It replaces the parts of HKAS 39 that relate to the classification and measurement of financial instruments. HKFRS 9 requires financial assets to be classified into two measurement categories: those measured as at fair value and those measured at amortised cost. The determination is made at initial recognition. The classification depends on the entity's business model for managing its financial instruments and the contractual cash flow characteristics of the instrument. For financial liabilities, the standard retains most of the HKAS 39 requirements. The main change is that, in cases where the fair value option is taken for financial liabilities, the part of a fair value change due to an entity's own credit risk is recorded in other comprehensive income rather than the income statement, unless this creates an accounting mismatch. HKFRS 9 will be effective for accounting period beginning on or after 1 January 2015.
- HKFRS 10 "Consolidated financial statements" builds on existing principles by identifying the concept of control as the determining factor in whether an entity should be included within the consolidated financial statements of the parent company. The standard provides additional guidance to assist in the determination of control where this is difficult to assess. HKFRS 10 will be effective for the accounting period beginning on or after 1 January 2013.
- HKFRS 11 "Joint arrangements" is a more realistic reflection of joint arrangements by focusing on the rights and obligations of the arrangement rather than its legal form. There are two types of joint arrangement: joint operations and joint ventures. Joint operations arise where a joint operator has rights to the assets and obligations relating to the arrangement and hence accounts for its interest in assets, liabilities, revenue and expenses. Joint ventures arise where the joint operator has rights to the net assets of the arrangement and hence equity accounts for its interest. Proportional consolidation of joint ventures is no longer allowed. HKFRS 11 will be effective for accounting period beginning on or after 1 January 2013.

- HKFRS 12 “Disclosures of interests in other entities” includes the disclosure requirements for all forms of interests in other entities, including joint arrangements, associates, special purpose vehicles and other off balance sheet vehicles. HKFRS 12 will be effective for the accounting period beginning on or after 1 January 2013.
- HKFRS 13 “Fair value measurement” aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across HKFRSs. The requirements do not extend the use of fair value accounting but provide guidance on how it should be applied where its use is already required or permitted by other standards within HKFRSs. HKFRS 13 will be effective for the accounting period beginning on or after 1 January 2013.

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

**(b) Consolidation**

The consolidated financial statements include the financial statements of the Company and all its subsidiaries.

*(i) Subsidiaries*

Subsidiaries are all entities (including special purpose vehicles) over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that the control ceases.

The Group uses the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owner of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets.

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions – that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

Investments in subsidiaries are accounted for at cost less impairment. Cost also includes direct attributable costs of investment. The results of subsidiaries are accounted for by the Company on the basis of dividend receivable.

Goodwill is initially measured as the excess of the aggregate of the consideration transferred and the fair value of non-controlling interest over the net identifiable assets acquired and liabilities assumed. If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognised in profit or loss.

Inter-company transactions, balances and unrealised gains on transactions between companies comprising the Group are eliminated. Unrealised losses are also eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

(ii) *Associates*

Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting and are initially recognised at cost, and the carrying amount is increased or decreased to recognise the investor's share of the profits or loss of the investee after the date of acquisition. The Group's investment in associates includes goodwill (net of any accumulated impairment loss) identified on acquisition.

The Group's share of its associates post-acquisition profits or losses is recognised in the consolidated statement of comprehensive income, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

(iii) *Jointly controlled entities*

Jointly controlled entities are joint ventures whereby the Group and other parties undertake an economic activity which is subject to joint control and none of the participating parties has unilateral control over the economic activity. Investments in jointly controlled entities are accounted for using the equity method of accounting and are initially recognised at cost. The Group's investments in jointly controlled entities include goodwill (net of any accumulated impairment) identified on acquisition.

The Group's share of its jointly controlled entities' post-acquisition profits or losses is recognised in the consolidated statement of comprehensive income, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Group's share of losses in a jointly controlled entity equals or exceeds its interest in the jointly controlled entity, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the jointly controlled entity.

Unrealised gains on transactions between the Group and its jointly controlled entities are eliminated to the extent of the Group's interest in the jointly controlled entities. Unrealised losses are also eliminated unless the transaction provides

evidence of an impairment of the asset transferred. Accounting policies of jointly controlled entities have been changed where necessary to ensure consistency with the policies adopted by the Group.

(c) **Foreign currency translation**

(i) *Functional and presentation currency*

Items included in the financial statements of each of the companies comprising the Group are measured using the currency of the primary economic environment in which the company operates (the “functional currency”). The consolidated financial statements is presented in Renminbi (“RMB”), which is the Company’s functional and presentation currency.

(ii) *Transactions and balances*

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the consolidated statement of comprehensive income.

(iii) *Group companies*

The results and financial positions of all the companies comprising the Group (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- Assets and liabilities for each balance sheet of the companies comprising the Group are translated at the closing rate at the date of that balance sheet;
- Income and expenses for each statement of comprehensive income of the companies comprising the Group are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction date; in which case income and expenses are translated at the rate on the dates of the transactions); and
- All resulting exchange differences are recognised in other comprehensive income.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate. Exchange differences arising are recognised in other comprehensive income.

On the disposal of a foreign operation (that is, a disposal of the Group’s entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, a disposal involving loss of joint control over a jointly controlled entity that includes a foreign operation, or a disposal involving loss of significant influence over an associate that includes a foreign operation), all of the exchange differences accumulated in equity in respect of that operation attributable to the Company’s equity holders are reclassified to the profit or loss.

In the case of a partial disposal that does not result in the Group losing control over a subsidiary that includes a foreign operation, the proportionate share of accumulated exchange differences are re-attributed to non-controlling interests and are not recognised in the consolidated statement of comprehensive income.

For all other partial disposals (that is, reductions in the Group's ownership interest in associates or jointly controlled entities that do not result in the Group losing significant influence or joint control) the proportionate share of the accumulated exchange difference is reclassified to the profit or loss.

**(d) Property, plant and equipment**

Property, plant and equipment are stated at historical cost less accumulated depreciation and any impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

Repairs and maintenance are expensed in the consolidated statement of comprehensive income during the financial period in which they are incurred.

Depreciation on property, plant and equipment is calculated using the straight-line method to allocate their costs to their residual values over their estimated useful lives, as follows:

Building	The shorter of remaining lease term or useful lives
Computer and office equipment	5 years
Motor vehicles	5 years
Furniture, fitting and equipment	5 years
Plant and machinery	10 years
Leasehold improvements	Over the lease terms of 1 to 5 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (note 2(g)).

Gains and losses on disposals are determined by comparing proceeds with carrying amount and are recognised within "administrative expenses" in the consolidated statement of comprehensive income.

Construction in progress are stated at historical cost less impairment losses. Historical cost includes expenditure that is directly attributable to the development of the properties which comprises land use rights, construction costs, borrowing costs and professional fees incurred during the development period. On completion, the properties are transferred to building within property, plant and equipment.

No depreciation is provided for construction in progress. The carrying amount of properties under construction is written down immediately to its recoverable amount if the assets carrying amount are greater than their estimated recoverable amount (note 2(g)).

**(e) Investment properties**

Property that is held for long-term rental yields or for capital appreciation or both and is not occupied by the Group is classified as investment property. Land held under operating leases are classified and accounted for as investment property when the rest of the definition of investment property is met. In such case, the operating leases are accounted for as if they were finance leases. Investment property is carried at fair value, representing open market value determined annually by external valuers. Fair value is based on active market prices, adjusted, if necessary, for any difference in the nature, location or condition of the specific asset. If the information is not available, the Group uses alternative valuation methods such as recent prices on less active markets or discounted cash flow



projections. These valuations are reviewed annually by an independent and professionally qualified valuer, changes in fair values are recorded in the consolidated statement of comprehensive income as part of "other gains/losses, net".

Property that is currently being constructed or developed for future use as investment property is classified as investment properties and stated at fair value. Where fair value of investment property under construction is not reliably measurable, the property is measured at cost until the earlier of the date of construction is completed or the date at which fair value becomes reliably measurable.

If an item of completed properties held for sale becomes an investment property as a result of change in its use, any difference between the carrying amount and the fair value of this property at the date of transfer is recognised in the consolidated statement of comprehensive income as part of "other gains/losses, net".

**(f) Intangible assets**

Intangible assets mainly represent the licence which was recorded at cost of acquisition on initial recognition. The licence has a finite useful life and is carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line method to allocate the cost of licence over its estimated useful life of 5 years.

**(g) Impairment of non-financial assets**

Assets that have an indefinite useful life – for example, goodwill or intangible assets not ready to use – are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating unit). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

**(h) Financial assets**

The Group classifies its financial assets in the loans and receivables category. The classification depends on the purposes for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets.

Regular way purchases and sales of financial assets are recognised on the trade-date – the date on which the Group commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Loans and receivables are subsequently carried at amortised cost using the effective interest method.

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation, and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

For loans and receivables category, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in the consolidated statement of comprehensive income.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in the consolidated statement of comprehensive income.

**(i) Properties under development**

Properties under development are stated at the lower of cost and net realisable value. Net realisable value is determined by reference to the sale proceeds of properties sold in the ordinary course of business, less applicable variable selling expenses and the anticipated costs to completion based on prevailing marketing conditions.

Development cost of property primarily comprises land use rights, construction costs, borrowing costs and professional fees incurred during the development period. On completion, the properties are transferred to completed properties held for sale.

Properties under development are classified as current assets unless the construction period of the relevant property development project is expected to complete beyond normal operating cycle.

**(j) Completed properties held for sale**

Completed properties remaining unsold at the end of reporting period are stated at the lower of cost and net realisable value. Cost comprises development costs attributable to the unsold properties. Net realisable value is determined by reference to the sale proceeds of properties sold in the ordinary course of business, less applicable variable selling expenses, or by management estimates based on prevailing marketing conditions.

**(k) Inventories**

Inventories consist of construction materials and are stated at the lower of cost and net realisable value. Cost is determined using the weighted average method. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

**(l) Trade and other receivables**

Trade receivables are amounts due from customers for properties sold or services performed in the ordinary course of business. If collection of trade and other receivables is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade and other receivables are recognised initially at fair value, and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

**(m) Cash and cash equivalents**

Cash and cash equivalent includes cash on hand and at banks and deposits held at call with banks with original maturities of three months or less. Bank deposits which are restricted to use are not included in the cash and cash equivalents.

**(n) Share capital**

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

**(o) Trade and other payables**

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade payables are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Payables are recognised initially at fair value and subsequently measured at amortised cost using the effective method.

**(p) Offsetting financial instruments**

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

**(q) Borrowings**

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the consolidated statement of comprehensive income over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless there is an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

**(r) Borrowing costs**

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of that asset, until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are charged to the consolidated statement of comprehensive income in the period in which they are incurred.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

**(s) Current and deferred income tax**

The tax expenses for the period comprise current and deferred tax. Tax is recognised in the statement of comprehensive income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of reporting period in the countries where the Company and its subsidiaries and associates operate and generate taxable income. Management periodically evaluates position taken in tax return with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using the tax rates (and laws) that have been enacted or substantively enacted by the end of reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries, associates and jointly controlled entities, except for deferred income tax liability where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

**(t) Employee benefits**

*(i) Employee leave entitlements*

Employee entitlements to annual leave and long service leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave and long service leave as a result of services rendered by employees up to the end of reporting period.

Employee entitlements to sick leave and maternity leave are not recognised until the time of leave.

*(ii) Retirement benefits*

In accordance with the rules and regulations in the PRC, the PRC-based employees of the Group participate in various defined contribution retirement benefit plans organised by the relevant municipal and provincial governments in the PRC under which the Group and the PRC based employees are required to make monthly contributions to these plans calculated as a percentage of the employees' salaries.

The municipal and provincial governments undertake to assume the retirement benefit obligations of all existing and future retired PRC based employees payable under the plans described above. Other than the monthly contributions, the Group has no further obligation for the payment of retirement and other post retirement benefits of its employees. The assets of these plans are held separately from those of the Group in independently administrated funds managed by the PRC governments.

The Group also participates in a pension scheme under the rules and regulations of the Mandatory Provident Fund Scheme Ordinance ("MPF Scheme") for all employees in Hong Kong. The contributions to the MPF Scheme are based on minimum statutory contribution requirement of the lower of 5% of eligible employees' relevant aggregate income and HK\$1,250. The assets of this pension scheme are held separately from those of the Group in independently administrated funds.

The Group's contributions to the defined contribution retirement schemes are expensed as incurred.

**(u) Share-based payments**

The Group operates two equity-settled, share-based compensation plans, under which the Group receives services from employees as consideration for equity instruments (options) of the Group. The fair value of the employee services received in exchange for the grant of the options is recognised as an expense. The total amount to be expensed is determined by reference to the fair value of the options granted:

- including any market performance conditions (for example, an entity's share price);
- excluding the impact of any service and non-market performance vesting conditions (for example, profitability, sales growth targets and remaining an employee of the entity over a specified time period); and
- including the impact of any non-vesting conditions (for example, the requirement for employees to save).

Non-market performance and service conditions are included in assumptions about the number of options that are expected to vest. The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each reporting period, the Group revises its estimates of the number of options that are expected to vest based on the non-marketing performance and service conditions. It recognises the impact of the revision to original estimates, if any, in the consolidated statement of comprehensive income, with a corresponding adjustment to equity.

The cash received for the shares issued when the options are exercised is credited to share capital (nominal value) and share premium, net of any directly attributable transaction costs.

**(v) Revenue recognition**

Revenue comprises the fair value of the consideration received or receivable for the sales of properties and services in the ordinary course of the Group's activities.

The Group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the Group and that when specific criteria have been met for each of the Group's activities as described below.

**(i) Sales of properties**

Revenue and profits from sale of properties is recognised when the risk and rewards of the properties are transferred to the purchasers, which occurs when legally binding unconditional sales contracts were entered, the construction of the relevant properties has been completed, the properties have been delivered to the purchasers pursuant to the sale contracts and collectability of related receivables is reasonably assured. Deposits and installments received on properties sold prior to the date of revenue recognition are included in the consolidated balance sheet as advance proceeds received from customers under current liabilities.

**(ii) Rental income from operating leases**

Rental income receivable under operating leases is recognised in the consolidated statement of comprehensive income in equal installments over the accounting periods covered by the lease term, except where an alternative basis is more representative of the pattern of benefits to be derived from the leased asset. Lease incentives granted are recognised in the consolidated statement of comprehensive income as an integral part of the aggregate net lease payments receivable.

Contingent rentals are recognised as income in the accounting period in which they are earned.

(iii) *Interest income*

Interest income from bank deposits is accrued on a time-apportioned basis using the effective interest method.

(w) **Operating leases**

Leases where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor), are charged to the consolidated statement of comprehensive income on a straight-line basis over the period of the lease.

(x) **Finance leases**

The Group leases certain properties. Leases of properties where the Group has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's commencement at the lower of the fair value of the leased property and the present value of the minimum lease payments.

Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The corresponding rental obligations, net of finance charges, are included in other long-term payables. The interest element of the finance cost is charged to the consolidated statement of comprehensive income over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The properties acquired under finance leases are depreciated over the shorter of the useful life of the asset and the lease term.

(y) **Dividend distribution**

Dividend distribution to the Company's shareholders is recognised as a liability in the Group's and Company's financial statements in the period in which the dividends are approved by the Company's shareholders or directors, as appropriate.

(z) **Financial guarantee**

Financial guarantee liabilities are recognised in respect of the financial guarantee provided by the Group for property purchasers.

Financial guarantee liabilities are recognised initially at fair value plus transaction costs that are directly attributable to the issue of the financial guarantee liabilities. After initial recognition, such contracts are measured at the higher of the present value of the best estimate of the expenditure required to settle the present obligation and the amount initially recognised less cumulative amortisation.

Financial guarantee liabilities are derecognised from the balance sheet when, and only when, the obligation specified in the contract is discharged or cancelled or expired.

(aa) **Provisions and contingent liabilities**

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. It can also be a present obligation arising from past events that is not recognised because it is not probable that outflow of economic resources will be required or the amount of obligation cannot be measured reliably.

A contingent liability is not recognised but is disclosed in the notes to the consolidated financial statements. When a change in the probability of an outflow occurs so that outflow is probable, it will then be recognised as a provision.

**(ab) Segment reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker is responsible for making strategic decisions, allocating resources and assessing performance of the operating segments.

**3 FINANCIAL RISK MANAGEMENT**

**(a) Financial risk factors**

The Group's major financial instruments include cash and bank deposits, trade and other receivables, trade and other payables and borrowings. Details of these financial instruments are disclosed in the respective notes. The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below. The Group manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner. The Group has not used any kind of derivative financial instruments to hedge its risk exposures.

*(i) Foreign currency exchange risk*

The Group's property development projects are all located in the PRC and substantially all of the related transactions are settled in RMB. The Company and certain of the investment holding companies within the Group operate in Hong Kong which have recognised assets and liabilities in currencies other than RMB, including the Senior Notes due 2015 and the US\$295,000,000 bank loan due 2014. Apart from the Senior Notes due 2015 and the US\$295,000,000 bank loan that may cause the Group being exposed to a higher level of foreign currency exchange risk, the directors consider the exposures to foreign currency exchange risk in relation to other assets and liabilities to be insignificant. As at 31 December 2012, the Group has cash and bank balances, borrowings and trade and other payables that are denominated in foreign currencies as follows:

	2012 RMB'000	2011 RMB'000
Cash and bank balances:		
US\$	8,329	21,018
HK\$	1,871	6,236
	<u>10,200</u>	<u>27,254</u>

	2012 RMB'000	2011 RMB'000
Borrowings:		
US\$	3,755,246	3,762,474
	<u>3,755,246</u>	<u>3,762,474</u>
	<u><u>3,755,246</u></u>	<u><u>3,762,474</u></u>
	2012 RMB'000	2011 RMB'000
Trade and other payables:		
US\$	17,921	1,575
HK\$	10,555	8,012
	<u>28,476</u>	<u>9,587</u>
	<u><u>28,476</u></u>	<u><u>9,587</u></u>

The Group does not have a foreign currency hedging policy. However, management of the Group monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

As at 31 December 2012, if RMB had strengthened/weakened by 5% against other currencies, with all other variables held constant, post-tax profit for the year ended 31 December 2012 would have been approximately RMB188.7 million higher/lower (2011: RMB187.2 million higher/lower).

(ii) *Interest rate risk*

As the Group has no significant interest-bearing assets except for the cash at bank and certain bank deposits, loan to a jointly controlled entity and certain other receivables, the Group's income and operating cash flows are substantially independent of changes in market interest rates. The Group's receivables that carry at fixed interest rates may expose the Group to fair value interest rate risk.

The Group's exposures to changes in interest rates are mainly attributable to its borrowings (note 20). Borrowings issued at variable rates expose the Group to cash flow interest rate risk. Borrowings issued at fixed rates exposed the Group to fair value interest rate risk. The Group has not used any interest rate swaps to hedge its exposure to interest rate risk.

The Group analyses its interest rate exposure on a dynamic basis and will consider the interest rate exposure when entering into any refinancing, renewal of existing positions and alternative financing transactions. As any reasonable changes in interest rate would not result in a significant change in the Group's results, no sensitivity analysis is presented for interest rate risk.

As at 31 December 2012, if interest rates on borrowings had been 1% higher/lower with all other variables held constant, post-tax profit for the year would have been RMB12,520,000 (2011: RMB16,575,000) lower/higher, mainly as a result of higher/lower interest expense on floating rate borrowings.

(iii) *Price risk*

The Group is not exposed to material equity securities price risk and commodity price risk as the Group has no investments in securities that are exposed to price risk.



(iv) *Credit risk*

Credit risk is managed on a group basis. The Group's credit risk arises from cash deposits, trade and other receivables and loan to a jointly controlled entity. Management has policies in place to monitor the exposures to these credit risks on an on-going basis.

For banks and financial institutions, deposits are only placed with reputable banks. For credit exposures to customers, generally, the Group requires full payment from customers before delivery of properties. Credit terms are only granted to customers for 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 and the Group reviews regularly the recoverable amount of each individual trade and other receivable to ensure that adequate impairment losses are made for irrecoverable amounts. As set out in note 15(b), other receivables due from third parties, included receivables in relation to the acquisition of a property located in Beijing and a company which has obtained a piece of land in Shanghai. The Group specifically analyses the recoverability of such receivables, including the debtors' financial conditions and any other known information, and considered that no provision for impairment should be made as at 31 December 2012.

Loan to a jointly controlled entity is generally supported by the underlying assets and the Group monitors the credibility of jointly controlled entity continuously.

The Group has arranged bank financing for certain purchasers of the Group's properties and provided guarantees to secure obligations of such purchasers for repayments. Detailed disclosure of these guarantees is made in note 37.

(v) *Liquidity risk*

Management aims to maintain sufficient cash to meet funding requirement for operations and monitors rolling forecasts of the Group's cash on the basis of expected cash flow. The directors of the Company have prepared cash flow projections for the year ending 31 December 2013. Key assumptions used in the preparation of the cash flow projections for the year ending 31 December 2013 include: (1) proceeds from pre-sales in 2013 is expected to be comparable to that of 2012; (2) construction payments match receipt of the relevant proceeds from pre-sales; (3) available project loan facility is expected to be no less than that of 2012 and (4) no breach of debt covenants is anticipated in 2013.

The Group has a number of alternative plans to mitigate the potential impacts on anticipated cash flows should there be significant adverse changes in economic environment which might have unexpected material impact on the Group's anticipated cash flow position. These include accelerating sales of the Group's properties with more flexible pricing, adjusting and further slowing down the construction progress as appropriate, ensuring available resources for the development of properties for sale, implementing cost control measures, introducing strategic partners to the Group's property development projects and seeking other funding alternatives. The Group will base on its assessment of the relevant future costs and benefits, pursue such options as are appropriate. The directors consider that the Group will be able to maintain sufficient financial resources to meet its operation needs.

The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period from the balance sheet date to the contractual maturity date. As the amounts disclosed in the table are the contractual undiscounted cash flows, these amounts will not reconcile to the amounts disclosed on the consolidated balance sheets for borrowings.

**GROUP**

	Less than 1 year RMB'000	Between 1 and 2 years RMB'000	Between 2 and 5 years RMB'000	Over 5 years RMB'000	Total RMB'000
<b>At 31 December 2012</b>					
Borrowings, including interest payable	7,427,278	7,011,828	2,912,268	784,887	18,136,261
Obligation under finance lease	920	920	3,105	43,661	48,606
Trade and other payables	5,449,367	-	-	-	5,449,367
<b>Total</b>	<b>12,877,565</b>	<b>7,012,748</b>	<b>2,915,373</b>	<b>828,548</b>	<b>23,634,234</b>
<b>At 31 December 2011</b>					
Borrowings, including interest payable	10,615,876	2,991,458	3,271,924	546,767	17,426,025
Obligation under finance lease	920	920	2,967	44,720	49,527
Trade and other payables	4,609,233	-	-	-	4,609,233
<b>Total</b>	<b>15,226,029</b>	<b>2,992,378</b>	<b>3,274,891</b>	<b>591,487</b>	<b>22,084,785</b>
<b>COMPANY</b>					
	Less than 1 year RMB'000	Between 1 and 2 years RMB'000	Between 2 and 5 years RMB'000	Over 5 years RMB'000	Total RMB'000
<b>At 31 December 2012</b>					
Borrowings, including interest payable	40,430	40,632	1,919,142	-	2,000,204
Trade and other payables	11,048	-	-	-	11,048
<b>Total</b>	<b>51,478</b>	<b>40,632</b>	<b>1,919,142</b>	<b>-</b>	<b>2,011,252</b>
<b>At 31 December 2011</b>					
Borrowings, including interest payable	245,735	245,735	2,336,821	-	2,828,291
Trade and other payables	6,214	-	-	-	6,214
<b>Total</b>	<b>251,949</b>	<b>245,735</b>	<b>2,336,821</b>	<b>-</b>	<b>2,834,505</b>

The table above excludes the amount of guarantees given to banks for mortgage facilities granted to certain purchasers of the Group's properties (note 37) as the directors consider the likelihood of default in payments by the purchasers is minimal.

**(b) Capital risk management**

The Group regards its shareholders' equity as capital. The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Group monitors capital on the basis of the gearing ratio. Gearing ratio is calculated as net debt divided by total equity attributable to the owners 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 at 31 December 2012 and 2011 were as follows:

	2012 RMB'000	2011 RMB'000
Total borrowings (note 20)	15,784,182	14,886,036
Less: cash and bank balances	<u>(3,300,189)</u>	<u>(3,166,353)</u>
Net debt	12,483,993	11,719,683
Total equity attributable to the owners of the Company	<u>18,151,070</u>	<u>17,050,918</u>
Gearing ratio	<u>68.8%</u>	<u>68.7%</u>

The gearing ratio for 2012 was comparable to that for 2011.

**(c) Fair value estimation**

The Group does not have any financial instruments that are measured in the balance sheet at fair value.

The carrying amounts of the Group's financial assets and liabilities (including cash and cash equivalents, trade and other receivables, trade and other payables) approximate their fair values due to their short maturities.

**4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS**

Estimates and judgements used in preparing the consolidated financial statements are evaluated and based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that may have a significant effect on the carrying amounts of assets and liabilities within the next financial year are discussed below.

**(a) Sales recognition on properties sold**

When the inflow of economic benefits associated with the property sales transaction is assessed to be probable and significant risks and rewards of ownership of properties are transferred to purchasers, the Group recognised revenue in respect of the properties sold.

Management made judgement on whether the economic benefits associated with the property sales transaction will flow to the Group. Likelihood of inflow of economic benefits to the Group is demonstrated by the purchaser's commitment to pay, which in turn is supported by substantial investment that gives the purchaser a stake in the property sufficient that the risk of loss through default motivates the purchaser to honour the obligation to the Group. Inflow of economic benefits associated with the property sales transaction is also assessed by considering location of the property and the prevailing market price of similar properties.

Management has also made judgement on when significant risks and rewards of ownership of properties are transferred to purchasers. Risk and rewards of ownership of properties are transferred to purchasers upon which the construction of relevant properties has been completed and upon which the beneficial interest in the properties has been passed to the purchasers.

The judgement on the likelihood of inflow of economic benefits associated with the property sales transaction and the transfer of risks and rewards of ownership of properties would affect the Group's profit for the year and the carrying value of completed properties held for sale.

**(b) Income tax and deferred income tax**

Significant judgement is required in determining the provision for income tax. There are many transactions and calculations for which the ultimate determination is uncertain during the ordinary course of business. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such difference will impact the income tax and deferred tax provision in the period in which such determination is made.

Deferred income tax assets relating to certain temporary differences and tax losses are recognised when management considers to be probable that future taxable profit will be available against which the temporary differences or tax losses can be utilised. The outcome of their actual utilisation may be different.

(c) **Land appreciation tax**

The Group is subject to land appreciation tax in the PRC. However, the implementation and settlement of these taxes varies among various tax jurisdictions in cities of the PRC, and the Group has not finalised its land appreciation taxes calculation and payments with any local tax authorities in the PRC. Accordingly, significant judgement is required in determining the amount of the land appreciation and its related taxes. The Group recognised these land appreciation taxes based on management's best estimates according to the understanding of the tax rules. The final tax outcome could be different from the amounts that were initially recorded, and these differences will impact the income tax expense and deferred income tax provisions in the periods in which such taxes have been finalised with local tax authorities.

(d) **Estimated valuation of investment properties**

Investment properties are stated at fair value based on the valuation performed by an independent and professionally qualified valuer.

In determining the fair value, the valuer has based on property valuation techniques which involve, inter alia, certain estimates including comparable sales in the relevant market, current market rents for similar properties in the same location and condition, appropriate discount rates and expected future market rents. In relying on the valuation report, management has exercised their judgement and is satisfied that the method of valuation is reflective of the current market condition.

(e) **Impairment assessment of trade and other receivables**

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 and the Group reviews regularly the recoverable amount of each individual trade receivables. The policy for provision for impairment on other receivables of the Group is based on the evaluation of collectability of receivable and on management's judgement. A considerable amount of judgement is required in assessing the ultimate realisation of these receivables, including the current creditworthiness.

5 **SEGMENT INFORMATION**

The Executive Directors have been identified as the chief operating decision-maker. Management determines the operating segments based on the Group's internal reports, which are submitted to the Executive Directors for performance assessment and resources allocation.

The Executive Directors consider 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. "Others" segment represents corporate support functions.

The Executive Directors assess the performance of the operating segments based on a measure of segment results. This measurement basis excludes the effects of non-recurring expenditure from the operating segments. Other information provided, except as noted below, to the Executive Directors is measured in a manner consistent with that in the consolidated financial statements.

Total segment assets excluded deferred income tax assets and other unallocated corporate assets. Other unallocated corporate assets represent interest expenses incurred at corporate which have been capitalised on qualifying assets of the subsidiaries.

Sales between segments are carried out in terms equivalent to those that prevail in arm's length transactions. The revenue from external parties reported to the Executive Directors is measured in a manner consistent with that in the consolidated statement of comprehensive income.

	Shanghai Region RMB'000	Yangtze River Delta (excluding Shanghai) RMB'000	Pan Bohai Rim RMB'000	Northeast China RMB'000	Others RMB'000	Total RMB'000
<b>Year ended 31 December 2012</b>						
Total revenue	1,545,099	3,773,956	156,657	2,913,004	-	8,388,716
Inter-segment revenue	(3,976)	-	-	-	-	(3,976)
Revenue (from external customers)	<u>1,541,123</u>	<u>3,773,956</u>	<u>156,657</u>	<u>2,913,004</u>	<u>-</u>	<u>8,384,740</u>
Segment results	402,519	652,552	(96,223)	475,931	(77,850)	1,356,929
Depreciation and amortisation	(12,757)	(3,764)	(4,404)	(2,743)	(1,951)	(25,619)
Fair value changes of investment properties	222,975	287,151	1,574	(7,420)	-	504,280
Interest income	2,702	36,573	1,075	651	778	41,779
Finance costs	(2,838)	(1,347)	(60)	(4,081)	-	(8,326)
Income tax expenses	<u>(229,999)</u>	<u>(358,519)</u>	<u>8,896</u>	<u>(211,233)</u>	<u>-</u>	<u>(790,855)</u>
<b>Year ended 31 December 2011</b>						
Total revenue	4,872,900	1,496,586	662,161	2,565,982	-	9,597,629
Inter-segment revenue	(12,186)	-	-	-	-	(12,186)
Revenue (from external customers)	<u>4,860,714</u>	<u>1,496,586</u>	<u>662,161</u>	<u>2,565,982</u>	<u>-</u>	<u>9,585,443</u>
Segment results	2,347,184	68,757	118,799	766,093	(52,447)	3,248,386
Depreciation and amortisation	(9,915)	(3,613)	(3,325)	(2,069)	(1,375)	(20,297)
Fair value changes of investment properties	477,620	-	42,335	157,181	-	677,136
Interest income	49,308	79,085	1,043	1,573	14,457	145,466
Finance costs	(427)	(1,352)	(193)	(519)	(35)	(2,526)
Income tax expenses	<u>(1,298,483)</u>	<u>(55,664)</u>	<u>(50,109)</u>	<u>(407,688)</u>	<u>-</u>	<u>(1,811,944)</u>

	Shanghai Region RMB'000	Yangtze River Delta (excluding Shanghai) RMB'000	Pan Bohai Rim RMB'000	Northeast China RMB'000	Others RMB'000	Elimination RMB'000	Total RMB'000
<b>At 31 December 2012</b>							
Total segment assets	30,552,726	26,397,719	7,952,848	7,373,071	8,218,177	(32,197,311)	48,297,230
Total segment assets include:							
Investment in an associate	4,485	-	-	-	-	-	4,485
Investment in a jointly controlled entity	22,385	-	-	-	-	-	22,385
Deferred income tax assets							312,487
Other unallocated corporate assets							4,017,459
<b>Total assets</b>							<b>52,627,176</b>
<b>Additions to:</b>							
Property, plant and equipment	407,364	406	51	1,324	266	-	409,411
Investment properties	611,219	718,849	18,426	197,509	-	-	1,546,003
<b>At 31 December 2011</b>							
Total segment assets	29,870,673	28,497,850	6,453,050	9,318,674	16,280,377	(43,481,468)	46,939,156
Total segment assets include:							
Investment in an associate	6,189	-	-	-	-	-	6,189
Investment in a jointly controlled entity	25,767	-	-	-	-	-	25,767
Deferred income tax assets							308,027
Other unallocated corporate assets							3,456,984
<b>Total assets</b>							<b>50,704,167</b>
<b>Additions to:</b>							
Property, plant and equipment	138,645	4,786	7,236	9,802	6,870	-	167,339
Investment properties	118,924	-	106,665	431,730	-	-	657,319

	<b>2012</b>	<b>2011</b>
	<i>RMB'000</i>	<i>RMB'000</i>
Segment results	1,356,929	3,248,386
Fair value changes of investment properties	504,280	677,136
Depreciation and amortisation	(25,619)	(20,297)
Loss on redemption of a financial liability	—	(27,140)
	<hr/>	<hr/>
Operating profit	1,835,590	3,878,085
Interest income	41,779	145,466
Finance costs	(8,326)	(2,526)
	<hr/>	<hr/>
Profit before income tax	<u>1,869,043</u>	<u>4,021,025</u>
 <b>Analysis of revenue by category</b>		
	<b>2012</b>	<b>2011</b>
	<i>RMB'000</i>	<i>RMB'000</i>
Sales of properties	8,384,481	9,581,735
Others	259	3,708
	<hr/>	<hr/>
Total	<u>8,384,740</u>	<u>9,585,443</u>

The Group has a number of customers. No revenue from a customer exceeds 10% or more of the Group's revenue.



## 6 PROPERTY, PLANT AND EQUIPMENT

## Group

	Building RMB'000	Computer and office equipment RMB'000	Motor vehicles RMB'000	Furniture, fitting and equipment RMB'000	Leasehold improve- ments RMB'000	Plant and machinery RMB'000	Construction in progress RMB'000	Total RMB'000
At 1 January 2011								
Cost	30,024	19,599	62,925	5,377	14,859	6,350	476,469	615,603
Accumulated depreciation	(3,373)	(7,169)	(25,621)	(1,843)	(3,005)	(839)	-	(41,850)
Net book amount	<u>26,651</u>	<u>12,430</u>	<u>37,304</u>	<u>3,534</u>	<u>11,854</u>	<u>5,511</u>	<u>476,469</u>	<u>573,753</u>
Year ended 31 December 2011								
Opening net book amount	26,651	12,430	37,304	3,534	11,854	5,511	476,469	573,753
Acquisition of subsidiaries (note 38)	-	309	5,193	-	-	-	-	5,502
Additions	43,797	6,032	25,714	1,559	3,311	11	86,915	167,339
Disposals	-	(77)	(841)	(141)	(313)	-	-	(1,372)
Depreciation	(1,801)	(4,266)	(12,419)	(934)	(2,292)	(638)	-	(22,350)
Closing net book amount	<u>68,647</u>	<u>14,428</u>	<u>54,951</u>	<u>4,018</u>	<u>12,560</u>	<u>4,884</u>	<u>563,384</u>	<u>722,872</u>
At 31 December 2011								
Cost	73,821	25,759	91,873	6,740	17,769	6,361	563,384	785,707
Accumulated depreciation	(5,174)	(11,331)	(36,922)	(2,722)	(5,209)	(1,477)	-	(62,835)
Net book amount	<u>68,647</u>	<u>14,428</u>	<u>54,951</u>	<u>4,018</u>	<u>12,560</u>	<u>4,884</u>	<u>563,384</u>	<u>722,872</u>
Year ended 31 December 2012								
Opening net book amount	68,647	14,428	54,951	4,018	12,560	4,884	563,384	722,872
Additions	52	1,144	2,999	280	157	-	404,779	409,411
Disposals	-	(76)	(2,127)	(54)	-	-	-	(2,257)
Depreciation	(3,083)	(6,169)	(14,181)	(1,110)	(2,730)	(638)	-	(27,911)
Closing net book amount	<u>65,616</u>	<u>9,327</u>	<u>41,642</u>	<u>3,134</u>	<u>9,987</u>	<u>4,246</u>	<u>968,163</u>	<u>1,102,115</u>
At 31 December 2012								
Cost	73,873	26,738	88,884	6,943	17,926	6,361	968,163	1,188,888
Accumulated depreciation	(8,257)	(17,411)	(47,242)	(3,809)	(7,939)	(2,115)	-	(86,773)
Net book amount	<u>65,616</u>	<u>9,327</u>	<u>41,642</u>	<u>3,134</u>	<u>9,987</u>	<u>4,246</u>	<u>968,163</u>	<u>1,102,115</u>

Company	Computer and office equipment <i>RMB'000</i>	Furniture, fitting and equipment <i>RMB'000</i>	Leasehold improve- ments <i>RMB'000</i>	Total <i>RMB'000</i>
At 1 January 2011				
Cost	116	123	320	559
Accumulated depreciation	<u>(19)</u>	<u>(21)</u>	<u>(42)</u>	<u>(82)</u>
Net book amount	<u>97</u>	<u>102</u>	<u>278</u>	<u>477</u>
Year ended 31 December 2011				
Opening net book amount	97	102	278	477
Disposals	–	(96)	(262)	(358)
Depreciation	<u>(24)</u>	<u>(6)</u>	<u>(16)</u>	<u>(46)</u>
Closing net book amount	<u>73</u>	<u>–</u>	<u>–</u>	<u>73</u>
At 31 December 2011				
Cost	116	–	–	116
Accumulated depreciation	<u>(43)</u>	<u>–</u>	<u>–</u>	<u>(43)</u>
Net book amount	<u>73</u>	<u>–</u>	<u>–</u>	<u>73</u>
Year ended 31 December 2012				
Opening net book amount	73	–	–	73
Depreciation	<u>(23)</u>	<u>–</u>	<u>–</u>	<u>(23)</u>
Closing net book amount	<u>50</u>	<u>–</u>	<u>–</u>	<u>50</u>
At 31 December 2012				
Cost	116	–	–	116
Accumulated depreciation	<u>(66)</u>	<u>–</u>	<u>–</u>	<u>(66)</u>
Net book amount	<u>50</u>	<u>–</u>	<u>–</u>	<u>50</u>

Construction in progress comprises the land costs, construction costs, borrowing costs and professional fees incurred during the development period.

As at 31 December 2011 and 2012, all construction in progress were pledged as collateral for the Group's borrowings (note 20).

Depreciation charge was capitalised or expensed in the following categories in the consolidated balance sheet and the consolidated statement of comprehensive income:

	2012 <i>RMB'000</i>	2011 <i>RMB'000</i>
Properties under development	1,323	628
Cost of sales	1,497	1,952
Selling and marketing expenses	1,696	1,548
Administrative expenses	23,395	18,222
	<u>27,911</u>	<u>22,350</u>

Building includes the following amounts where the Group is a lessee under a finance lease:

	2012 <i>RMB'000</i>	2011 <i>RMB'000</i>
Cost – capitalised finance leases	24,524	24,524
Accumulated depreciation	(4,599)	(3,986)
	<u>19,925</u>	<u>20,538</u>

The Group leases building under non-cancellable finance lease agreement. The lease term is 40 years.

## 7 INVESTMENT PROPERTIES

	2012 <i>RMB'000</i>	2011 <i>RMB'000</i>
At beginning of the year	8,557,663	7,223,208
Additions	1,546,003	657,319
Fair value gain (included in “other gains, net”)	504,280	677,136
	<u>10,607,946</u>	<u>8,557,663</u>

The investment properties were valued on 31 December 2011 and 2012 at fair value by Jones Lang LaSalle Corporate Appraisal and Advisory Limited, an independent and professionally qualified valuer.

As at 31 December 2012, investment properties of carrying value of RMB5,817,000,000 (2011: RMB2,918,325,000) were pledged as collateral for the Group’s borrowings (note 20).

The Group's interests in investment properties at their carrying amounts are analysed as follows:

	2012 RMB'000	2011 RMB'000
In the PRC, held on:		
Leases of 10-50 years	8,451,946	6,710,645
Leases of over 50 years	2,156,000	1,847,018
	<u>10,607,946</u>	<u>8,557,663</u>

The following amounts have been recognised in the consolidated statement of comprehensive income:

	2012 RMB'000	2011 RMB'000
Rental income	35,246	30,777
Direct operating expenses attributable to investment properties that generate rental income	(4,816)	(4,005)
Net rental income (note 25)	<u>30,430</u>	<u>26,772</u>

#### 8 INTANGIBLE ASSETS

	2012 RMB'000	2011 RMB'000
At beginning of the year	2,833	3,360
Amortisation charge	(528)	(527)
At end of the year	<u>2,305</u>	<u>2,833</u>
At end of the year		
Cost	4,300	4,300
Accumulated amortisation	(1,995)	(1,467)
Net book amount	<u>2,305</u>	<u>2,833</u>

Amortisation charge of RMB528,000 (2011: RMB527,000) was included in the "administrative expenses" in the consolidated statement of comprehensive income. There was no impairment of the Group's intangible assets during the year (2011: Nil).

## 9 INVESTMENT IN AN ASSOCIATE

	2012 RMB'000	2011 RMB'000
Investment in an associate	4,485	6,189

The Group's investment in an associate represents the 45% equity interest in Shanghai Chuangmeng International Architectural Design Co., Ltd. (上海創盟國際建築設計有限公司) ("Shanghai Chuangmeng"). Shanghai Chuangmeng is an entity established in the PRC.

The following amounts represent the Group's share of the assets and liabilities, and income and results of the associate and are included in the Group's consolidated balance sheet and consolidated statement of comprehensive income:

	2012 RMB'000	2011 RMB'000
<b>Assets</b>		
Non-current assets	569	914
Current assets	7,622	7,993
	<u>8,191</u>	<u>8,907</u>
<b>Liabilities</b>		
Current liabilities	3,706	2,718
	<u>3,706</u>	<u>2,718</u>
<b>Net assets</b>	<u>4,485</u>	<u>6,189</u>
Income	8,968	18,158
Expenses, including income tax	(10,672)	(17,820)
	<u>(1,704)</u>	<u>338</u>
<b>(Loss)/profit for the year</b>	<u>(1,704)</u>	<u>338</u>

## 10 INVESTMENT IN A JOINTLY CONTROLLED ENTITY AND LOAN TO A JOINTLY CONTROLLED ENTITY

	2012 RMB'000	2011 RMB'000
Investment in a jointly controlled entity	22,385	25,767
Loan to a jointly controlled entity (a)	1,978,997	1,967,905

The Group's investment in a jointly controlled entity represents the 60% equity interest in Glorious Jiangxu (Nanjing) Property Development Co., Ltd. (恒盛江旭(南京)房地產開發有限公司) ("Nanjing Jiangxu"). Nanjing Jiangxu is an entity established in the PRC.

The following amounts represent the Group's share of the assets and liabilities, and income and results of the jointly control entity. They are included in the Group's consolidated balance sheet and consolidated statement of comprehensive income:

	2012 <i>RMB'000</i>	2011 <i>RMB'000</i>
<b>Assets:</b>		
Non-current assets	4,270	3,571
Current assets	2,469,892	2,171,254
	<u>2,474,162</u>	<u>2,174,825</u>
<b>Liabilities:</b>		
Non-current liabilities	1,490,883	1,279,997
Current liabilities	960,894	869,061
	<u>2,451,777</u>	<u>2,149,058</u>
<b>Net assets</b>	<u>22,385</u>	<u>25,767</u>
Income	–	–
Expenses, including income tax	(3,382)	(4,143)
<b>Loss for the year</b>	<u>(3,382)</u>	<u>(4,143)</u>

- (a) The loan to a jointly controlled entity is unsecured, has no fixed terms of repayment and bears interest that is agreed with Nanjing Jiangxu and its joint venture partner by making references to the latest benchmark lending rate published by the People's Bank of China. As at 31 December 2012, the annual interest rate is 10% (2011: 10%). The carrying value of the loan to a jointly controlled entity approximates its fair value.

#### 11 INTERESTS IN SUBSIDIARIES – COMPANY

	2012 <i>RMB'000</i>	2011 <i>RMB'000</i>
Unlisted shares, at cost	–	–
Advances to subsidiaries (a)	7,456,784	7,400,320
	<u>7,456,784</u>	<u>7,400,320</u>

- (a) The advances to subsidiaries are unsecured, interest-free and have no fixed terms of repayment. In the opinion of the Company's directors, these advances are considered as quasi-equity loans to the subsidiaries.

Particulars of the subsidiaries of the Company as at 31 December 2012 are set out below:

Name	Date of incorporation/ establishment	Type of legal entity	Issued/ paid-in/ registered capital	Percentage of attributable equity interest		Principal activities
				2011	2012	
<b>Directly held:</b>						
<i>Incorporated in the British Virgin Islands (the "BVI"):</i>						
Bright New Investments Limited (明新投資有限公司)	2 May 2007	Limited company	US\$50,000	100%	100%	Investment holding
<b>Indirectly held:</b>						
<i>Incorporated in the BVI:</i>						
Achieve Triumph Limited (達凱有限公司)	6 April 2011	Limited company	US\$1	100%	100%	Investment holding
Allied Honest Holdings Limited	30 March 2006	Limited company	US\$1,000	100%	100%	Investment holding
Better Score Limited	25 February 2009	Limited company	US\$1	100%	100%	Investment holding
East Harbour Development Limited	9 March 2006	Limited company	US\$1,000	100%	100%	Investment holding
East Plus Enterprises Limited (東和企業有限公司)	25 November 2010	Limited company	US\$1	100%	100%	Investment holding
Grand Target Group Limited (君達集團有限公司)	23 January 2006	Limited company	US\$1,000	100%	100%	Investment holding
Highest Reach Limited	9 March 2007	Limited company	US\$50,000	100%	100%	Investment holding
Jolly Rich Limited (怡富有限公司)	25 March 2011	Limited company	US\$1	100%	100%	Investment holding
May Gain Limited (美盈有限公司)	6 April 2011	Limited company	US\$1	100%	100%	Investment holding
Regal World Development Limited	21 February 2006	Limited company	US\$1,000	100%	100%	Investment holding
Vieward Group Limited (景向集團有限公司)	15 February 2006	Limited company	US\$1,000	100%	100%	Investment holding
<i>Incorporated in Hong Kong:</i>						
Cheston Holdings Limited (卓怡集團有限公司)	14 June 2006	Limited company	HK\$1	100%	100%	Investment holding
Extreme (Asia) Limited (永和(亞洲)有限公司)	15 May 2006	Limited company	HK\$1	100%	100%	Investment holding
Fast Right Limited	15 December 2006	Limited company	HK\$10,000	100%	100%	Investment holding
Glorious Corporate Services Limited	12 July 2010	Limited company	HK\$1	100%	100%	Provision of corporate services
Gold Radiant Investments Limited (富谷投資有限公司)	11 April 2011	Limited company	HK\$1	100%	100%	Investment holding
Greater Base Limited (基鉅有限公司)	3 March 2009	Limited company	HK\$1	100%	100%	Investment holding
Rich Tech International Enterprise Limited (富達國際企業有限公司)	2 June 2006	Limited company	HK\$1	100%	100%	Investment holding
Triumph One Investments Limited (美堡投資有限公司)	11 April 2011	Limited company	HK\$1	100%	100%	Investment holding
Venture Hong Kong Group Limited (富昇香港集團有限公司)	26 June 2006	Limited company	HK\$1	100%	100%	Investment holding
Worldex Investment Development Limited (恒滙投資發展有限公司)	14 June 2006	Limited company	HK\$1	100%	100%	Investment holding

Name	Date of incorporation/ establishment	Type of legal entity	Issued/ paid-in/ registered capital	Percentage of attributable equity interest		Principal activities
				2011	2012	
<i>Incorporated in Singapore:</i>						
Wachovian II Co Pte. Ltd.	14 August 2007	Limited company	SGD10	100%	100%	Investment holding
<i>Incorporated in the PRC:</i>						
Fuda Real Estate Development (Nantong) Co., Ltd. (富達房地產開發(南通)有限公司)	1 August 2006	Limited company	US\$111,880,000	100%	100%	Property development and investment holding
Fusheng Real Estate Development (Nantong) Co., Ltd. (富昇房地產開發(南通)有限公司)	27 June 2005	Limited company	US\$99,960,000	100%	100%	Property development and investment holding
Henghui Real Estate Development (Nantong) Co., Ltd. (恒匯房地產開發(南通)有限公司)	22 July 2005	Limited company	US\$112,990,000	100%	100%	Property development and investment holding
Nantong Huangshi Hui Real Estate Development Co., Ltd. (南通皇室會房地產開發有限公司)	25 July 2005	Limited company	US\$128,990,000	100%	100%	Property development and investment holding
Nantong Jiangle Real Estate Development Co., Ltd. (南通江樂房地產開發有限公司)	27 June 2006	Limited company	US\$99,800,000	100%	100%	Property development and investment holding
Nantong Jigui Real Estate Development Co., Ltd. (南通杰匯置業發展有限公司)	14 April 2006	Limited company	US\$113,990,000	100%	100%	Property development and investment holding
Nantong Jiju Foundation Facilities Construction Co., Ltd. (南通基鉅基礎設施建設有限公司)	27 April 2009	Limited company	US\$3,000,000	100%	100%	Investment holding
Nantong Lehua Real Estate Development Co., Ltd. (南通樂華房地產開發有限公司)	29 June 2006	Limited company	US\$114,800,000	100%	100%	Property development and investment holding
Yonghe Real Estate Development (Nantong) Co., Ltd. (永和房地產開發(南通)有限公司)	10 April 2006	Limited company	US\$102,750,000	100%	100%	Property development and investment holding
Zhuo Yi Real Estate Development (Nantong) Co., Ltd. (卓怡房地產開發(南通)有限公司)	2 August 2006	Limited company	US\$99,800,000	100%	100%	Property development and investment holding
Dalian Hengcheng Investment Management Co., Ltd. (大連恒成投資管理有限公司)	8 November 2012	Limited company	RMB1,000,000	-	60%	Asset management and project investment advisory



Name	Date of incorporation/ establishment	Type of legal entity	Issued/ paid-in/ registered capital	Percentage of attributable equity interest		Principal activities
				2011	2012	
Dalian Runjing Property Development Co., Ltd. (大連潤景房地產開發有限公司)	19 January 2010	Limited company	RMB100,000,000	100%	100%	Property development
Glorious Baofeng (Nantong) Property Development Co., Ltd. (恒盛寶豐(南通)置業發展有限公司)	12 January 2010	Limited company	RMB802,000,000	100%	100%	Property development
Glorious Fuhai (Harbin) Property Development Co., Ltd. (恒盛福海(哈爾濱)置業有限公司)	5 November 2010	Limited company	RMB100,000,000	100%	100%	Property development
Glorious Fusheng Property Investment (Beijing) Co., Ltd. (恒盛富升地產投資(北京)有限公司)	23 July 2010	Limited company	RMB100,000,000	100%	100%	Investment holding
Glorious Hengmao (Hefei) Property Development Co., Ltd. (恒盛恒茂(合肥)房地產開發有限公司)	24 October 2007	Limited company	RMB509,830,227	100%	100%	Property development
Glorious Hetian Hexin (Beijing) Property Development Co., Ltd. (恒盛合天和信(北京)房地產開發有限公司)	25 December 2001	Limited company	RMB130,000,000	100%	100%	Property development
Glorious Hongsheng (Suzhou) Property Development Co., Ltd. (恒盛弘晟(蘇州)置業有限公司)	17 March 2005	Limited company	RMB170,000,000	100%	100%	Property development
Glorious Hongyun (Tianjin) Investment Co., Ltd. (恒盛弘耘(天津)投資有限公司)	13 September 2004	Limited company	RMB88,000,000	100%	100%	Property development
Glorious Huixin (Changchun) Property Development Co., Ltd. (恒盛滙鑫(長春)置業有限公司)	7 May 2010	Limited company	RMB250,000,000	100%	100%	Property development
Glorious Plaza (Nantong) Property Development Co., Ltd. (恒盛廣場(南通)房地產開發有限公司) (formerly known as "Glorious Rongsheng (Nantong) Building Real Estate Development Co., Ltd. 恒盛榕盛大廈(南通)房地產開發有限公司")	12 December 2007	Limited company	RMB460,000,000	100%	100%	Property development

Name	Date of incorporation/ establishment	Type of legal entity	Issued/ paid-in/ registered capital	Percentage of attributable equity interest		Principal activities
				2011	2012	
Glorious Property Investment (Changchun) Co., Ltd. (恒盛地產投資(長春)有限公司)	25 August 2011	Limited company	RMB50,000,000	100%	100%	Investment holding
Glorious Property Investment (Harbin) Co., Ltd. (恒盛地產投資(哈爾濱)有限公司)	3 August 2010	Limited company	RMB100,000,000	100%	100%	Investment holding
Glorious Property Investment (Hefei) Co., Ltd. (恒盛地產投資(合肥)有限公司)	23 July 2010	Limited company	RMB250,000,000	100%	100%	Investment holding
Glorious Property Investment (Nantong) Co., Ltd. (恒盛地產投資(南通)有限公司)	28 May 2010	Limited company	RMB420,000,000	100%	100%	Investment holding
Glorious Property Investment (Shanghai) Co., Ltd. (恒盛地產投資(上海)有限公司)	21 June 2010	Limited company	RMB100,000,000	100%	100%	Investment holding
Glorious Property Investment (Tianjin) Co., Ltd. (恒盛地產投資(天津)有限公司)	2 December 2010	Limited company	RMB40,000,000	100%	100%	Investment holding
Glorious Property Investment (Yancheng) Co., Ltd. (恒盛地產投資(鹽城)有限公司)	28 February 2011	Limited company	RMB150,000,000	100%	100%	Investment holding
Glorious Qingshi Property Development (Beijing) Co., Ltd. (恒盛青石地產置業(北京)有限公司)	16 May 2011	Limited company	RMB20,000,000	60%	60%	Property development
Glorious Qiwei (Shanghai) Industry Co., Ltd. (恒盛祺偉(上海)實業有限公司)	24 September 2008	Limited company	RMB100,000,000	100%	100%	Wholesale of construction materials
Glorious (Shanghai) Commercial Operation and Management Co., Ltd. (恒盛(上海)商業經營管理有限公司) (formerly known as "Glorious (Shanghai) Cultural Property Development Co., Ltd. 恒盛(上海)文化產業發展有限公司")	25 May 2011	Limited company	RMB10,000,000	100%	100%	Culture, advertising planning, investment holding and advisory
Glorious Shuntianlong (Shanghai) Concrete Co., Ltd. (恒盛順添隆(上海)混凝土有限公司)	14 November 2008	Limited company	RMB30,000,000	100%	100%	Trading of concrete

Name	Date of incorporation/ establishment	Type of legal entity	Issued/ paid-in/ registered capital	Percentage of attributable equity interest		Principal activities
				2011	2012	
Glorious Tianxingjian (Tianjin) Real Estate Investment Co., Ltd. (恒盛天行建(天津)房地產投資有限公司)	20 March 2006	Limited company	RMB53,480,000	100%	100%	Property development
Glorious Weida (Nantong) Property Development Co., Ltd. (恒盛緯達(南通)房地產開發有限公司)	12 January 2010	Limited company	RMB3,370,000,000	100%	100%	Property development
Glorious Wangjiarui (Wuxi) Co., Ltd. (恒盛旺佳瑞(無錫)有限公司)	7 September 2004	Limited company	RMB1,197,911,767	100%	100%	Property development and investment holding
Glorious Yangguang Binhai (Harbin) Property Co., Ltd. (恒盛陽光濱海(哈爾濱)置業有限公司)	19 December 2007	Limited company	RMB660,000,000	100%	100%	Property development
Glorious Yangguang Xindi (Beijing) Property Co., Ltd. (恒盛陽光鑫地(北京)置業有限公司)	25 February 2003	Limited company	RMB129,000,000	100%	100%	Property development
Glorious Yangguang Xindi (Dalian) Property Co., Ltd. (恒盛陽光鑫地(大連)置業有限公司)	3 November 2009	Limited company	RMB300,000,000	70%	70%	Property development
Glorious Yangguang Xindi (Liaoning) Property Co., Ltd. (恒盛陽光鑫地(遼寧)置業有限公司)	6 June 2005	Limited company	RMB1,333,502,300	100%	100%	Property development and investment holding
Glorious Yangguang Xindi (Tianjin) Investment Co., Ltd. (恒盛陽光鑫地(天津)投資有限公司)	19 May 2003	Limited company	RMB806,039,565	100%	100%	Property development and investment holding
Glorious Yifeng (Hefei) Property Development Co., Ltd. (恒盛頤豐(合肥)房地產開發有限公司)	14 October 2010	Limited company	RMB250,000,000	100%	100%	Property development
Glorious Zhuoda (Nantong) Property Development Co., Ltd. (恒盛焯達(南通)房地產開發有限公司)	21 June 2011	Limited company	RMB168,000,000	100%	100%	Property development
Glorious Zhuoyi Property Investment (Dalian) Co., Ltd. (恒盛卓怡地產投資(大連)有限公司)	3 December 2010	Limited company	RMB100,000,000	100%	100%	Investment holding
Hefei Haobang Trading Co., Ltd. (合肥皓邦貿易有限公司)	29 November 2011	Limited company	RMB50,000,000	100%	100%	Wholesale of construction materials
Jiangsu Arts and Cultural Property Holdings Ltd. (江蘇演藝文化產業股份有限公司)	8 May 2004	Limited company	RMB50,000,000	54%	54%	Cultural and property development

Name	Date of incorporation/ establishment	Type of legal entity	Issued/ paid-in/ registered capital	Percentage of attributable equity interest		Principal activities
				2011	2012	
Jiangsu Chuangyi Cultural Property Foundation Investment and Construction Co., Ltd. (江蘇創意文化產業基地投資建設有限公司)	16 January 2007	Limited company	RMB88,670,000	100%	100%	Investment holding
Jiangsu Glorious Dadi Culture Co., Ltd. (江蘇恒盛大地文化有限責任公司)	28 June 2011	Limited company	RMB10,000,000	100%	100%	Property development
Jiaxing Glorious Ruijing Property Development Co., Ltd. (嘉興恒盛瑞景房地產開發有限公司)	25 July 2012	Limited company	RMB100,000,000	-	100%	Property development
Ma'anshan Glorious Yudong Property Development Co., Ltd. (馬鞍山恒盛裕東房地產開發有限公司) (formerly known as "Glorious Yudong (Quanjiao) Property Development Co., Ltd. 恒盛裕東(全椒)房地產開發有限公司")	4 March 2011	Limited company	RMB100,000,000	100%	100%	Property development
Nantong Zhuowei Trade Development Co., Ltd. (南通焯焯貿易發展有限公司)	5 June 2003	Limited company	RMB155,000,000	100%	100%	Wholesale of mechanical equipments and building materials
Shanghai Anshun Property Development Co., Ltd. (上海安順房地產發展有限公司)	18 January 1996	Limited company	RMB30,000,000	100%	100%	Property development
Shanghai Glorious Shengtong Investment Partnership Enterprise (Limited Partnership) (上海恒盛勝通投資合夥企業(有限合夥))	13 June 2012	Limited partnership	-	-	100%	Investment management
Shanghai Haosen Property Co., Ltd. (上海豪森房地產有限公司)	6 October 1998	Limited company	RMB80,000,000	100%	100%	Property development
Shanghai Hongye Property Development Co., Ltd. (上海弘擘房地產發展有限公司)	7 April 2008	Limited company	RMB900,000,000	100%	100%	Property development
Shanghai Jinhao Property Development Co., Ltd. (上海錦豪房地產開發有限公司)	25 December 2009	Limited company	RMB10,000,000	100%	100%	Property development
Shanghai Mingbao Construction Co., Ltd. (上海明寶建設工程有限公司)	17 January 2004	Limited company	RMB100,000,000	100%	100%	Interior and exterior decoration and renovation
Shanghai Penghui Property Development Co., Ltd. (上海鵬暉置業有限公司)	26 May 2008	Limited company	RMB20,000,000	100%	100%	Property development

Name	Date of incorporation/ establishment	Type of legal entity	Issued/ paid-in/ registered capital	Percentage of attributable equity interest		Principal activities
				2011	2012	
Shanghai Shengtong Property Development Co., Ltd. (上海勝通房地產開發有限公司)	19 June 2001	Limited company	RMB601,000,000	100%	100%	Property development
Shanghai Rongxiang Property Development Co., Ltd. (上海榕祥房地產開發有限公司)	29 December 2009	Limited company	RMB10,000,000	100%	100%	Property development
Shanghai Xintai Property Development Co., Ltd. (上海鑫泰房地產發展有限公司)	22 April 1999	Limited company	RMB1,400,000,000	100%	100%	Property development and investment holding
Shanghai Yijing Property Development Co., Ltd. (上海意景房地產開發有限公司)	22 January 2001	Limited company	RMB563,587,214	100%	100%	Property development and investment holding
Shenyang Glorious Plaza Commercial Management Co., Ltd. (瀋陽恒盛廣場商業管理有限公司)	7 September 2010	Limited company	RMB5,000,000	100%	100%	Business management and property management
Tianjin Dong'an Construction Co. Ltd. (天津東岸建設有限公司)	11 March 2005	Limited company	RMB510,000,000	70%	70%	Property development
Tianjin Gangtian Real Estate Investment Co. Ltd. (天津港天房地產投資有限公司)	21 March 2006	Limited company	RMB136,265,000	100%	100%	Property development

Note:

- (a) As at 31 December 2012, equity interests of certain of the Company's subsidiaries have been pledged for securing the Group's borrowings (note 20).

## 12 PROPERTIES UNDER DEVELOPMENT

	2012 RMB'000	2011 RMB'000
Within normal operating cycle included under current assets	22,256,445	22,862,050
Amount comprised:		
Land use rights	11,260,194	12,017,488
Construction costs and capitalised expenditures	6,241,827	6,697,715
Interest capitalised	4,754,424	4,146,847
	<u>22,256,445</u>	<u>22,862,050</u>

The properties under development are all located in the PRC.

As at 31 December 2012, properties under development of carrying value of RMB8,590,531,000 (2011: RMB5,219,284,000) were pledged as collateral for the Group's borrowings (note 20). As at 31 December 2012, properties under development of RMB426,464,000 (2011: RMB421,169,000) were being pledged as collateral for certain loan facilities of principal amount not exceeding RMB240,000,000 of a non-controlling shareholder of a subsidiary.

	2012 RMB'000	2011 RMB'000
Properties under development:		
Expected to be completed and available for sale after more than 12 months	12,699,853	15,723,624
Expected to be completed and available for sale within 12 months	9,556,592	7,138,426
	<u>22,256,445</u>	<u>22,862,050</u>

### 13 COMPLETED PROPERTIES HELD FOR SALE

	2012 RMB'000	2011 RMB'000
Completed properties held for sale comprised:		
Land use rights	1,360,140	655,976
Construction costs and capitalised expenditures	3,038,720	2,170,525
Interest capitalised	645,500	102,767
	<u>5,044,360</u>	<u>2,929,268</u>

The completed properties held for sale are all located in the PRC.

As at 31 December 2012, completed properties held for sale of carrying value of RMB2,062,635,000 (2011: RMB1,750,637,000) were pledged as collateral for the Group's borrowings (note 20).

### 14 INVENTORIES

	2012 RMB'000	2011 RMB'000
Construction materials, at cost	<u>7,275</u>	<u>6,849</u>

The cost of inventories recognised as expense in "cost of sales" amounted to RMB225,000 (2011: RMB3,643,000).

## 15 TRADE AND OTHER RECEIVABLES AND PREPAYMENTS

## Group

	2012 RMB'000	2011 RMB'000
Trade receivables due from third parties (a)	52,781	79,055
Other receivables due from third parties (b)	1,280,982	1,290,427
Prepayments for construction costs:	2,084,762	2,885,719
Related parties ( <i>note 36(b)</i> )	1,013,083	1,608,420
Third parties	1,071,679	1,277,299
Prepayments for land premium	4,095,324	5,381,917
Prepaid business tax and other taxes	260,452	305,278
	<u>7,774,301</u>	<u>9,942,396</u>

## Company

	2012 RMB'000	2011 RMB'000
Prepayments to third parties	743	544

- (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:

	2012 RMB'000	2011 RMB'000
Within 6 months	16,912	34,012
Between 7 and 12 months	11,898	34,705
Between 13 months and 3 years	23,971	10,338
	<u>52,781</u>	<u>79,055</u>

As at 31 December 2012, trade receivables of RMB52,781,000 (2011: RMB79,055,000) were overdue but not impaired. Trade receivables that are past due but not impaired relate to certain customers that have a good track record with the Group. Based on past experience, management believes that no provision for impairment is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered fully receivable. All trade receivables were denominated in RMB.

- (b) During 2011, the Group made a deposit of RMB168,000,000 pursuant to a memorandum of intent to acquire a property located in Beijing. During 2012, management decided not to proceed with the transaction. According to the cancellation agreement, such deposit should be fully refunded by the seller on or before 31 May 2013. On 29 January 2013, the Group has received repayment of RMB40,505,000 in accordance with the repayment plan as included in the cancellation agreement. Management assessed the recoverability of such deposit and considered that no provision for impairment should be made as at 31 December 2012.

As at 31 December 2012, deposit of RMB240,000,000 was paid pursuant to a memorandum of intent to acquire a company which has obtained a piece of land in Shanghai in 2011. According to the provisions of the memorandum of intent, if the acquisition does not complete, the Group will provide project management services to the target company in respect of its property development business by signing a separate management service agreement. The deposit for acquisition will then become a loan to the target company and bears interest at 10% per annum. Such loan and the related interest shall be fully repayable to the Group on or before 31 December 2013.

As at 31 December 2012, other receivables due from a third party of RMB127,959,000 (2011: RMB190,965,000) is unsecured and bears interest at 18% (2011: 26%) per annum and is repayable on demand.

Other than the aforementioned, all other receivables due from third parties are unsecured, interest-free and repayable on demand. None of these receivables from third parties is either past due or impaired.

As at 31 December 2011 and 2012, the fair values of the Group's trade and other receivables approximate their carrying amounts. The maximum exposure to credit risk at each balance sheet date is the carrying value of each class of receivables mentioned above. The Group does not hold any collateral as security.

#### 16 RESTRICTED CASH

Restricted cash comprises (i) funds borrowed under specific borrowings that are subject to restriction of use until certain prescribed stages of construction works are achieved, (ii) guaranteed deposits for the mortgage loan facilities granted by banks to purchasers of the Group's properties, (iii) guarantee deposits for bank loans, and (iv) other bank deposits that are restricted in use for daily operational needs. The components of restricted cash as at 31 December 2012 are as follows:

##### Group

	2012 <i>RMB'000</i>	2011 <i>RMB'000</i>
Restricted funds under specific borrowings and guarantee deposits for mortgage facilities	375,066	218,843
Guarantee deposits for bank loans	1,931,466	1,900,000
Other restricted funds	908	26,412
<b>Total</b>	<b>2,307,440</b>	<b>2,145,255</b>

##### Company

The Company's restricted cash amounted to RMB200,000,000 as at 31 December 2011 represented the restricted funds that were placed as guarantee deposit for certain bank borrowings of the Company's subsidiaries. The Company has no funds that are restricted as at 31 December 2012.



## 17 CASH AND CASH EQUIVALENTS

## Group

	2012 RMB'000	2011 RMB'000
Cash at bank and on hand:		
Denominated in RMB	3,289,989	3,139,099
Denominated in US\$	8,329	21,018
Denominated in HK\$	1,871	6,236
	<u>3,300,189</u>	<u>3,166,353</u>
Less: Restricted cash	<u>(2,307,440)</u>	<u>(2,145,255)</u>
	<u>992,749</u>	<u>1,021,098</u>
Maximum exposure to credit risk	<u>3,251,294</u>	<u>3,106,832</u>

As at 31 December 2012, the Group's five highest bank balances amounted to RMB2,278,084,000 (2011: RMB2,202,245,000), representing 69.0% (2011: 69.6%) of the Group's total cash and bank balances at the balance sheet date.

## Company

	2012 RMB'000	2011 RMB'000
Cash at bank and on hand:		
Denominated in RMB	2,485	254,598
Denominated in US\$	61	16,112
Denominated in HK\$	550	3,383
	<u>3,096</u>	<u>274,093</u>
Less: Restricted cash	<u>-</u>	<u>(200,000)</u>
	<u>3,096</u>	<u>74,093</u>

The conversion of Renminbi denominated balances into foreign currencies and the remittance of such foreign currencies denominated bank balances and cash out of the PRC are subject to the relevant rules and regulations of foreign exchange control promulgated by the PRC government.

Cash at bank earns interest at floating rates based on daily bank deposit rates ranging from 0.0% to 2.6%.

## 18 SHARE CAPITAL AND SHARE PREMIUM

	Number of ordinary shares	Nominal value of ordinary shares HK\$	Equivalent nominal value of ordinary shares RMB'000	Share premium RMB'000	Total RMB'000
Authorised:					
Ordinary shares of HK\$0.01 each at 1 January 2011, 31 December 2011 and 31 December 2012	38,000,000,000	380,000,000			
Issued:					
Ordinary shares of HK\$0.01 each at 1 January 2011, 31 December 2011 and 31 December 2012	7,792,645,623	77,926,456	68,745	7,822,982	7,891,727

## 19 RESERVES

## (a) Company reserves

	Other reserve RMB'000 (note (d))	Employee share-based compensation reserve RMB'000	Accumulated losses RMB'000	Total RMB'000
Balance at 1 January 2011	264,317	140,191	(2,376,563)	(1,972,055)
Total comprehensive loss for the year	-	-	(235,039)	(235,039)
Employee share-based compensation (note 39)	-	36,346	-	36,346
Balance at 31 December 2011	264,317	176,537	(2,611,602)	(2,170,748)
Total comprehensive loss for the year	-	-	(288,888)	(288,888)
Employee share-based compensation (note 39)	-	18,521	-	18,521
Balance at 31 December 2012	264,317	195,058	(2,900,490)	(2,441,115)

The loss attributable to the owners of the Company is dealt with in the financial statements of the Company to the extent of RMB288,888,000 (2011: RMB235,039,000).

## (b) Merger reserve

Merger reserve arises from merger accounting for reorganisation of the Group completed in 2007.

**(c) Statutory reserve**

In accordance with the relevant regulations and their articles of association, the Company's subsidiaries incorporated in the PRC are required to allocate at least 10% of their after-tax profit according to PRC accounting standards and regulations to the general statutory reserve until such reserve has reached 50% of registered capital. Appropriations to the enterprise expansion fund and staff welfare and bonus fund are at the discretion of the respective board of directors of the subsidiaries. These reserves can only be used for specific purposes and are not distributable or transferable in the form of loans, advances, or cash dividends. During the year ended 31 December 2012, appropriation to the general statutory reserve amounted to RMB40,835,000 (2011: RMB131,260,000).

**(d) Other reserve**

It represents the 0.7% and 0.5% equity interests in the Company contributed by Best Era International Limited, the immediate holding company of the Company and is wholly-owned by Mr. Zhang Zhi Rong, in connection with the Group's financing activities in 2007 and 2009 respectively.

**20 BORROWINGS****Group**

	<b>2012</b>	<b>2011</b>
	<i>RMB'000</i>	<i>RMB'000</i>
Borrowings included in non-current liabilities:		
Bank borrowings – secured	7,788,653	3,686,123
Senior Notes due 2015 – secured (a)	1,901,024	1,897,100
	<u>9,689,677</u>	<u>5,583,223</u>
Borrowings included in current liabilities:		
Bank borrowings – secured	5,446,715	9,302,813
Other borrowings – unsecured (c)	567,680	–
Other borrowings – secured	80,110	–
	<u>6,094,505</u>	<u>9,302,813</u>
Total borrowings	<u><u>15,784,182</u></u>	<u><u>14,886,036</u></u>
The carrying values of the borrowings are denominated in the following currencies:		
RMB	12,028,936	11,123,562
US\$	3,755,246	3,762,474
	<u>15,784,182</u>	<u>14,886,036</u>
Total borrowings	<u><u>15,784,182</u></u>	<u><u>14,886,036</u></u>

An analysis of the Group's borrowings into principal amounts is as follows:

	2012 RMB'000	2011 RMB'000
Bank borrowings	13,455,903	13,070,266
Senior Notes due 2015 (a)	1,885,650	1,890,270
Other borrowings	647,790	–
	<u>15,989,343</u>	<u>14,960,536</u>
Adjusted by: unamortised loan arrangement fees and accrued interests	<u>(205,161)</u>	<u>(74,500)</u>
Total borrowings	<u><u>15,784,182</u></u>	<u><u>14,886,036</u></u>

#### Company

	2012 RMB'000	2011 RMB'000
Borrowings included in non-current liabilities and denominated in US\$:		
Senior Notes due 2015 – secured (a)	<u>1,901,024</u>	<u>1,897,100</u>
Total borrowings	<u><u>1,901,024</u></u>	<u><u>1,897,100</u></u>

The Group's borrowings comprises loans from commercial banks, other financial institutions and certain individuals, and financing obtained from the capital market in the way of notes. Apart from certain other borrowings as further mentioned in (c) below, all of the Group's borrowings are secured by the construction in progress, investment properties, properties under development, completed projects held for sale, restricted cash and equity interests of certain subsidiaries of the Group.

- (a) On 25 October 2010, the Company issued 13.0% senior notes due 2015 with an aggregated nominal value of US\$300,000,000 at par value (the "Senior Notes due 2015"). The interest is payable semi-annually in arrears. The net proceeds, after deducting the direct issuance costs, amounted to approximately US\$292,805,673. The Senior Notes due 2015 will mature on 25 October 2015. The Company, at its option, can redeem the Senior Notes due 2015 (i) in whole, or in part, on or after 25 October 2013 at the redemption price equal to 106.50% before 25 October 2014 and 103.25% thereafter of the principal amount plus accrued and unpaid interest and (ii) in whole but not in part, prior to 25 October 2013 at redemption price equal to 100% of the principal amount plus a premium and accrued and unpaid interest. The Senior Notes due 2015 are secured by the shares of certain subsidiaries of the Company which are incorporated outside the PRC. The senior notes due 2015 are listed on the Singapore Exchange Securities Trading Limited.
- (b) The Group entered into a sale and purchase agreement and a set of supplemental agreements (collectively, the "Agreements") with S.I. Properties Holdings Limited ("S.I. Properties"), a wholly-owned subsidiary of Shanghai Industrial Holdings Limited which is listed on the Hong Kong Stock Exchange, on 11 June 2009 and 16 December 2009 respectively, regarding the transfer of the entire equity interest in its wholly-owned subsidiary, Better Score Limited ("Better Score"), to S.I. Properties at a total consideration of RMB2,000,000,000 (the "Shanghai Bay Arrangement"). The Shanghai Bay Arrangement had been completed in 2009 upon fulfillment of certain conditions as set out in the Agreements, mainly associated with the transfer to Blocks Nos. 2 and 8 of Shanghai Bay to Shanghai Penghui, the indirect wholly-owned subsidiary of Better Score and the pledge of 30% equity interest in Shanghai Xintai Property Development Co., Ltd., an indirectly wholly-owned subsidiary of the Company, in favour of S.I. Properties. Considering all the terms of the Agreements, the Shanghai Bay Arrangement, in substance, is a loan

arrangement in accordance with the HKFRSs and therefore the consideration of RMB2,000,000,000 received is regarded as a financial liability and measured at amortised cost using the effective interest method.

On 29 July 2011, the Group entered into a supplemental agreement with S.I. Properties, pursuant to which Bright New Investments Limited, the directly wholly-owned subsidiary of the Company, has agreed to acquire from S.I. Properties the entire issued share capital of Better Score and the shareholder's loans owed by Better Score to S.I. Properties at a total consideration of RMB2,000,000,000. This supplemental agreement provided the Group an alternative mechanism to unwind the Shanghai Bay Arrangement outside the PRC. On 1 December 2011, the Group has completed the acquisition of the entire issued share capital of Better Score.

- (c) As at 31 December 2012, borrowings from third parties of RMB547,750,000 are unsecured, interest-bearing and are repayable within one year from the date of drawdown. The remaining balances of RMB19,930,000 are interest-free. As at 31 December 2011, certain borrowings from third parties totalling RMB119,850,000 are included in "Other payables due to third parties – Advances from third parties".
- (d) The maturities of the Group's and the Company's total borrowings at the balance sheet date are as follows:

**Group**

	2012 RMB'000	2011 RMB'000
Amounts of borrowing that are repayable:		
– Within 1 year	6,094,505	9,302,813
– After 1 and within 2 years	6,365,956	2,518,952
– After 2 and within 5 years	2,762,047	2,638,185
– After 5 years	561,674	426,086
	<u>15,784,182</u>	<u>14,886,036</u>
Comprising amounts of borrowings that are:		
– wholly repayable within 5 years	15,127,508	14,273,092
– wholly repayable after 5 years	656,674	612,944
	<u>15,784,182</u>	<u>14,886,036</u>

**Company**

	2012 RMB'000	2011 RMB'000
After 2 and within 5 years	<u>1,901,024</u>	<u>1,897,100</u>

- (e) The fair value of the Senior Notes due 2015 as at 31 December 2012 was approximately RMB1,924,117,000 (2011: RMB1,323,189,000). It was determined directly by references to the price quotations published by the Singapore Exchange Securities Trading Limited on 31 December 2012. The fair values of the Group's other current and non-current borrowings approximate their carrying amounts at each balance sheet date.
- (f) As at 31 December 2012, the Group's and the Company's effective interest rates are 12.3% and 13.2% respectively (2011: 10.9% and 13.2% respectively).

- (g) The exposure of the Group's borrowings to interest-rate changes and the contractual repricing dates (or maturity date whichever is earlier) are as follows:

**Group**

	2012 RMB'000	2011 RMB'000
Within 6 months	8,615,871	9,950,846
Between 7 and 12 months	2,247,457	2,687,077
Between 13 months and 5 years	4,920,854	2,248,113
	<u>15,784,182</u>	<u>14,886,036</u>

**Company**

	2012 RMB'000	2011 RMB'000
Between 13 months and 5 years	<u>1,901,024</u>	<u>1,897,100</u>

**21 DEFERRED INCOME TAX**

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset tax assets against tax liabilities and when the deferred income taxes relate to the same tax authority.

	2012 RMB'000	2011 RMB'000
Deferred income tax assets		
– to be realised after more than 12 months	171,225	237,514
– to be realised within 12 months	<u>141,262</u>	<u>70,513</u>
	<u>312,487</u>	<u>308,027</u>
Deferred income tax liabilities		
– to be realised after more than 12 months	1,654,072	1,476,239
– to be realised within 12 months	<u>–</u>	<u>–</u>
	<u>1,654,072</u>	<u>1,476,239</u>
Deferred income tax liabilities, net	<u>(1,341,585)</u>	<u>(1,168,212)</u>

The movements of the net deferred income tax liabilities are as follows:

	2012 RMB'000	2011 RMB'000
Beginning of the year	(1,168,212)	(1,010,921)
Recognised in the consolidated statement of comprehensive income ( <i>note 31</i> )	<u>(173,373)</u>	<u>(157,291)</u>
End of the year	<u>(1,341,585)</u>	<u>(1,168,212)</u>

Movement in deferred income tax assets/(liabilities) during the year, without taking into consideration the offsetting of balances within the same tax jurisdiction, is as follows:

**Deferred income tax assets/(liabilities)**

	Tax losses RMB'000	Unrealised profits RMB'000	Other timing differences arising from capitalised interest RMB'000	Other expenses RMB'000	Fair value gains RMB'000	Total RMB'000
At 1 January 2011	57,978	113,901	(112,948)	11,516	(1,081,368)	(1,010,921)
Credited/(charged) to statement of comprehensive income ( <i>note 31</i> )	68,373	(11,813)	(83,586)	39,019	(169,284)	(157,291)
At 31 December 2011	<u>126,351</u>	<u>102,088</u>	<u>(196,534)</u>	<u>50,535</u>	<u>(1,250,652)</u>	<u>(1,168,212)</u>
Credited/(charged) to the consolidated statement comprehensive income ( <i>note 31</i> )	13,837	(25,232)	(80,816)	44,908	(126,070)	(173,373)
At 31 December 2012	<u>140,188</u>	<u>76,856</u>	<u>(277,350)</u>	<u>95,443</u>	<u>(1,376,722)</u>	<u>(1,341,585)</u>

Deferred income tax assets are recognised for tax losses carried forward to the extent that the realisation of the related benefit through the future taxable profits is probable. As at 31 December 2012, the Group did not recognise deferred tax assets of RMB27,202,000 (2011: RMB16,872,000) in respect of tax losses of approximately RMB108,809,000 (2011: RMB67,486,000) as there are uncertainties as to whether assessable profits will be available in the foreseeable future to utilise such tax losses. These tax losses will expire in the following years:

	2012 RMB'000	2011 RMB'000
2012	–	2,358
2013	2,795	2,795
2014	3,536	3,536
2015	7,887	7,887
2016	50,910	50,910
2017	43,681	–
	<u>108,809</u>	<u>67,486</u>

Pursuant to the relevant PRC corporate income tax rules and regulations, withholding tax is imposed on dividends declared in respect of profits earned by the Group's PRC subsidiaries from 1 January 2008. Deferred income tax liabilities of RMB645,675,000 (2011: RMB553,426,000) have not been provided for in these consolidated financial statements in respect of temporary differences attributable to accumulated profits of the Group's PRC subsidiaries as the Group controls the dividend policy of these PRC subsidiaries it is probable that these temporary differences will not be reversed in the foreseeable future.

## 22 OBLIGATIONS UNDER FINANCE LEASE

## Group

	2012 RMB'000	2011 RMB'000
Gross finance lease liabilities – minimum lease payments:		
No later than 1 year	920	920
Later than 1 year and no later than 5 years	4,025	3,887
Later than 5 years	43,661	44,720
	<u>48,606</u>	<u>49,527</u>
Future finance charges on finance leases	(30,167)	(31,263)
	<u>18,439</u>	<u>18,264</u>
Present value of finance lease liabilities	<u>18,439</u>	<u>18,264</u>
The present value of finance lease liabilities is as follows:		
No later than 1 year	868	868
Later than 1 year and no later than 5 years	3,279	3,166
Later than 5 years	14,292	14,230
	<u>18,439</u>	<u>18,264</u>

Lease liabilities are effectively secured as the rights to the leased asset revert to the lessor in the event of default.

## 23 TRADE AND OTHER PAYABLES

## Group

	2012 RMB'000	2011 RMB'000
Trade payables (a):	3,827,317	2,997,697
Related parties ( <i>note 36(b)</i> )	3,965	3,524
Third parties	3,823,352	2,994,173
Other payables due to third parties (b):	1,622,050	1,604,276
Acquisition consideration payable ( <i>note 38</i> )	310,000	497,746
Advances from third parties	–	119,850
Other payables and accrued expenses	1,312,050	986,680
Other taxes payable	157,049	149,785
	<u>5,606,416</u>	<u>4,751,758</u>

## Company

	2012 RMB'000	2011 RMB'000
Other payables due to third parties	<u>11,048</u>	<u>6,214</u>



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

**Group**

	<b>2012</b>	<b>2011</b>
	<i>RMB'000</i>	<i>RMB'000</i>
Within 6 months	2,855,994	2,143,779
Between 7 and 12 months	48,443	605,866
Between 13 months and 5 years	922,880	248,052
	<u>3,827,317</u>	<u>2,997,697</u>

- (b) As at 31 December 2011, advances from third parties of RMB119,850,000 are unsecured, bear annual weighted average interest of 22.6% and are repayable within one year from the date of drawdown. Borrowings from third parties as at 31 December 2012 are set out in note 20(c). Other than this, all remaining other payables due to third parties are unsecured, interest-free and repayable on demand.

The Group's other payables and accrued expenses mainly comprise interest payable, accruals and guarantee deposits received from various suppliers.

- (c) The carrying amounts of the Group's and the Company's trade and other payables are denominated in the following currencies:

**Group**

	<b>2012</b>	<b>2011</b>
	<i>RMB'000</i>	<i>RMB'000</i>
HK\$	10,555	8,012
RMB	5,577,940	4,742,171
US\$	17,921	1,575
	<u>5,606,416</u>	<u>4,751,758</u>

**Company**

	<b>2012</b>	<b>2011</b>
	<i>RMB'000</i>	<i>RMB'000</i>
HK\$	5,705	4,639
US\$	5,343	1,575
	<u>11,048</u>	<u>6,214</u>

- (d) As at 31 December 2011 and 2012, the carrying values of the trade and other payable balances approximate their fair values.

**24 AMOUNTS DUE TO SUBSIDIARIES – COMPANY**

The amounts are unsecured, interest-free and repayable on demand. As at 31 December 2011 and 2012, the carrying values approximate their fair values.

**25 OTHER INCOME**

	<b>2012</b>	<b>2011</b>
	<i>RMB'000</i>	<i>RMB'000</i>
Interest income	41,779	145,466
Rental income ( <i>note 7</i> )	30,430	26,772
Others	9,834	10,457
	<u>82,043</u>	<u>182,695</u>

**26 OTHER GAINS, NET**

	<b>2012</b>	<b>2011</b>
	<i>RMB'000</i>	<i>RMB'000</i>
Fair value changes of investment properties	504,280	677,136
Loss on redemption of a financial liability	–	(27,140)
Exchange gains, net	15,797	74,423
	<u>520,077</u>	<u>724,419</u>

**27 EXPENSES BY NATURE**

Profit before income tax is stated after charging the following:

	<b>2012</b>	<b>2011</b>
	<i>RMB'000</i>	<i>RMB'000</i>
Auditors' remuneration	10,462	7,275
Advertising costs	82,794	132,692
Business taxes and other levies	467,163	535,993
Costs of properties sold	5,996,203	5,252,253
Depreciation ( <i>note 6</i> )	25,091	19,770
Amortisation of intangible asset ( <i>note 8</i> )	528	527
Staff costs – excluding directors' emoluments ( <i>note 29</i> )	156,228	123,302
Donations	3,163	7,477
Rental expenses	58,099	41,586
Losses on disposals of property, plant and equipment	759	322
	<u>7,708,432</u>	<u>7,407,722</u>

## 28 FINANCE COSTS

	2012 RMB'000	2011 RMB'000
Interest expenses for borrowings wholly repayable within 5 years:		
– Bank borrowings	1,519,148	1,165,217
– Shanghai Bay Arrangement ( <i>note 20(b)</i> )	–	348,267
– Senior Notes due 2015	254,732	258,725
– others	36,959	14,021
Interest expenses for borrowings wholly repayable after 5 years:		
– Bank borrowings	42,505	44,783
Total interest expenses	1,853,344	1,831,013
Less: interest capitalised on qualifying assets	(1,845,018)	(1,828,487)
	<u>8,326</u>	<u>2,526</u>

Borrowing costs of the loans used to finance the property development projects of the Group have been capitalised at a capitalisation rate of 11.9% during the year (2011: 11.8%).

## 29 STAFF COSTS – EXCLUDING DIRECTORS' EMOLUMENTS

	2012 RMB'000	2011 RMB'000
Wages and salaries	112,828	86,490
Retirement scheme contribution	13,965	10,508
Staff welfare	14,092	10,145
Other allowances and benefits	10,717	8,667
Share-based compensation expenses	4,626	7,492
	<u>156,228</u>	<u>123,302</u>

## 30 EMOLUMENTS FOR DIRECTORS AND FIVE HIGHEST PAID INDIVIDUALS

## (a) Directors' emoluments

The remuneration of each director of the Company for the year ended 31 December 2012 is set out below:

	Fee	Salaries, allowance and benefits in kind	Bonus	Employer's contribution to retirement scheme	Other benefits	Subtotal	Share-based compensation expenses (iv)	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
<b>Executive director (v):</b>								
Mr. Zhang Zhi Rong (i)	-	5,398	-	10	-	5,408	3,210	8,618
Mr. Cheng Li Xiong	-	5,493	-	55	607	6,155	3,562	9,717
Mr. Ding Xiang Yang	-	4,998	-	44	26	5,068	3,562	8,630
Mr. Liu Ning	-	2,998	-	44	26	3,068	1,187	4,255
Mr. Xia Jing Hua	-	2,998	-	44	26	3,068	1,187	4,255
Mr. Yan Zhi Rong	-	2,998	-	44	26	3,068	1,187	4,255
Mr. Yu Xiu Yang	-	1,995	-	-	-	1,995	-	1,995
<b>Independent non-executive director:</b>								
Mr. Yim Ping Kuen	389	-	-	-	-	389	-	389
Mr. Liu Shun Fai	389	-	-	-	-	389	-	389
Mr. Wo Rui Fang	389	-	-	-	-	389	-	389
Mr. Han Ping	389	-	-	-	-	389	-	389

The remuneration of each director of the Company for the year ended 31 December 2011 is set out below:

	Fee	Salaries, allowance and benefits in kind	Bonus	Employer's contribution to retirement scheme	Other benefits	Subtotal	Share-based compensation expenses (iv)	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
<b>Executive director (v):</b>								
Mr. Zhang Zhi Rong	-	5,995	-	10	-	6,005	6,990	12,995
Mr. Cheng Li Xiong	-	5,851	-	30	11	5,892	6,990	12,882
Mr. Ding Xiang Yang	-	5,809	-	40	24	5,873	6,990	12,863
Mr. Liu Ning	-	3,192	-	40	24	3,256	2,330	5,586
Mr. Xia Jing Hua	-	3,192	-	40	24	3,256	2,330	5,586
Mr. Yan Zhi Rong	-	3,192	-	40	24	3,256	2,330	5,586
Mr. Yu Xiu Yang (ii)	-	1,863	-	-	-	1,863	-	1,863
Mr. Li Xiao Bin (iii)	-	1,349	-	48	22	1,419	894	2,313
<b>Independent non-executive director:</b>								
Mr. Yim Ping Kuen	348	-	-	-	-	348	-	348
Mr. Liu Shun Fai	348	-	-	-	-	348	-	348
Mr. Wo Rui Fang	348	-	-	-	-	348	-	348
Mr. Han Ping	348	-	-	-	-	348	-	348

- (i) Mr. Zhang Zhi Rong ceased to be the Company's executive director from 26 November 2012.
- (ii) Mr. Yu Xiu Yang was appointed as the Company's executive director on 20 May 2011.
- (iii) Mr. Li Xiao Bin ceased to be the Company's executive director from 20 May 2011.
- (iv) Amounts represent the fair value of share options measured at the grant date charged to the consolidated statement of comprehensive income according to their vesting periods.
- (v) The Company's executive directors represent all of the Company's chief executives. Accordingly, no separate disclosure in respect of the remuneration of the chief executives is made in the financial statements.

During each of the years ended 31 December 2011 and 2012, no director received any emoluments from the Group as an inducement to join or leave the Group or compensation for loss of office, no director waived or has agreed to waive any emoluments.

**(b) Five highest paid individuals**

The five individuals whose emoluments were the highest in the Group for the year ended 31 December 2012 include 3 directors (2011: 4 directors). Their emoluments are reflected in the analysis presented above. The emoluments payable to the remaining 2 individuals (2011: 1 individual) for the year ended 31 December 2012 are as follows:

	2012 RMB'000	2011 RMB'000
Salaries and other short-term benefits	10,387	5,923
Retirement scheme contribution	22	10
Bonuses	419	–
Share-based compensation expenses	1,187	2,330
	<u>12,015</u>	<u>8,263</u>

The emoluments fell within the following bands:

	2012	2011
RMB4,000,001 to RMB4,500,000	1	–
RMB7,500,001 to RMB8,000,000	1	–
RMB8,000,001 to RMB8,500,000	–	1
	<u>2</u>	<u>1</u>

## 31 INCOME TAX EXPENSES

	2012 RMB'000	2011 RMB'000
Current income tax		
– PRC corporate income tax	363,990	767,853
– PRC land appreciation tax	253,492	886,800
	<u>617,482</u>	<u>1,654,653</u>
Deferred income tax ( <i>note 21</i> )		
– Origination and reversal of temporary differences	173,373	157,291
	<u>173,373</u>	<u>157,291</u>
	<u><u>790,855</u></u>	<u><u>1,811,944</u></u>

The income tax on the Group's profit before income tax differs from the theoretical amount that would arise using the enacted tax rate of the home country of the companies comprising the Group as follows:

	2012 RMB'000	2011 RMB'000
Profit before income tax	<u>1,869,043</u>	<u>4,021,025</u>
Calculated at PRC corporate income tax rate of 25%	467,261	1,005,256
Expenses not deductible for tax purposes	132,096	172,050
Income not taxable for tax purposes	(6,235)	(24,146)
Tax losses not recognised as deferred income tax assets	10,921	12,727
Recognition of previously unrecognised tax losses	–	(17,741)
Provision for land appreciation tax	253,492	886,800
Tax effect on land appreciation tax	(67,103)	(223,446)
Effect of different tax rates applicable to different companies within the Group	398	(1,551)
Others	<u>25</u>	<u>1,995</u>
Income tax expenses	<u><u>790,855</u></u>	<u><u>1,811,944</u></u>

PRC corporate income tax is provided at the rate of 25% for each of the years ended 31 December 2011 and 2012 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 2011 and 2012 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.

## 32 EARNINGS PER SHARE

## (a) Basic

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

	2012	2011
Profit attributable to the owners of the Company (RMB'000)	<u>1,081,631</u>	<u>2,215,654</u>
Weighted average number of ordinary shares in issue (thousands)	<u>7,792,646</u>	<u>7,792,646</u>

## (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 2011, the Company only had share options that are dilutive potential ordinary shares. For the year ended 31 December 2012, the computation of the diluted earnings per share does not assume the exercise of the Company's share options, of which the relevant exercise price was higher than the average market price of the Company's shares for the period when the options are outstanding.

	2012	2011
<b>Earnings</b>		
Profit attributable to the owners of the Company (RMB'000)	<u>1,081,631</u>	<u>2,215,654</u>
<b>Number of Shares</b>		
Weighted average number of ordinary shares in issue (thousands)	7,792,646	7,792,646
Adjustment for share options (thousands)	<u>–</u>	<u>5,019</u>
Weighted average number of ordinary shares for diluted earnings per share (thousands)	<u>7,792,646</u>	<u>7,797,665</u>

## 33 DIVIDEND

The Board has resolved not to recommend for shareholders' approval at its forthcoming annual general meeting the payment of a final dividend for the year ended 31 December 2012 (2011: Nil).

## 34 NOTES TO CONSOLIDATED STATEMENT OF CASH FLOWS

## Reconciliation of profit for the year to cash generated from operations

	<i>Note</i>	<b>2012</b> <i>RMB'000</i>	<b>2011</b> <i>RMB'000</i>
Profit for the year		1,078,188	2,209,081
Adjustments for:			
Share of loss/(profit) of an associate		1,704	(338)
Share of loss of a jointly controlled entity		3,382	4,143
Income tax expenses	31	790,855	1,811,944
Interest income	25	(41,779)	(145,466)
Interest expenses	28	8,326	2,526
Fair value changes of investment properties	26	(504,280)	(677,136)
Depreciation	6	27,911	22,350
Amortisation of intangible asset	8	528	527
Losses on disposals of property, plant and equipment	27	759	322
Exchange gains, net	26	(15,797)	(74,423)
Loss on redemption of a financial liability	26	–	27,140
Share-based compensation expenses		18,521	36,346
Changes in working capital:			
Properties under development and completed properties held for sale		(153,850)	(4,840,354)
Inventories		(426)	(213)
Restricted cash		(130,719)	1,438,625
Trade and other receivables and prepayments		1,187,031	(1,311,004)
Investment in and loan to a jointly controlled entity		(11,092)	(41,712)
Trade and other payables		753,022	1,983,598
Advanced proceeds received from customers		(1,247,575)	350,408
Cash generated from operations		<u>1,764,709</u>	<u>796,364</u>

Apart from those disclosed in note 38, there is no other major non-cash transaction during each of the years ended 31 December 2011 and 2012.

## 35 COMMITMENTS

## (a) Commitments for capital and property development expenditures

	<b>2012</b> <i>RMB'000</i>	<b>2011</b> <i>RMB'000</i>
Contracted but not provided for		
Land use rights	279,068	1,360,990
Property development expenditures	6,888,784	8,916,932
– Shanghai Ditong	3,270,422	3,308,042
– Third parties	3,618,362	5,608,890
Construction materials	19,346	79,193
	<u>7,187,198</u>	<u>10,357,115</u>

As at 31 December 2012, the Group's share of commitment of the jointly controlled entity (note 10) is RMB64,291,000 (2011: RMB22,495,000).



**(b) Operating lease commitments**

The future aggregate minimum lease payments under non-cancellable operating leases in respect of land and buildings are as follows:

	<b>2012</b> <i>RMB'000</i>	<b>2011</b> <i>RMB'000</i>
No later than 1 year	19,610	37,175
Later than 1 year and no later than 5 years	13,291	24,666
Later than 5 years	–	625
	<u>32,901</u>	<u>62,466</u>

**36 RELATED PARTY TRANSACTIONS**

The Company is controlled by Best Era International Limited (incorporated in the BVI), which owns 63.9% of the Company's issued shares. The remaining 36.1% of the issued shares are widely held. The ultimate controlling party of the Company is Mr. Zhang Zhi Rong.

The following transactions were carried out with related parties:

**(a) Purchase of services**

	<b>2012</b> <i>RMB'000</i>	<b>2011</b> <i>RMB'000</i>
Purchase of construction services from:		
– Shanghai Ditong Construction (Group) Co., Ltd. ("Shanghai Ditong") a company controlled by close family member of the former Chairman of the Company	<u>1,226,257</u>	<u>1,194,894</u>
Purchase of property design services from an associate	<u>15,470</u>	<u>39,549</u>

**(b) Balances with related parties**

As at 31 December 2011 and 2012, the Group had the following significant balances with related parties:

	2012 RMB'000	2011 RMB'000
Balances included in current assets:		
Prepayments to related companies for construction costs or purchase of services – included in “Prepayments”		
– Shanghai Ditong	1,010,793	1,606,429
– Other related companies	2,290	1,991
	<u>1,013,083</u>	<u>1,608,420</u>
Loan to a jointly controlled entity	<u>1,978,997</u>	<u>1,967,905</u>
Balances included in current liabilities:		
Trading balances – included in “Trade payables”		
– Other related companies	3,965	3,524
	<u>3,965</u>	<u>3,524</u>

Except for the loan to a jointly controlled entity, the terms of which is disclosed in note 10(a), as at 31 December 2011 and 2012, all other balances with related parties were unsecured, interest free and repayable on demand or to be settled according to the relevant trading terms, as appropriate.

**(c) Key management compensation**

	2012 RMB'000	2011 RMB'000
Salaries and other short-term employee benefits	33,606	39,526
Share-based compensation expenses	13,895	30,446
	<u>47,501</u>	<u>69,972</u>

**37 FINANCIAL GUARANTEES**

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

Pursuant to the terms of the guarantees, upon default in mortgage payments by these purchasers, the Group is responsible to repay the outstanding mortgage principals together with accrued interest and penalty owed by the defaulted purchasers to the banks and the Group is entitled to take over the legal title and possession of the related properties. The Group's guarantee period starts from the dates of grant of the mortgages. As at 31 December 2012, the amount of outstanding guarantees for mortgages were approximately RMB6,404,400,000 (2011: RMB6,148,378,000). The maximum credit risk exposure at balance sheet date is the amount of outstanding guarantees.

The directors consider that the likelihood of default in payments by purchasers is minimal and therefore the financial guarantees measured at fair value is immaterial.

### 38 ACCOUNTING OF ACQUISITION

There was no acquisition for the year ended 31 December 2012.

During the year ended 31 December 2011, the Group completed the acquisition of the shares of the following companies:

	% of equity acquired	Date of incorporation	Place of incorporation	Issued/paid-in/ registered capital	Principal activities
Glorious Yangguang Xindi (Dalian) Property Co., Ltd. (恆盛陽光鑫地(大連)置業有限公司) (formerly known as Zhongchengjian (Dalian) Property Development Co., Ltd. 中城建(大連)房地產開發有限公司)(a) (referred as to "Glorious Yangguang Dalian")	70%	3 November 2009	the PRC	RMB300,000,000	Property development
Wachovian II Co. Pte. Ltd. (a)	100%	14 August 2007	Singapore	SGD10	Investment holding
Jiangsu Chuangyi Cultural Property Foundation Investment and Construction Co., Ltd. (江蘇創意文化產業基地投資建設有限公司) (a)	100%	16 January 2007	the PRC	RMB88,670,000	Investment holding
Jiangsu Arts and Cultural Property Holdings Ltd. (江蘇演藝文化產業股份有限公司) (a) (collectively referred as to "Jiangsu Cultural Property Group")	54%	8 May 2004	the PRC	RMB50,000,000	Culture and property development
Better Score Limited (b)	100%	25 February 2009	the BVI	US\$1	Investment holding
Greater Base Limited (基鉅有限公司) (b)	100%	3 March 2009	Hong Kong	HK\$1	Investment holding
Nantong Jiju Foundation Facilities Construction Co., Ltd. (南通基鉅基礎設施建設有限公司) (b)	100%	27 April 2009	the PRC	US\$3,000,000	Investment holding

- (a) Before the acquisition by the Group, these companies had no business activities except for the holding of land use rights or in the process to obtain land use rights. Accordingly, the activities of these companies do not constitute a business and the Group's intention of such acquisition is to acquire the land use rights or the potential land use rights of these companies for future property developments. Accordingly, such acquisitions were accounted for as if they were acquisitions of the underlying land use rights and the net cash outflows associated with the above acquisitions of companies are presented within the operating activities in the consolidated statement of cash flows.

The allocation of acquisition considerations for the acquisition completed in 2011 are as follows:

	At date of acquisition		
	Glorious Yangguang Dalian RMB'000	Jiangsu Cultural Property Group RMB'000	Combined RMB'000
Property, plant and equipment ( <i>note 6</i> )	1,601	3,901	5,502
Properties under development and prepayments	792,112	1,478,736	2,270,848
Cash and cash equivalents	89	26,413	26,502
Trade and other payables	(3,467)	(691)	(4,158)
Borrowings	–	(286,159)	(286,159)
Non-controlling interests	(237,100)	(562,200)	(799,300)
<b>Total acquisition consideration</b>	<b>553,235</b>	<b>660,000</b>	<b>1,213,235</b>
Less: Acquisition consideration payable as at 31 December 2011	(187,746)	(310,000)	(497,746)
Consideration paid by cash	365,489	350,000	715,489
Less: cash and cash equivalents acquired	(89)	(26,413)	(26,502)
<b>Cash outflow on acquisition</b>	<b>365,400</b>	<b>323,587</b>	<b>688,987</b>

- (b) As set out in note 20(b), the Group acquired the entire issued share capital of Better Score (effectively also the entire issued share capital of Greater Base Limited and Nantong Jiju Foundation Facilities Construction Co., Ltd.) from S.I. Properties and the shareholder's loans owed by Better Score to S.I. Properties at a total consideration of RMB2,000,000,000. This arrangement in substance is a repayment of the loan granted by S.I. Properties and therefore it is not considered as a business combination.

### 39 SHARE OPTION SCHEMES

#### (a) Pre-IPO share option scheme

Pursuant to a resolution in writing passed by all the shareholders of the Company on 9 September 2009, the Company conditionally approved and adopted a pre-IPO share option scheme (the "Pre-IPO Share Option Scheme"). By the same resolution, the Company granted 84,000,000 share options to its directors and employees which are exercisable for a ten-year period from the grant date, under the following terms:

- (i) the exercise price per share shall be equal to 60% discount to the initial public offering price;
- (ii) 20% of the total number of shares will become exercisable on 2 October 2009 (the "Listing Date"). The remaining 80% of share options will become exercisable in four equal instalments, 20% of the total number of shares will become exercisable on the first anniversary of the Listing Date with a further 20% to become exercisable on each subsequent anniversary.

The fair value of the employee services received in exchange for the grant of the share options is recognised as an expense, with a corresponding adjustment to employee share-based compensation reserve, over the vesting period. At the end of each reporting period, the Company revises its estimates of the number of options that are expected to vest. It recognises the impact of the revision to original estimates, if any, in the consolidated statement of comprehensive income, with a corresponding adjustment to equity. For the year ended 31 December 2012, the amount of share-based compensation expenses amounted to RMB18.5 million (2011: RMB36.3 million).

Each share option gives the holder the right to subscribe for one ordinary share of the Company.

Movement of Pre-IPO Share Option Scheme during the year ended 31 December 2011 and 2012 is as follows:

	Exercise Price (HK\$)	Number of options
At 1 January 2011, 31 December 2011 and 2012	<u>1.76</u>	<u>78,000,000</u>

Out of the 78,000,000 outstanding options, 62,200,000 options were exercisable. All of the outstanding share options will expire by 8 September 2019.

The weighted average fair value granted in 2009 determined using the Binomial option pricing model was HK\$3.05 per option. The significant inputs to the model were as follows:

#### Assumptions

Volatility	73.85%
Dividend yield	1.70%
Annual risk-free rate	2.356%
Expected option life	<u>10 years</u>

The volatility measured at the standard deviation of expected share price returns is based on statistical analysis of daily share prices over the past three years of similar listed companies.

#### (b) Share option scheme

Pursuant to the aforementioned resolution in writing passed by all the shareholders of the Company on 9 September 2009, the Company adopted a share option scheme on 9 September 2009 ("Share Option Scheme"). The purpose of the share option scheme is to provide incentives to the Group's employees including the executive directors and non-executive directors (each a "participant"). The Board may, at any time within 10 years after the date of adoption of the Share Option Scheme, make an offer to any participant. The subscription price for shares granted pursuant to the Share Option Scheme is the highest of:

- the closing price of the shares of the Company on the Hong Kong Stock Exchange on the business day on which an offer is made to a participant;
- the average of the closing prices of the shares on the Hong Kong Stock Exchange for the five business days immediately preceding the date on which such offer is made; and
- the nominal value of the shares of the Company.

The total number of shares which may be issued upon exercise of all options granted under the Share Option Scheme must not, in aggregate, exceed 10% of the issued share capital of the Company at the date of approval of the share option scheme. The 10% limit may be refreshed with the approval by ordinary resolution of the Company's shareholders. The maximum number of shares which may be issued upon exercise of all outstanding options granted, and yet to be exercised, under the Share Option Scheme must not exceed 30% of the Company's issued share capital.

The total number of shares issued and to be issued upon exercise of all options granted under the Share Option Scheme to each participant (including both exercised, cancelled and outstanding options) in any 12-month period shall not exceed 1% of the total number of issued shares of the Company. If shares issued and to be issued upon exercise of all options granted under the Share Option Scheme (including options exercised, cancelled and outstanding) to a participant who is a substantial shareholder or an independent non-executive director of the Company in any 12-month period, (i) represent in aggregate more than 0.1% of the total number of shares in issue and (ii) have an aggregate value, based on the closing price of the shares of the Company at the date of each grant, in excess of HK\$5,000,000, the proposed grant of option must be approved by the Company's shareholders by poll in a general meeting.

The exercise period of any option granted under the Share Option Scheme shall not be longer than 10 years from the date of grant of the relevant option. The Board has the authority to determine the minimum period for which an option must be held before it can vest.

As at 31 December 2012, no share options have been granted under the Share Option Scheme (2011: Nil).

#### 40 SUBSEQUENT EVENT

On 4 March 2013, the Company issued 13.25% senior notes due 2018 with an aggregated nominal value of US\$250,000,000 at par value (the "Original Notes"). On 20 March 2013, the Company further issued 13.25% senior notes due 2018 with an aggregated nominal value of US\$150,000,000 at par value (the "New Notes"). The New Notes are consolidated and form a single series of notes with the Original Notes issued on 4 March 2013 (collectively, the "Senior Notes due 2018"). The net proceeds of the Senior Notes due 2018, after deducting the direct issuance costs, amounted to US\$391,943,000. The Senior Notes due 2018 will mature on 4 March 2018 and the interest is payable semi-annually in arrears. The Company, at its option, can redeem the Senior Notes due 2018 (i) in whole, or in part, on or after 4 March 2016 at the redemption price equal to 106.625% before 4 March 2017 and 103.313% thereafter of the principal amount plus accrued and unpaid interest and (ii) in whole but not in part, prior to 4 March 2016 at redemption price equal to 100% of the principal amount plus a premium and accrued and unpaid interest. The Senior Notes due 2018 are secured by the shares of certain of the Group's subsidiaries which are incorporated outside the PRC. The Senior Notes due 2018 are listed on the Hong Kong Stock Exchange and rank pari passu to the Senior Notes due 2015.

### III. UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2013

The following financial information is extracted from the interim report of the Group for the six months ended 30 June 2013:

#### Condensed Consolidated Balance Sheet

As at 30 June 2013

		<b>30 June 2013</b>	<b>31 December 2012</b>
	<i>Note</i>	<i>RMB'000</i> (unaudited)	<i>RMB'000</i> (audited)
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment		1,233,033	1,102,115
Investment properties	5	11,293,986	10,607,946
Intangible assets		2,046	2,305
Investment in an associate		4,125	4,485
Investment in a jointly controlled entity		20,725	22,385
Loan to a jointly controlled entity	16	1,927,891	1,978,997
Deferred income tax assets		332,743	312,487
		<u>14,814,549</u>	<u>14,030,720</u>
<b>CURRENT ASSETS</b>			
Properties under development		23,525,334	22,256,445
Completed properties held for sale		4,994,790	5,044,360
Inventories		6,575	7,275
Trade and other receivables and prepayments	6	8,490,496	7,774,301
Prepaid taxes		267,150	213,886
Restricted cash		1,863,033	2,307,440
Cash and cash equivalents		1,067,461	992,749
		<u>40,214,839</u>	<u>38,596,456</u>
<b>CURRENT LIABILITIES</b>			
Advanced proceeds received from customers		6,939,349	5,668,013
Trade and other payables	9	5,338,942	5,606,416
Income tax payable		4,020,529	4,454,249
Borrowings	8	8,136,793	6,094,505
Obligation under finance lease		868	868
		<u>24,436,481</u>	<u>21,824,051</u>
<b>NET CURRENT ASSETS</b>		<u><u>15,778,358</u></u>	<u><u>16,772,405</u></u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u><u>30,592,907</u></u>	<u><u>30,803,125</u></u>

		<b>30 June 2013</b>	<b>31 December 2012</b>
	<i>Note</i>	<i>RMB'000</i> (unaudited)	<i>RMB'000</i> (audited)
<b>NON-CURRENT LIABILITIES</b>			
Borrowings	8	9,212,880	9,689,677
Deferred income tax liabilities		1,694,294	1,654,072
Obligation under finance lease		17,665	17,571
		<u>10,924,839</u>	<u>11,361,320</u>
<b>NET ASSETS</b>		<u><b>19,668,068</b></u>	<u><b>19,441,805</b></u>
<b>EQUITY</b>			
<b>Capital and reserves attributable to the owners of the Company</b>			
Share capital	7	68,745	68,745
Share premium	7	7,822,982	7,822,982
Reserves		10,487,405	10,259,343
		<u>18,379,132</u>	<u>18,151,070</u>
Non-controlling interests		1,288,936	1,290,735
		<u>19,668,068</u>	<u>19,441,805</u>
<b>TOTAL EQUITY</b>		<u><b>19,668,068</b></u>	<u><b>19,441,805</b></u>



**Condensed Consolidated Statement of Comprehensive Income**  
*For the six months ended 30 June 2013*

	Note	Six months ended 30 June	
		2013 RMB'000 (unaudited)	2012 RMB'000 (unaudited)
Revenue	4	2,953,104	1,342,167
Cost of sales		<u>(2,612,893)</u>	<u>(788,929)</u>
Gross profit		340,211	553,238
Other income	10	52,111	43,285
Other gains and losses	11	178,981	37,908
Selling and marketing expenses		(138,419)	(78,583)
Administrative expenses		(187,889)	(190,319)
Finance costs	12	(2,206)	(4,739)
Share of loss of an associate		(360)	(1,272)
Share of loss of a jointly controlled entity		<u>(1,660)</u>	<u>(1,331)</u>
Profit before income tax		240,769	358,187
Income tax expenses	13	<u>(17,850)</u>	<u>(193,614)</u>
Profit for the period		<u>222,919</u>	<u>164,573</u>
Attributable to:			
– the owners of the Company		224,718	166,243
– non-controlling interests		<u>(1,799)</u>	<u>(1,670)</u>
		<u>222,919</u>	<u>164,573</u>
Other comprehensive income: Gain/loss recognised directly in equity		<u>–</u>	<u>–</u>
Total comprehensive income for the period		<u>222,919</u>	<u>164,573</u>
Total comprehensive income for the period attributable to:			
– the owners of the Company		224,718	166,243
– non-controlling interests		<u>(1,799)</u>	<u>(1,670)</u>
		<u>222,919</u>	<u>164,573</u>
Earnings per share for profit attributable to the owners of the Company (expressed in RMB per share)			
– Basic	14	<u>0.03</u>	<u>0.02</u>
– Diluted	14	<u>0.03</u>	<u>0.02</u>

**Condensed Consolidated Statement of Changes in Equity***For the six months ended 30 June 2013*

	Six months ended 30 June 2013									
	Attributable to the owners of the Company (unaudited)									
	Share capital	Share premium	Merger reserve	Statutory reserves	Other reserve	Employee share-based compen- sation reserve	Retained earnings	Total	Non- controlling interests	Total equity
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
<b>Balance at 1 January 2013</b>	68,745	7,822,982	(770,477)	304,829	264,317	195,058	10,265,616	18,151,070	1,290,735	19,441,805
Total comprehensive income for the period	-	-	-	-	-	-	224,718	224,718	(1,799)	222,919
Employee share-based compensation	-	-	-	-	-	3,344	-	3,344	-	3,344
<b>Balance at 30 June 2013</b>	<b>68,745</b>	<b>7,822,982</b>	<b>(770,477)</b>	<b>304,829</b>	<b>264,317</b>	<b>198,402</b>	<b>10,490,334</b>	<b>18,379,132</b>	<b>1,288,936</b>	<b>19,668,068</b>

	Six months ended 30 June 2012									
	Attributable to the owners of the Company (unaudited)									
	Share capital	Share premium	Merger reserve	Statutory reserves	Other reserve	Employee share-based compen- sation reserve	Retained earnings	Total	Non- controlling interests	Total equity
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
<b>Balance at 1 January 2012</b>	68,745	7,822,982	(770,477)	263,994	264,317	176,537	9,224,820	17,050,918	1,293,778	18,344,696
Total comprehensive income for the period	-	-	-	-	-	-	166,243	166,243	(1,670)	164,573
Employee share-based compensation	-	-	-	-	-	9,260	-	9,260	-	9,260
<b>Balance at 30 June 2012</b>	<b>68,745</b>	<b>7,822,982</b>	<b>(770,477)</b>	<b>263,994</b>	<b>264,317</b>	<b>185,797</b>	<b>9,391,063</b>	<b>17,226,421</b>	<b>1,292,108</b>	<b>18,518,529</b>

**Condensed Consolidated Statement of Cash Flows***For the six months ended 30 June 2013*

	<b>Six months ended 30 June</b>	
	<b>2013</b>	<b>2012</b>
	<i>RMB'000</i>	<i>RMB'000</i>
	(unaudited)	(unaudited)
Net cash used in operating activities	(964,000)	(412,673)
Net cash used in investing activities	(474,273)	(483,338)
Net cash generated from financing activities	<u>1,512,841</u>	<u>881,280</u>
Net increase/(decrease) in cash and cash equivalents	74,568	(14,731)
Cash and cash equivalents, at 1 January	992,749	1,021,098
Exchange gains on cash and bank balances	<u>144</u>	<u>13</u>
Cash and cash equivalents, at 30 June	<u><u>1,067,461</u></u>	<u><u>1,006,380</u></u>

**Notes to the Condensed Consolidated Financial Information**

*For the six months ended 30 June 2013*

**1 GENERAL INFORMATION**

Glorious Property Holdings Limited (the “Company”) and its subsidiaries (together, the “Group”) is principally engaged in the development of real estate projects in the People’s Republic of China (the “PRC”).

The Company is a limited liability company incorporated in the Cayman Islands on 27 July 2007 and its shares are listed on The Stock Exchange of Hong Kong Limited (the “Hong Kong Stock Exchange”). The address of its registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands.

This condensed consolidated financial information is presented in thousands of units of Renminbi (RMB’000), unless otherwise stated. This condensed consolidated financial information has been approved for issue by the Board on 29 August 2013.

This condensed consolidated financial information has not been audited. This condensed consolidated financial information has been reviewed by the Company’s audit committee.

**2 BASIS OF PREPARATION**

This condensed consolidated financial information for the six months ended 30 June 2013 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 interim financial information should be read in conjunction with the consolidated financial statements of the Company for the year ended 31 December 2012, which have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the HKICPA.

The preparation of this condensed consolidated financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing this condensed consolidated interim financial information, the significant judgements made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 31 December 2012, with the exception of changes in estimates that are required in determining the provision for income taxes.

## 3 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 2012 as included in the Company's annual report for the year ended 31 December 2012.

## (i) Effect of adopting new standards, amendments to standards and interpretation

The following new standards, amendments to standards and interpretation are mandatory for the Group's financial year beginning on 1 January 2013:

HKAS 1 (Amendment)	Presentation of Items of Other Comprehensive Income
HKAS 19 (Revised 2011)	Employee Benefits
HKAS 27 (Revised 2011)	Separate Financial Statements
HKAS 28 (Revised 2011)	Investments in Associates and Joint Ventures
HKFRS 1 (Amendment)	Government Loans
HKFRS 7 (Amendment)	Disclosures – Offsetting Financial Assets and Financial Liabilities
HKFRS 10	Consolidated Financial Statements
HKFRS 11	Joint Arrangements
HKFRS 12	Disclosures of Interests in Other Entities
HKFRS 13	Fair Value Measurement
HK (IFRIC) – Int 20	Stripping Costs in the Production Phase of a Surface Mine
Amendments to HKFRS 10, HKFRS 11 and HKFRS 12	Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance
Annual Improvement Project	Annual improvements 2009–2011 Cycle

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

## (ii) New Standards, amendments to standards and interpretation that have been issued but are not effective

The following amendments to standards and interpretation have been issued but are not effective for the financial year beginning on 1 January 2013 and have not been early adopted by the Group:

HKAS 32 (Amendment)	Offsetting Financial Assets and Financial Liabilities
HKFRS 9	Financial Instruments
Amendments to HKFRS 10, HKFRS 12 and HKAS 27 (2011)	Investment Entities
HKFRS 7 and HKFRS 9 (Amendment)	Mandatory Effective Date of HKFRS 9 and Transition Disclosures
HKAS 36 (Amendment)	Recoverable Amount Disclosures for Non-Financial Assets
HKAS 39 (Amendment)	Novation of Derivatives and Continuation of Hedge Accounting
HK (IFRIC) – Int 21	Levies

Taxes on income in the six months ended 30 June 2013 are accrued using the tax rate that would be applicable to expected total annual earnings.

## 4 SEGMENT INFORMATION

The Executive Directors has been identified as the chief operating decision-maker. Management determines the operating segments based on the Group's internal reports, which are submitted to the Executive Directors for performance assessment and resources allocation.

The Executive Directors considers the Group's business from a 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.

The Executive Directors assesses the performance of the operating segments based on a measure of segment results. This measurement basis excludes the effects of non-recurring expenditure from the operating segments. Other information provided to the Executive Directors is measured in a manner consistent with that in the condensed consolidated financial information.

Total segment assets excluded deferred income tax assets and other unallocated corporate assets. Other unallocated corporate assets represent interest expenses incurred at corporate level which have been capitalised on qualifying assets of the four reportable operating segments.

Sales between segments are carried out in terms equivalent to those that prevail in arm's length transactions. The revenue from external parties reported to the Executive Directors is measured in a manner consistent with that in the consolidated statement of comprehensive income.

	Shanghai Region RMB'000	Yangtze River Delta (excluding Shanghai) RMB'000	Pan Bohai Rim RMB'000	Northeast China RMB'000	Others RMB'000	Total RMB'000
<b>Six months ended 30 June</b>						
<b>2013 (unaudited)</b>						
Total revenue	491,403	1,162,608	300,684	1,000,712	-	2,955,407
Inter-segment revenue	(2,303)	-	-	-	-	(2,303)
Revenue (from external customers)	489,100	1,162,608	300,684	1,000,712	-	2,953,104
Segment results	125,358	18,314	(122,613)	63,561	14,409	99,029
Depreciation and amortisation	(6,122)	(1,878)	(2,145)	(1,433)	(981)	(12,559)
Fair value changes of investment properties	61,982	136,354	93,036	(167,972)	-	123,400
Interest income	17,022	14,819	480	287	497	33,105
Finance costs	(2,161)	(1)	-	(44)	-	(2,206)
Income tax expenses	54,003	(90,309)	7,080	11,376	-	(17,850)

## APPENDIX I

## FINANCIAL INFORMATION ON THE GROUP

	Shanghai Region RMB'000	Yangtze River Delta (excluding Shanghai) RMB'000	Pan Bohai Rim RMB'000	Northeast China RMB'000	Others RMB'000	Total RMB'000
<b>Six months ended 30 June 2012 (unaudited)</b>						
Total revenue	963,209	96,963	96,024	189,442	-	1,345,638
Inter-segment revenue	(3,471)	-	-	-	-	(3,471)
Revenue (from external customers)	959,738	96,963	96,024	189,442	-	1,342,167
Segment results	342,320	(9,882)	(7,292)	31,879	(52,603)	304,422
Depreciation and amortisation	(5,934)	(1,891)	(2,113)	(1,361)	(974)	(12,273)
Fair value changes of investment properties	80,664	-	(6,615)	(27,891)	-	46,158
Interest income	3,313	19,962	335	370	639	24,619
Finance costs	(500)	(306)	-	(3,933)	-	(4,739)
Income tax expenses	(170,440)	(11,086)	102	(12,190)	-	(193,614)

	Shanghai Region RMB'000	Yangtze River Delta (excluding Shanghai) RMB'000	Pan Bohai Rim RMB'000	Northeast China RMB'000	Others RMB'000	Elimination RMB'000	Total RMB'000
<b>As at 30 June 2013 (unaudited)</b>							
Total segment assets	32,822,901	25,809,960	7,668,199	7,075,165	8,637,667	(31,523,420)	50,490,472
Total segment assets include:							
Investment in an associate	4,125	-	-	-	-	-	4,125
Investment in a jointly controlled entity	20,725	-	-	-	-	-	20,725
Deferred income tax assets							332,743
Other unallocated corporate assets							4,206,173
Total assets							55,029,388

	Shanghai Region RMB'000	Yangtze River Delta (excluding Shanghai) RMB'000	Pan Bohai Rim RMB'000	Northeast China RMB'000	Others RMB'000	Elimination RMB'000	Total RMB'000
<b>As at 31 December 2012 (audited)</b>							
Total segment assets	30,552,726	26,397,719	7,952,848	7,373,071	8,218,177	(32,197,311)	48,297,230
Total segment assets include:							
Investment in an associate	4,485	-	-	-	-	-	4,485
Investment in a jointly controlled entity	22,385	-	-	-	-	-	22,385
Deferred income tax assets							312,487
Other unallocated corporate assets							4,017,459
Total assets							52,627,176

	<b>Six months ended 30 June</b>	
	<b>2013</b>	<b>2012</b>
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Segment results	99,029	304,422
Fair value changes of investment properties	123,400	46,158
Depreciation and amortisation	(12,559)	(12,273)
Operating profit	209,870	338,307
Interest income	33,105	24,619
Finance costs	(2,206)	(4,739)
Profit before income tax	240,769	358,187
Additions to:		
- Property, plant and equipment	149,042	311,696
- Investment properties	562,640	303,974
	711,682	615,670



## 5 INVESTMENT PROPERTIES

	Six months ended 30 June	
	2013	2012
	RMB'000	RMB'000
	(unaudited)	(unaudited)
At beginning of the period	10,607,946	8,557,663
Additions – construction costs	333,521	303,974
Transfer from completed properties held for sale	229,119	–
Fair value changes (included in “other gains and losses” (note 11))	123,400	46,158
	<u>11,293,986</u>	<u>8,907,795</u>

## 6 TRADE AND OTHER RECEIVABLES AND PREPAYMENTS

	30 June	31 December
	2013	2012
	RMB'000	RMB'000
	(unaudited)	(audited)
Trade receivables (a)	67,008	52,781
Other receivables	2,125,659	1,280,982
Prepayments for construction costs and other prepayments:	2,140,991	2,084,762
	<u>2,140,991</u>	<u>2,084,762</u>
– Related parties (note 16(b))	859,950	1,013,083
– Third parties	1,281,041	1,071,679
	<u>1,281,041</u>	<u>1,071,679</u>
Prepayments for land premium	3,815,858	4,095,324
Prepaid business taxes and other taxes	340,980	260,452
	<u>340,980</u>	<u>260,452</u>
	<u>8,490,496</u>	<u>7,774,301</u>

- (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 based on revenue recognition date is as follows:

	30 June	31 December
	2013	2012
	RMB'000	RMB'000
	(unaudited)	(audited)
Within 6 months	36,947	16,912
Between 7 – 12 months	3,787	11,898
Over 12 months	26,274	23,971
	<u>67,008</u>	<u>52,781</u>

## 7 SHARE CAPITAL AND SHARE PREMIUM

	Number of ordinary shares	Nominal value of ordinary shares HK\$'000	Equivalent nominal value of ordinary shares RMB'000	Share premium RMB'000	Total RMB'000
Authorised:					
Ordinary shares of HK\$0.01 each at 1 January 2012, 30 June 2012, 1 January 2013 and 30 June 2013	38,000,000,000	380,000			
Issued and fully paid:					
Ordinary shares of HK\$0.01 each at 1 January 2012, 30 June 2012, 1 January 2013 and 30 June 2013	7,792,645,623	77,926	68,745	7,822,982	7,891,727

## 8 BORROWINGS

	30 June 2013 RMB'000 (unaudited)	31 December 2012 RMB'000 (audited)
Borrowings included in non-current liabilities:		
– Bank borrowings – secured	4,811,537	7,788,653
– Senior Notes due 2015 – secured (a)	1,871,966	1,901,024
– Senior Notes due 2018 – secured (b)	2,529,377	–
	9,212,880	9,689,677
Borrowings included in current liabilities:		
– Bank borrowings – secured	7,532,463	5,446,715
– Other borrowings – unsecured (c)	383,680	567,680
– Other borrowings – secured	220,650	80,110
	8,136,793	6,094,505
Total borrowings	17,349,673	15,784,182

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

	30 June 2013 <i>RMB'000</i> (unaudited)	31 December 2012 <i>RMB'000</i> (audited)
Within 1 year	8,136,793	6,094,505
After 1 and within 2 years	3,478,126	6,365,956
After 2 and within 5 years	5,689,754	2,762,047
After 5 years	45,000	561,674
	<u>17,349,673</u>	<u>15,784,182</u>

- (a) On 25 October 2010, the Company issued 13.0% senior notes due 2015 with an aggregate nominal value of US\$300,000,000 (equivalent to RMB1,974,000,000) at par value (the "Senior Notes due 2015"). The interest is payable semi-annually in arrears. The net proceeds, after deducting the direct issuance costs, amounted to approximately US\$292,805,673 (equivalent to RMB1,926,661,328). The Senior Notes due 2015 will mature on 25 October 2015. The Company, at its option, can redeem the Senior Notes due 2015 (i) in whole, or in part, on or after 25 October 2013 at the redemption price equal to 106.50% before 25 October 2014 and 103.25% thereafter of the principal amount plus accrued and unpaid interest and (ii) in whole but not in part, prior to 25 October 2013 at redemption price equal to 100% of the principal amount plus a premium and accrued and unpaid interest. The Senior Notes due 2015 are secured by the shares of the Group's subsidiaries which are incorporated outside the PRC. The Senior Notes due 2015 are listed on the Singapore Exchange Securities Trading Limited.
- (b) On 4 March 2013, the Company issued 13.25% senior notes due 2018 with an aggregate nominal value of US\$250,000,000 at par value. On 20 March 2013, the Company further issued 13.25% senior notes due 2018 with an aggregate nominal value of US\$150,000,000 at par value. These senior notes further issued are consolidated and form a single series with the senior notes issued on 4 March 2013 (collectively the "Senior Notes due 2018"). The interest is payable semi-annually in arrears. The net proceeds, after deducting the direct issuance costs, amounted to approximately US\$391,943,000. The Senior Notes due 2018 will mature on 4 March 2018. The Company, at its option, can redeem the Senior Notes due 2018 (i) in whole, or in part, on or after 4 March 2016 at the redemption price equal to 106.625% before 4 March 2017 and 103.313% thereafter of the principal amount plus accrued and unpaid interest and (ii) in whole but not in part, prior to 4 March 2016 at redemption price equal to 100% of the principal amount plus a premium and accrued and unpaid interest. The Senior Notes due 2018 are secured by the shares of certain subsidiaries of the Company which are incorporated outside the PRC. The Senior Notes due 2018 are listed on the Hong Kong Stock Exchange and rank pari passu to the Senior Notes due 2015.
- (c) As at 30 June 2013, borrowings from third parties of RMB290,670,000 (31 December 2012: RMB547,750,000) are unsecured, interest-bearing and are repayable within one year from the date of drawdown. The remaining balances of RMB93,010,000 (31 December 2012: RMB19,930,000) are interest-free.

## 9 TRADE AND OTHER PAYABLES

	30 June 2013 <i>RMB'000</i> (unaudited)	31 December 2012 <i>RMB'000</i> (audited)
Trade payables (a):	3,131,592	3,827,317
– Related parties (note 16(b))	2,965	3,965
– Third parties	3,128,627	3,823,352
Other payables to third parties (b):	2,103,081	1,622,050
– Acquisition consideration payable	310,000	310,000
– Other payables and accrued expenses	1,793,081	1,312,050
Other taxes payable	104,269	157,049
	<u>5,338,942</u>	<u>5,606,416</u>

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

	30 June 2013 <i>RMB'000</i> (unaudited)	31 December 2012 <i>RMB'000</i> (audited)
Within 6 months	1,977,709	2,855,994
Between 7 – 12 months	415,921	48,443
Over 12 months	737,962	922,880
	<u>3,131,592</u>	<u>3,827,317</u>

(b) Other payables due to third parties are unsecured, interest free and repayment on demand.

## 10 OTHER INCOME

	Six months ended 30 June	
	2013 <i>RMB'000</i> (unaudited)	2012 <i>RMB'000</i> (unaudited)
Interest income	33,105	24,619
Rental income	17,460	16,876
Others	1,546	1,790
	<u>52,111</u>	<u>43,285</u>

## 11 OTHER GAINS AND LOSSES

	Six months ended 30 June	
	2013	2012
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Fair value changes of investment properties	123,400	46,158
Exchange gains/(losses), net	55,581	(8,250)
	<u>178,981</u>	<u>37,908</u>

## 12 FINANCE COSTS

	Six months ended 30 June	
	2013	2012
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Interest expenses:		
– Bank borrowings	994,576	708,955
– Senior Notes due 2015 (note 8(a))	125,178	126,308
– Senior Notes due 2018 (note 8(b))	103,162	–
– Others	10,253	4,740
	<u>1,233,169</u>	<u>840,003</u>
Total interest expenses	1,233,169	840,003
Less: interest capitalised on qualifying assets	(1,230,963)	(835,264)
	<u>2,206</u>	<u>4,739</u>

## 13 INCOME TAX EXPENSES

	Six months ended 30 June	
	2013	2012
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Current income tax:		
– PRC corporate income tax	118,595	72,344
– PRC land appreciation tax	31,153	84,357
Overprovision in prior year:		
– PRC land appreciation tax and the effect on the PRC corporate income tax, net	(151,864)	–
	<u>(2,116)</u>	<u>156,701</u>
Deferred income tax:		
– Origination and reversal of temporary differences	19,966	36,913
	<u>19,966</u>	<u>36,913</u>
	<u>17,850</u>	<u>193,614</u>

## 14 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	
	2013 (unaudited)	2012 (unaudited)
Profit attributable to the owners of the Company (RMB'000)	224,718	166,243
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 2012 and 2013, the computation of the diluted earnings per share does not assume the exercise of the Company's share options, of which the relevant exercise price was higher than the average market price of the Company's shares for the period when the options are outstanding.

	Six months ended 30 June	
	2013 (unaudited)	2012 (unaudited)
<b>Earnings</b>		
Profit attributable to the owners of the Company (RMB'000)	224,718	166,243
<b>Number of shares</b>		
Weighted average number of ordinary shares in issue (thousands)	7,792,646	7,792,646
Adjustments for share options (thousands)	-	-
Weighted average number of ordinary shares for diluted earnings per share (thousands)	7,792,646	7,792,646

## 15 DIVIDEND

The Board has resolved not to declare the payment of an interim dividend for the six months ended 30 June 2013 (Six months ended 30 June 2012: Nil).

## 16 RELATED PARTY TRANSACTIONS

The Company is controlled by Best Era International Limited (incorporated in the British Virgin Islands), which owns 63.9% of the Company's issued shares. The remaining 36.1% of the issued shares are widely held. The ultimate controlling party of the Company is Mr. Zhang Zhi Rong.

The following transactions were carried out with related parties:

## (a) Purchase of services

	Six months ended 30 June	
	2013	2012
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Purchase of construction services:		
– Shanghai Ditong Construction (Group) Co., Ltd. (“Shanghai Ditong”), a company controlled by a close family member of the former Chairman of the Company	830,704	580,807
	<u>830,704</u>	<u>580,807</u>
Purchase of property design services from an associated company	15,703	8,621
	<u>15,703</u>	<u>8,621</u>

## (b) Balances with related parties

As at 30 June 2013 and 31 December 2012, the Group had the following significant balances with related parties:

	30 June	31 December
	2013	2012
	RMB'000	RMB'000
	(unaudited)	(audited)
Balances included in current assets:		
Prepayments to related companies for construction costs or purchase of services included in “Prepayments”		
– Shanghai Ditong	857,660	1,010,793
– Other related companies	2,290	2,290
	<u>859,950</u>	<u>1,013,083</u>
Balance included in non-current assets: Loan to a jointly controlled entity	1,927,891	1,978,997
	<u>1,927,891</u>	<u>1,978,997</u>
Balances included in current liabilities: Trading balances included in “Trade payables”	2,965	3,965
	<u>2,965</u>	<u>3,965</u>

The loan to a jointly controlled entity is unsecured, has no fixed terms of repayment and bears interest that is agreed with Glorious Jiangxu (Nanjing) Property Development Co., Ltd. and its joint venture partner by making references to the latest benchmark lending rate published by the People's Bank of China. As at 30 June 2013, the annual interest rate is 10%.

Except for the aforementioned terms for the loan to a jointly controlled entity, as at 30 June 2013 and 31 December 2012, all other balances with related parties were unsecured, interest free and repayable on demand or to be settled according to the relevant trading terms, as appropriate.

(c) **Key management compensation**

	Six months ended 30 June	
	2013	2012
	<i>RMB'000</i>	<i>RMB'000</i>
	(unaudited)	(unaudited)
Salaries and other short-term employee benefits	17,154	15,124
Share-based compensation	1,929	7,123
	<u>19,083</u>	<u>22,247</u>

17 **FINANCIAL GUARANTEES**

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

Pursuant to the terms of the guarantees, upon default in mortgage payments by these purchasers, the Group is responsible to repay the outstanding mortgage principals together with accrued interest and penalty owed by the defaulted purchasers to the banks and the Group is entitled to take over the legal title and possession of the related properties. The Group's guarantee period starts from the dates of grant of the mortgages. As at 30 June 2013, the amount of outstanding guarantees for mortgages were approximately RMB6,894,800,000 (31 December 2012: RMB6,404,400,000). The maximum credit risk exposure at the balance sheet date is the amount of outstanding guarantees.

The Board considers that the likelihood of default in payments by purchasers is minimal and therefore the financial guarantees measured at fair value is immaterial.

18 **CAPITAL COMMITMENTS**

As at 30 June 2013, the Group had capital commitments as follows:

	30 June	31 December
	2013	2012
	<i>RMB'000</i>	<i>RMB'000</i>
	(unaudited)	(audited)
Contracted but not provided for:		
Land use rights	237,471	279,068
Property development expenditures	<u>6,785,868</u>	<u>6,888,784</u>
– Shanghai Ditong	2,998,818	3,270,422
– Third parties	<u>3,787,050</u>	<u>3,618,362</u>
Construction materials	<u>8,006</u>	<u>19,346</u>
	<u>7,031,345</u>	<u>7,187,198</u>



#### IV. INDEBTEDNESS STATEMENT

As at the close of business on 30 September 2013, being the latest practicable date of this indebtedness statement, the Group had total outstanding borrowings of approximately RMB17,151.6 million comprising secured bank borrowings of approximately RMB12,054.8 million, secured senior notes of approximately RMB4,363.8 million, secured other borrowings of RMB570.8 million and unsecured other borrowings of RMB162.2 million.

As at 30 September 2013, the Group had total available banking facilities of approximately RMB30,060 million, of which approximately RMB12,451 million had been utilised.

The Group have arranged bank financing for certain purchasers of the Group's property units and provided guarantees to secure the obligations of such purchasers for repayments. As at 30 September 2013, the amount of outstanding guarantees for mortgages was RMB6,894.6 million.

Save as disclosed above, the Group had no other bank overdrafts or loans, or other similar indebtedness, mortgages, charges, or guarantees or other material contingent liabilities.

#### V. MATERIAL CHANGES

As shown in the interim report of the Company for the six months ended 30 June 2013, (a) the Group had cash and cash equivalents of approximately RMB1,067.5 million while short term borrowings (due within one year) increased to RMB8,136.8 million as at 30 June 2013 (31 December 2012: RMB6,094.5 million); (b) total borrowings of the Group increased from RMB15,784.2 million as at 31 December 2012 to RMB17,349.7 million as at 30 June 2013, and (c) gearing ratio of the Group increased from 68.8% as at 31 December 2012 to 78.5% as at 30 June 2013. Further, the Company's monthly newsletters published on its website at <http://www.gloriousphl.com.cn/> under the section "Investor Relations — Corporate News" in respect of the decrease of the Group's total contracted sales and contracted sold area to RMB5,262.9 million and 468,385 sq.m for the period from 1 January to 31 October 2013, as compared to RMB9,789.3 million and 1,138,322 sq.m for the corresponding period in 2012. In view of the above and the projects planned to be launched to the market for pre-sales or sales in the near term, the Directors expect that the liquidity position as at 30 June 2013 will continue at similar level and the leverage position will remain high in the near term. Save as disclosed herein, the Directors confirmed that there is no material change in the financial or trading position or outlook of the Group since 31 December 2012, being the latest published audited financial statements of the Group.

## VI. PROPERTY VALUATION AND ADJUSTED NET ASSET VALUE

The property interests of the Group as at 30 September 2013 have been valued by Jones Lang LaSalle Corporate Appraisal and Advisory Limited, the independent property valuer appointed by the Company. The unaudited consolidated net assets of the Group is calculated based on the unaudited consolidated financial statements of the Group as at 30 June 2013 in the 2013 interim report and adjusted with reference to the valuation of the property interests of the Group and the relevant tax liabilities. Set out below is the calculation of the adjusted net asset value:

	<i>RMB'000</i>
Unaudited consolidated net asset value of the Group as at 30 June 2013	18,379,132
Net asset value per Share (based on 7,792,645,623 Shares in issue, as at the Latest Practicable Date)	<u>RMB2.36</u>
	<i>(equivalent to approximately HK\$2.95)</i>
Add:	
Revaluation surplus arising from the valuation of property interests attributable to the Group as at 30 September 2013, net of taxes ( <i>Notes 1,2</i> )	<u>507,307</u>
Adjusted net asset value	<u><u>18,886,439</u></u>
Adjusted net asset value per Share (based on 7,792,645,623 Shares in issue as at the Latest Practicable Date)	<u>RMB2.42</u>
	<i>(equivalent to approximately HK\$3.03)</i>

*Notes:*

1. Revaluation surplus represents the sum of excess and/or deficit of the fair value of the property interests held by the Group attributable to the Group as at 30 September 2013 as shown in the valuation report as set out in Appendix II to this document, net of the book value of such property interests as at 30 September 2013 and relevant potential PRC tax liabilities, including business taxes, land appreciation tax and corporate income tax.
2. According to the Group's accounting policies, gains or losses arising from change in the fair value of investment properties would be included in the statement of comprehensive income in the year in which they arise. Properties under development and completed properties held for sale are stated at cost less any impairment losses.

*The following is the text of a letter, summary of values and valuation certificates, prepared for the purpose of incorporation in this Scheme Document received from Jones Lang LaSalle Corporate Appraisal and Advisory Limited, an independent valuer, in connection with its valuation as at 30 September 2013 of the property interests held by Glorious Property Holdings Limited.*



Jones Lang LaSalle Corporate Appraisal and Advisory Limited  
6/F Three Pacific Place 1 Queen's Road East Hong Kong  
tel +852 2846 5000 fax +852 2169 6001  
Licence No.: C-030171

24 December 2013

The Board of Directors  
**Glorious Property Holdings Limited**  
Suites 2501 to 2504  
25th Floor,  
Two Exchange Square  
No. 8 Connaught Place  
Central  
Hong Kong

Dear Sirs,

In accordance with your instructions to value the property interests held by Glorious Property Holding Limited (the "**Company**") and its subsidiaries (hereinafter together referred to as the "**Group**") in the People's Republic of China (the "**PRC**"), we confirm that we have carried out inspections, made relevant enquiries and searches and obtained such further information as we consider necessary for the purpose of providing you with our opinion on the capital values of the property interests as at 30 September 2013 (the "**valuation date**").

Our valuation was carried out on a market value basis. Market value is defined as "the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's-length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion".

We have valued properties in Group I held by the Group for sale and Group IV held by the Group for future development by the comparison approach assuming sale of the property interests in their existing states with the benefit of immediate vacant possession and by making reference to comparable sales transactions as available in the market. This approach rests on the wide acceptance of the market transactions as the best indicator and pre-supposes that evidence of relevant transactions in the market place can be extrapolated to similar properties, subject to allowances for variable factors.

For the purpose of our valuation, real estate developments for sale are those the Construction Work Completion and Inspection Certificate/Tables or Building Ownership Certificates/Real Estate Title Certificates thereof are issued by the relevant local authorities or are in the process of application, this also includes those property interests which have been contracted to be sold, but the formal assignment procedures of which have not yet been completed; and real estate developments for future development are those the Construction Work Commencement Permits are not issued while the State-owned Land Use Rights Certificates have been obtained.

We have valued properties in Group II held by the Group for investment by the income approach by taking into account the net rental income of the properties derived from the existing leases and/or achievable in the existing market with due allowance for the reversionary income potential of the leases, which have been then capitalized to determine the market value at an appropriate capitalization rate. Where appropriate, reference has also been made to the comparable sales transactions as available in the relevant market.

In valuing the property interests in Group III which are currently under development, we have assumed that they will be developed and completed in accordance with the latest development proposals provided to us by the Group. In arriving at our opinion of values, we have adopted the comparison approach by making reference to comparable sales evidence as available in the relevant market and have also taken into account the accrued construction cost and professional fees relevant to the stage of construction as at the valuation date and the remainder of the cost and fees expected to be incurred for completing the development. We have relied on the accrued construction cost and professional fees information provided by the Group according to the different stages of construction of the properties as at the valuation date, and we did not find any material inconsistency from those of other similar developments.

Our valuation has been made on the assumption that the seller sells the property interests in the market without the benefit of a deferred term contract, leaseback, joint venture, management agreement or any similar arrangement, which could serve to affect the values of the property interests.

No allowance has been made in our report for any charge, mortgage or amount owing on any of the property interests valued nor for any expense or taxation which may be incurred in effecting a sale. Unless otherwise stated, it is assumed that the properties are free from encumbrances, restrictions and outgoings of an onerous nature, which could affect their values.

In valuing the property interests, we have complied with all requirements contained in Chapter 5 and Practice Note 12 of the Rules Governing the Listing of Securities issued by the Stock Exchange of Hong Kong Limited; the RICS Valuation – Professional Standards published by the Royal Institution of Chartered Surveyors; the HKIS Valuation Standards published by the Hong Kong Institute of Surveyors, and the International Valuation Standards published by the International Valuation Standards Council.

We have relied to a very considerable extent on the information given by the Group and have accepted advice given to us on such matters as tenure, planning approvals, statutory notices, easements, particulars of occupancy, lettings, and all other relevant matters.

We have been shown copies of title documents including State-owned Land Use Rights Certificates, Building Ownership Certificates, Real Estate Title Certificates and other official plans relating to the property interests and have made relevant enquiries. Where possible, we have examined the original documents to verify the existing title to the property interests in the PRC and any material encumbrance that might be attached to the property interests or any tenancy amendment. We have relied considerably on the advice given by the Company's PRC legal advisers – Commerce & Finance Law Offices, concerning the validity of the property interests in the PRC.

We have not carried out detailed measurements to verify the correctness of the areas in respect of the properties but have assumed that the areas shown on the title documents and official site plans handed to us are correct. All documents and contracts have been used as reference only and all dimensions, measurements and areas are approximations. No on-site measurement has been taken.

We have inspected the exterior and, where possible, the interior of the properties. However, we have not carried out investigation to determine the suitability of the ground conditions and services for any development thereon. Our valuation has been prepared on the assumption that these aspects are satisfactory and that no unexpected cost and delay will be incurred during construction. Moreover, no structural survey has been made, but in the course of our inspection, we did not note any serious defect. We are not, however, able to report whether the properties are free of rot, infestation or any other structural defect. No tests were carried out on any of the services.

Inspection of the properties was carried out in the period from 9 October 2013 to 30 October 2013 by the following staff:

Ms. Kathy Hao, who is a member of RICS and has 16 years' experience in the property valuation in the PRC; Ms. Echo Li and Mr. York Rong who are China Certified Real Estate Appraisers and have 7 years' experience in the property valuation in the PRC; Ms. Nala Wu, Ms. Amy Zhou and Ms. Ivy Zheng who have 9 years', 7 years' and 5 years' experience respectively in the property valuation in the PRC; and Mr. Aaron Lin who is a Certified Public Valuer and has 2 years' experience in the property valuation in the PRC.

We have had no reason to doubt the truth and accuracy of the information provided to us by the Group. We have also sought confirmation from the Group that no material factors have been omitted from the information supplied. We consider that we have been provided with sufficient information to arrive an informed view, and we have no reason to suspect that any material information has been withheld.

All monetary figures stated in this report are in Renminbi (RMB).

Our valuation is summarized below and the valuation certificates are attached.

Yours faithfully,  
For and on behalf of  
**Jones Lang LaSalle Corporate Appraisal and Advisory Limited**  
**Eddie T. W. Yiu**  
*MRICS MHKIS RPS (GP)*  
Director

*Note:* Eddie T.W. Yiu is a Chartered Surveyor who has 19 years' experience in the valuation of properties in Hong Kong and the PRC as well as relevant experience in the Asia-Pacific region.

## SUMMARY OF VALUES

## Group I – Property interests held for sale by the Group in the PRC

No.	Property	Capital value in existing state as at 30 September 2013 RMB	Interest attributable to the Group	Capital value attributable to the Group as at 30 September 2013 RMB
1.	101 residential units in Building nos. 1, 2, 4, 5 and 7 to 10 of Shanghai Bay 18/19 Nong Kaibin Road Xuhui District Shanghai the PRC	3,042,000,000	100%	3,042,000,000
2.	The unsold portion in Chateau De Paris Phase II No. 2093 Xietu Road Xuhui District Shanghai The PRC	104,500,000	100%	104,500,000
3.	The unsold portion in Shanghai Park Avenue No. 389 Anshun Road Changning District Shanghai The PRC	96,900,000	100%	96,900,000
4.	35 residential units in Phase I-1 of Shanghai City Glorious- Affordable Housing Block and 4 retail buildings in the Relocated Block located at the north of Yingao West Road, east of Jiang Yang South Road and west of Gaojing Road Gaojing Town Baoshan District Shanghai The PRC	79,900,000	100%	79,900,000

No.	Property	Capital value in existing state as at 30 September 2013 RMB	Interest attributable to the Group	Capital value attributable to the Group as at 30 September 2013 RMB
5.	The unsold portion in Royal Lakefront No. 89 Nong Zefeng Road Fengxian District Shanghai The PRC	319,400,000	100%	319,400,000
6.	The unsold portion in Nantong Villa Glorious located at the west of Shilun Road and the south of Guosheng Road Chongchuan District Nantong City Jiangsu Province The PRC	553,200,000	100%	553,200,000
7.	The unsold portion in Phase I of Nantong Royal Bay located at the west of Gongnong Road and the south of Hongqiao Road Chongchuan District Nantong City Jiangsu Province The PRC	1,845,000,000	100%	1,845,000,000
8.	The unsold portion in Phase I of Nantong Glorious Chateau located at the south of Wei Six Road and the west of Jing Six Road New District Rugao Town Nantong City Jiangsu Province The PRC	132,000,000	100%	132,000,000



No.	Property	Capital value in existing state as at 30 September 2013 <i>RMB</i>	Interest attributable to the Group	Capital value attributable to the Group as at 30 September 2013 <i>RMB</i>
9.	The unsold portion in Hefei Villa Glorious located at the northwest of junction of Datong Road and Tongling Road Yaohai District Hefei City Anhui Province The PRC	80,400,000	100%	80,400,000
10.	The unsold portion in Hefei Royal Garden Phases I and II located at the southeast of junction of Mengcheng Road and Lianshui Road Luyang District Hefei City Anhui Province The PRC	76,400,000	100%	76,400,000
11.	The unsold portion in No.1 City Promotion located at the east of Xixing Road, the south of Xinguang Road and the west of Chunhua Road New District Wuxi City Jiangsu Province The PRC	770,500,000	100%	770,500,000
12.	A clubhouse in Classical Life No.88 Qinfeng Road Yushan Town Changshu City Jiangsu Province The PRC	8,900,000	100%	8,900,000

No.	Property	Capital value in existing state as at 30 September 2013 RMB	Interest attributable to the Group	Capital value attributable to the Group as at 30 September 2013 RMB
13.	The unsold portion in Phases I to IV of Sunny Town No. 181 Nujiang North Street Yuhong District Shenyang City Liaoning Province The PRC	343,200,000	100%	343,200,000
14.	The unsold portion in Dalian Villa Glorious Bali Village Xianjin Street Jinzhou New District Dalian City Liaoning Province The PRC	315,700,000	100%	315,700,000
15.	The unsold portion in Phases I to III of Harbin Villa Glorious Located at the northeast of junction of Xinjiang Road and Qunli Fifth Avenue Qunli New Zone Daoli District Harbin City Heilongjiang Province The PRC	784,300,000	100%	784,300,000
16.	The unsold portion in Building nos. 1 to 9, 11, S1 and S2, and underground car parking spaces of Harbin Royal Garden No. 1066 Jinjiang Road Qunli New Zone Daoli District Harbin City Heilongjiang Province The PRC	387,700,000	100%	387,700,000

No.	Property	Capital value in existing state as at 30 September 2013 RMB	Interest attributable to the Group	Capital value attributable to the Group as at 30 September 2013 RMB
17.	The unsold portion in Phase C1 of Changchun Villa Glorious located at the western side of Chaofan Avenue and the southern side of Chuangyi Road High-tech New District Changchun City Jilin Province The PRC	388,100,000	100%	388,100,000
18.	The unsold portion in Phase I of the west area of Tianjin Royal Bay Seaside-Xi Yuan located at Guangang Forest Park, Dagang District Tianjin The PRC	124,000,000	100%	124,000,000
19.	The unsold portion in Glorious Artstyle Townhouse No. 31 Yu Zhen Avenue Daxing District Beijing The PRC	264,000,000	100%	264,000,000
20.	The unsold portion in Royal Mansion Phase I No. 16 Jingouhe Road Haidian District Beijing The PRC	137,000,000	100%	137,000,000
	<b>Sub-total:</b>	<b>9,853,100,000</b>		<b>9,853,100,000</b>

## Group II – Property interests held for investment by the Group in the PRC

No.	Property	Capital value in existing state as at 30 September 2013 RMB	Interest attributable to the Group	Capital value attributable to the Group as at 30 September 2013 RMB
21.	Various retail units and 586 underground car parking spaces in Phases I and II of Shanghai Bay 18/19 Nong Kaibin Road Xuhui District Shanghai the PRC	391,000,000	100%	391,000,000
22.	22 retail units in Sunglow Xinjing No. 259 Tiandeng Road Xuhui District Shanghai The PRC	61,000,000	100%	61,000,000
23.	Various retail units, 8 commercial buildings, a retail center and 883 underground car parking spaces in Sunshine Venice located at the southern side of Taopu Road and the western side of Qilianshan Road Putuo District Shanghai The PRC	909,000,000 (Note 1)	100%	909,000,000
24.	5 retail units and an underground supermarket in Chateau De Paris Phase II No. 2093 Xietu Road Xuhui District Shanghai The PRC	344,900,000	100%	344,900,000

No.	Property	Capital value in existing state as at 30 September 2013 RMB	Interest attributable to the Group	Capital value attributable to the Group as at 30 September 2013 RMB
25.	A clubhouse, 26 retail units and 960 car parking spaces in Sunshine Holiday located at the eastern side of Taixing South Road and the southern side of Chenyang Road Hedong District Tianjin The PRC	273,000,000	100%	273,000,000
	<b>Sub-total:</b>	<b><u>1,978,900,000</u></b>		<b><u>1,978,900,000</u></b>

## Group III – Property interests held under development by the Group in the PRC

No.	Property	Capital value in existing state as at 30 September 2013 RMB	Interest attributable to the Group	Capital value attributable to the Group as at 30 September 2013 RMB
26.	Phase III and 2 commercial buildings of Shanghai Bay under construction 18/19 Nong Kaibin Road Xuhui District Shanghai the PRC	12,405,000,000	100%	12,405,000,000
27.	Phase I-2 and Phase II of Shanghai City Glorious-Affordable Housing Block and Phase I of Shanghai City Glorious-Commodity Block under construction located at the north of Yingao West Road, east of Jiang Yang South Road and west of Gaojing Road Gaojing Town Baoshan District Shanghai The PRC	2,771,000,000	100%	2,771,000,000
28.	Phase I of Nanjing Royal Bay under construction No. 118 Zhenghe South Road Gulou District Nanjing City Jiangsu Province The PRC	991,000,000	60%	594,600,000

No.	Property	Capital value in existing state as at 30 September 2013 RMB	Interest attributable to the Group	Capital value attributable to the Group as at 30 September 2013 RMB
29.	Nantong Glorious Plaza under construction located at the south of Shiji Avenue and the east of Gongnong South Road Chongchuan District Nantong City Jiangsu Province The PRC	1,347,000,000	100%	1,347,000,000
30.	Phase II of Nantong Royal Bay under construction located at the west of Gongnong Road and the south of Hongqiao Road Chongchuan District Nantong City Jiangsu Province The PRC	No commercial value (Note 2)	100%	No commercial value
31.	Phase I of the south area of Bashangjie Project under construction located at the southwestern side of the junction of Changjiang Road and Mingguang Road Yaohai District Hefei City Anhui Province The PRC	1,420,000,000	100%	1,420,000,000

No.	Property	Capital value in existing state as at 30 September 2013 RMB	Interest attributable to the Group	Capital value attributable to the Group as at 30 September 2013 RMB
32.	Hefei Royal Garden Phase III under construction located at the southeast of junction of Mengcheng Road and Lianshui Road Luyang District Hefei City Anhui Province The PRC	709,000,000	100%	709,000,000
33.	Shenyang Glorious Plaza under construction No. 181 Nujiang North Street Yuhong District Shenyang City Liaoning Province The PRC	658,000,000	100%	658,000,000
34.	Building nos. 10, S3 and S4 of Harbin Royal Garden No. 1066 Jinjiang Road Qunli New Zone Daoli District Harbin City Heilongjiang Province The PRC	87,000,000	100%	87,000,000
35.	Phases A1 and C2 of Changchun Villa Glorious under construction located at the western side of Chaofan Avenue and the southern side of Chuangyi Road High-tech New District Changchun City Jilin Province The PRC	1,328,000,000	100%	1,328,000,000



No.	Property	Capital value in existing state as at 30 September 2013 <i>RMB</i>	Interest attributable to the Group	Capital value attributable to the Group as at 30 September 2013 <i>RMB</i>
36.	Tianjin Glorious Plaza under construction located at northeast of the junction of Taixing South Road and Chenglin Road Hedong District Tianjin The PRC	390,000,000	100%	390,000,000
37.	Phase I of Tianjin Royal Bay Seaside-Dong Yuan and Bei Yuan under construction located at Guangang Forest Park, Dagang District Tianjin The PRC	776,000,000	100%	776,000,000
	<b>Sub-total:</b>	<b><u>22,882,000,000</u></b>		<b><u>22,485,600,000</u></b>

## Group IV – Property interests held for future development by the Group in the PRC

No.	Property	Capital value in existing state as at 30 September 2013 RMB	Interest attributable to the Group	Capital value attributable to the Group as at 30 September 2013 RMB
38.	2 parcels of land located at Block 143 of Xu Jia Hui Xuhui District Shanghai The PRC	1,869,000,000	100%	1,869,000,000
39.	A parcel of land located at Block 292 of Cao He Jing Xuhui District Shanghai The PRC	2,385,000,000	100%	2,385,000,000
40.	Phases II and III of Shanghai City Glorious-Commodity Block located at the north of Yingao West Road, east of Jiang Yang South Road and west of Gaojing Road, Gaojing Town, Baoshan District Shanghai The PRC	1,727,000,000	100%	1,727,000,000
41.	2 parcels of land of Royal Lakefront located at No. 89 Nong Zefeng Road Fengxian District Shanghai The PRC	446,000,000	100%	446,000,000
42.	The reserved land of Nanjing Royal Bay No. 118 Zhenghe South Road Gulou District Nanjing City Jiangsu Province The PRC	3,848,000,000	60%	2,308,800,000

No.	Property	Capital value in existing state as at 30 September 2013 RMB	Interest attributable to the Group	Capital value attributable to the Group as at 30 September 2013 RMB
43.	12 parcels of land of Nantong Glorious Chateau Phase II located at Erbaimu Village and Yongpingzha Village Rugao Town Nantong City Jiangsu Province The PRC	590,000,000	100%	590,000,000
44.	9 parcels of land located at Dongfengtian Village Rugao Town Nantong City Jiangsu Province The PRC	84,000,000	100%	84,000,000
45.	The reserved land of Bashangjie Project located at the southwestern side of the junction of Changjiang Road and Mingguang Road Yaohai District Hefei City Anhui Province The PRC	1,619,000,000	100%	1,619,000,000
46.	The reserved land of Hefei Royal Garden located at the southeast of junction of Mengcheng Road and Lianshui Road Luyang District Hefei City Anhui Province The PRC	16,000,000	100%	16,000,000

No.	Property	Capital value in existing state as at 30 September 2013 RMB	Interest attributable to the Group	Capital value attributable to the Group as at 30 September 2013 RMB
47.	A parcel of land located at Bali Village Xianjin Street Jinzhou New District Dalian City Liaoning Province The PRC	525,000,000	70%	367,500,000
48.	The reserved land of Changchun Villa Glorious located at the western side of Chaofan Avenue and the southern side of Chuangyi Road High-tech New District Changchun City Jilin Province The PRC	974,000,000	100%	974,000,000
49.	A parcel of land located at Tuanbohu Jinghai County Tianjin The PRC	1,545,000,000	70%	1,081,500,000
50.	The reserved land of Tianjin Royal Bay Seaside located at Guangang Forest Park, Dagang District Tianjin The PRC	1,406,000,000	100%	1,406,000,000
51.	A parcel of land of Royal Mansion Phase II No. 16 Jingouhe Road Haidian District Beijing The PRC	435,000,000	100%	435,000,000
	<b>Sub-total:</b>	<b><u>17,469,000,000</u></b>		<b><u>15,308,800,000</u></b>
	<b>Grand total:</b>	<b><u>52,183,000,000</u></b>		<b><u>49,626,400,000</u></b>

*Notes:*

1. The property comprises a portion without proper title documents. For reference purposes, we are of the opinion that the capital value of the portion as at the valuation date would be RMB662,000,000 assuming all relevant title documents have been obtained and the portion could be freely transferred. Please refer to Page II-66 for details of the portion.
2. Had the Group obtained Stated-owned Land Use Rights Certificate(s) and relevant construction permits, the capital value of the property in existing state as at the valuation date would be RMB2,668,000,000. Please refer to Pages II-79 and II-80 for details of the property.
3. As advised by the Company, the potential tax liabilities which would arise if the property interests of the Company specified in Groups I, II, III and IV of this report were to be sold at the amount of the valuation is estimated to be approximately RMB10,145.2 million. The taxes mainly include business tax (5% of the transaction amount), land appreciation tax (30% to 60% of appreciated amount) and income tax (25% of capital gain). For the property interests held for sale in Group I and relevant portions intended to be sold after completion of the developments as advised by the Group in Groups III and IV, the likelihood of relevant tax liability being crystallized is high. For the property interests held for investment in Group II and relevant portions intended to be held for investment/owner-occupation after the completion of the developments in Groups III and IV, the likelihood of the potential tax liability being crystallized is considered remote as we are advised that the Group has no intention to dispose of such property interests.

## VALUATION CERTIFICATE

## Group I – Property interests held for sale by the Group in the PRC

No.	Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at 30 September 2013 RMB
1.	101 residential units in Building nos. 1, 2, 4, 5 and 7 to 10 of Shanghai Bay 18/19 Nong Kaibin Road Xuhui District Shanghai the PRC	The property comprises 101 residential units in Building nos. 1, 2, 4, 5 and 7 to 10 of Shanghai Bay, which are residential buildings completed in 2009 and 2012.  The property has a total gross floor area of approximately 39,494.73 sq.m..  The land use rights of the property have been granted for a term expiring on 30 August 2074 for residential use.	The property is currently vacant for sale.	3,042,000,000  (100% interest attributable to the Group: RMB3,042,000,000)

## Notes:

1. Pursuant to 2 Real Estate Title Certificates – Hu Fang Di Xu Zi (2010) Di No. 006146 and Hu Fang Di Xu Zi (2012) Di No. 018148, Building nos. 1, 3, 4, 5, 7, 9 and 10 of Shanghai Bay with a total gross floor area of approximately 185,970.89 sq.m. are owned by Shanghai Xintai Property Development Co., Ltd. (“**Shanghai Xintai**”, a wholly-owned subsidiary of the Company). The relevant land use rights of these buildings have been granted to Shanghai Xintai for a term expiring on 30 August 2074 for residential use.
2. Pursuant to a Real Estate Title Certificate – Hu Fang Di Xu Zi (2011) Di No. 008829, Building nos. 2 and 8 of Shanghai Bay with a total gross floor area of approximately 52,306.96 sq.m. are owned by Shanghai Penghui Property Development Co., Ltd. (“**Shanghai Penghui**”, a wholly-owned subsidiary of the Company). The relevant land use rights of these buildings has been granted to Shanghai Xintai for a term expiring on 30 August 2074 for residential use.
3. As advised by the Group, 31 units of the property with a total gross floor area of approximately 9,900.1 sq.m. have been pre-sold to various third parties at a total consideration of RMB676,748,923. Such units of the property have not been legally and virtually transferred and therefore we have included the units in our valuation. In arriving at our opinion on the capital value of the property, we have taken into account the contracted prices of such units of the property.
4. We have been provided with a legal opinion regarding the property interest by the Company’s PRC legal advisers, which contains, inter alia, the following:
  - a. the Group is entitled to occupy, use, lease, mortgage, transfer and otherwise dispose of the property without outstanding fees.
5. A summary of major certificates/approvals is shown as follows:
  - a. Real Estate Title Certificate Yes

## VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at 30 September 2013 RMB
2.	The unsold portion in Chateau De Paris Phase II No. 2093 Xietu Road Xuhui District Shanghai The PRC	The property comprises 2 residential units with a total gross floor area of approximately 326.72 sq.m. and 359 underground car parking spaces with a total gross floor area of approximately 17,694.2 sq.m. in Chateau De Paris Phase II which is a residential development completed in 2008.  The land use rights of the property have been granted for a term expiring on 6 November 2072 for residential use.	The residential units are currently vacant for sale and the car parking spaces is currently rented out on short-term basis.	104,500,000  (100% interest attributable to the Group: RMB104,500,000)

*Notes:*

1. Pursuant to a Real Estate Title Certificate – Hu Fang Di Xu Zi (2009) Di No. 000683, various buildings and car parking spaces with a total gross floor area of approximately 92,401.21 sq.m. of Chateau De Paris Phase II are owned by Shanghai Haosen Property Co., Ltd. (“**Shanghai Haosen**”, a wholly-owned subsidiary of the Company). The relevant land use rights of these buildings have been granted to Shanghai Haosen for a term expiring on 6 November 2072 for residential use.
2. We have been provided with a legal opinion regarding the property interest by the Company’s PRC legal advisers, which contains, inter alia, the following:
  - a. the Group is entitled to occupy, use, lease, mortgage, transfer and otherwise dispose of the property without outstanding fees.
3. A summary of major certificates/approvals is shown as follows:
  - a. Real Estate Title Certificate Yes

## VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at 30 September 2013 RMB
3.	The unsold portion in Shanghai Park Avenue No. 389 Anshun Road Changning District Shanghai The PRC	The property comprises 3 residential units with a total gross floor area of approximately 477.05 sq.m. and 332 underground car parking spaces with a total gross floor area of approximately 14,096.04 sq.m. in Shanghai Park Avenue which is a residential development completed in 2007.  The land use rights of the property have been granted for a term expiring on 25 March 2072 for residential use.	The property is currently vacant for sale.	96,900,000  (100% interest attributable to the Group: RMB96,900,000)

*Notes:*

1. Pursuant to 2 Real Estate Title Certificates – Hu Fang Di Chang Zi (2008) Di Nos. 001287 and 016049, various residential buildings plus underground car parking spaces with a total gross floor area of approximately 62,773.34 sq.m. of Shanghai Park Avenue are owned by Shanghai Anshun Property Development Co., Ltd. (“**Shanghai Anshun**”, a wholly-owned subsidiary of the Company). The relevant land use rights of these buildings have been granted to Shanghai Anshun for a term expiring on 25 March 2072 for residential use.
2. As advised by the Group, 3 residential units of the property with a total gross floor area of approximately 477.05 sq.m. have been pre-sold to various third parties at a total consideration of RMB13,876,331. Such units of the property have not been legally and virtually transferred and therefore we have included the units in our valuation. In arriving at our opinion on the capital value of the property, we have taken into account the contracted prices of such portions of the property.
3. We have been provided with a legal opinion regarding the property interest by the Company’s PRC legal advisers, which contains, inter alia, the following:
  - a. the Group is entitled to occupy, use, lease, mortgage, transfer and otherwise dispose of the property without outstanding fees.
4. A summary of major certificates/approvals is shown as follows:
  - a. Real Estate Title Certificate Yes



## VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at 30 September 2013 RMB
4.	35 residential units in Phase I-1 of Shanghai City Glorious-Affordable Housing Block and 4 retail buildings of Relocated Block located at the north of Yingao West Road, east of Jiang Yang Nan Road and west of Gaojing Road, Gaojing Town, Baoshan District Shanghai The PRC	<p>Shanghai City Glorious is a large residential development with retail facilities comprising three blocks of Commodity Block, Relocated Block and Affordable Housing Block.</p> <p>Shanghai City Glorious-Affordable Housing Block occupies a parcel of land with a site area of approximately 94,076 sq.m., which comprises Phases I-1, I-2 and II. As at the valuation date, Phase I-1 was completed, Phase I-2 and Phase II were under construction.</p>	The property is currently vacant for sale.	79,900,000  (100% interest attributable to the Group: RMB79,900,000)
		<p>The property comprises:</p> <p>(i) 4 retail buildings in the Relocated Block with a total gross floor area of approximately 2,491.75 sq.m. (“Part A”); and (ii) 35 residential units in Phase I-1 of Shanghai City Glorious-Affordable Housing Block (“Part B”), with a total gross floor area of approximately 2,514.05 sq.m.</p>		
		<p>The land use rights of Relocated Block have been granted for a term expiring on 19 October 2080 for residential use and the land use rights of the Affordable Housing Block have been allocated to the Group.</p>		

*Notes:*

1. Pursuant to a Real Estate Title Certificate – Hu Fang Di Bao Zi (2012) Di No. 001480, the land use rights of Affordable Housing Block with a site area of approximately 94,075.9 sq.m. have been allocated to Shanghai Shengtong Property Development Co., Ltd. (“**Shanghai Shengtong**”, a wholly-owned subsidiary of the Company) for affordable housing use.
2. Pursuant to a Real Estate Title Certificate – Hu Fang Di Bao Zi (2010) Di No. 05309, the land use rights of Relocated Block with a site area of approximately 40,009 sq.m. have been granted to Shanghai Shengtong for a term expiring on 19 October 2080 for residential use.
3. Pursuant to a Construction Work Planning Permit – Jian Zi Di Hu Bao Jian (2010) FA31011320101592 in favour of Shanghai Shengtong, various buildings in Phases I and II of Shanghai City Glorious – Affordable Housing Block with a total gross floor area of approximately 332,994 sq.m. have been approved for construction.
4. Pursuant to a Construction Work Planning Permit – Hu Bao Jian (2011) FA31011320110440 in favour of Shanghai Shengtong, various buildings of Shanghai City Glorious – Relocated Block with a total gross floor area of approximately 123,301.3 sq.m. have been approved for construction.
5. Pursuant to a Construction Work Commencement Permit – 0901BS0102D01310113200912220319 in favour of Shanghai Shengtong, permission by the relevant local authority was given to commence the construction of the buildings in Phase I-1 of Affordable Housing Block with a total gross floor area of approximately 65,269 sq.m.
6. Pursuant to a Construction Work Commencement Permit – 1001BS0093D01310113201011161619 in favour of Shanghai Shengtong, permission by the relevant local authority was given to commence the construction of the buildings in Shanghai City Glorious – Relocated Block with a total gross floor area of approximately 123,301.3 sq.m.
7. Pursuant to a Pre-sales Permit – Bao Shan Fang Guan (2012) Yu Zi No. J0061 in favour of Shanghai Shengtong, the Group is freely entitled to sell the buildings of Affordable Housing Block with a total gross floor area of 60,077.6 sq.m.
8. Pursuant to 2 Construction Work Completion and Inspection Certificates in favour of Shanghai Shengtong, the construction of the buildings in Affordable Housing Block and Relocated Block with a total gross floor area of approximately 183,714.3 sq.m. has been completed and passed the acceptance inspection.
9. As advised by the Group, 10 residential units of the property with a total gross floor area of approximately 731.45 sq.m. have been pre-sold to various third parties at a total consideration of RMB6,577,512.26. Such units of the property have not been legally and virtually transferred and therefore we have included the units in our valuation. In arriving at our opinion on the capital value of the property, we have taken into account the contracted prices of such portions of the property.
10. We have been provided with a legal opinion regarding the property interest by the Company’s PRC legal advisers, which contains, inter alia, the following:
  - a. the Group has paid the land premium in respect of the property in full and pursuant to various Real Estate Title Certificates, the Group has legally acquired the land use rights of the property; during the land use rights terms, the Group is entitled to occupy, use, lease, mortgage, transfer or otherwise dispose of the site of the property;
  - b. the Group has obtained from the PRC Government requisite approvals in respect of the construction of the property and the approvals are valid;
  - c. the Group is entitled to sell various Buildings of Affordable Housing Block in accordance with the Pre-sale Permit mentioned in note 7; and
  - d. the construction inspection and acceptance procedures of the property have been completed, so the Group should not have any legal impediment to obtain the relevant title certificates.

11. A summary of major certificates/approvals is shown as follows:

- |    |   |     |
|----|---|-----|
| a. | Real Estate Title Certificate (for land only)                 | Yes |
| b. | Construction Work Planning Permit                             | Yes |
| c. | Construction Work Commencement Permit                         | Yes |
| d. | Pre-sale Permit   | Yes |
| e. | Construction Work Completion and Inspection Certificate/Table | Yes |

## VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at 30 September 2013 RMB										
5.	The unsold portion in Royal Lakefront No. 89 Nong Zefeng Road Fengxian District Shanghai The PRC	<p>The property comprises 11 residential units, 33 retail units and 1,584 underground car parking spaces in Royal Lakefront which is a large scale residential development completed in various stages between 2011 and 2013.</p> <p>The property has a total gross floor area of approximately 68,398.03 sq.m., the details of which are set out as below:</p> <table border="1"> <thead> <tr> <th>Usage</th> <th>Gross Floor Area (sq.m.)</th> </tr> </thead> <tbody> <tr> <td>Residential</td> <td>1,770.58</td> </tr> <tr> <td>Retail</td> <td>7,811.37</td> </tr> <tr> <td>Car parking spaces</td> <td>58,816.08 (1,584 lots)</td> </tr> <tr> <td><b>Total:</b></td> <td><b><u>68,398.03</u></b></td> </tr> </tbody> </table>	Usage	Gross Floor Area (sq.m.)	Residential	1,770.58	Retail	7,811.37	Car parking spaces	58,816.08 (1,584 lots)	<b>Total:</b>	<b><u>68,398.03</u></b>	The property is currently vacant for sale except for several units which are currently occupied by various third parties.	319,400,000  (100% interest attributable to the Group: RMB319,400,000)
Usage	Gross Floor Area (sq.m.)													
Residential	1,770.58													
Retail	7,811.37													
Car parking spaces	58,816.08 (1,584 lots)													
<b>Total:</b>	<b><u>68,398.03</u></b>													
		<p>The land use rights of the property have been granted for terms expiring on 7 April 2048 for commercial use and 7 April 2078 for residential use.</p>												

## Notes:

- Pursuant to 7 Real Estate Title Certificates – Hu Fang Di Feng Zi (2011) Di Nos. 007505 and 008966, Hu Fang Di Feng Zi (2012) Di Nos. 004675, 004765 and 008667, and Hu Fang Di Feng Zi (2013) Di Nos. 008112 and 008113, various buildings of Royal Lakefront with a total gross floor area of approximately 423,140.01 sq.m. are owned by Shanghai Hongye Property Development Co., Ltd. (“Shanghai Hongye”, a wholly-owned subsidiary of the Company). The relevant land use rights of these buildings have been granted to Shanghai Hongye for terms expiring on 7 April 2048 for commercial use and 7 April 2078 for residential use.

2. As advised by the Group, 7 residential units of the property with a total gross floor area of approximately 1,107.46 sq.m. have been pre-sold to various third parties at a total consideration of RMB17,158,332.24. Such units of the property have not been legally and virtually transferred and therefore we have included the units in our valuation. In arriving at our opinion on the capital value of the property, we have taken into account the contracted prices of such units of the property.
3. We have been provided with a legal opinion regarding the property interest by the Company's PRC legal advisers, which contains, inter alia, the following:
  - a. the Group is entitled to occupy, use, lease, mortgage, transfer and otherwise dispose of the property without outstanding fee.
4. A summary of major certificates/approvals is shown as follows:
  - a. Real Estate Title Certificate Yes

## VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at 30 September 2013 RMB										
6.	The unsold portion in Nantong Villa Glorious located at the west of Shilun Road and the south of Guosheng Road Chongchuan District Nantong City Jiangsu Province The PRC	<p>The property comprises 373 residential units, 22 retail units and 654 underground car parking spaces in Nantong Villa Glorious which is a residential development completed in March 2013.</p> <p>The property has a total gross floor area of approximately 75,723.76 sq.m., the details of which are set out as below:</p> <table border="0" style="margin-left: 40px;"> <thead> <tr> <th style="text-align: left;">Usage</th> <th style="text-align: right;">Gross Floor Area (sq.m.)</th> </tr> </thead> <tbody> <tr> <td>Residential</td> <td style="text-align: right;">48,144.04</td> </tr> <tr> <td>Retail</td> <td style="text-align: right;">3,666.35</td> </tr> <tr> <td>Car parking spaces</td> <td style="text-align: right;">23,913.37 (654 lots)</td> </tr> <tr> <td><b>Total:</b></td> <td style="text-align: right;"><b><u>75,723.76</u></b></td> </tr> </tbody> </table>	Usage	Gross Floor Area (sq.m.)	Residential	48,144.04	Retail	3,666.35	Car parking spaces	23,913.37 (654 lots)	<b>Total:</b>	<b><u>75,723.76</u></b>	The property is currently vacant for sale.	553,200,000  (100% interest attributable to the Group: RMB553,200,000)
Usage	Gross Floor Area (sq.m.)													
Residential	48,144.04													
Retail	3,666.35													
Car parking spaces	23,913.37 (654 lots)													
<b>Total:</b>	<b><u>75,723.76</u></b>													
		<p>The land use rights of the property have been granted for a term expiring on 18 January 2080 for residential use.</p>												

## Notes:

- Pursuant to a State-owned Land Use Rights Certificate – Su Tong Guo Yong (2010) Di No. 0406013, the land use rights of a parcel of land with a site area of approximately 115,068.72 sq.m., on which the property is situated, have been granted to Glorious Baofeng (Nantong) Property Development Co., Ltd. (“Nantong Baofeng”, a wholly-owned subsidiary of the Company) for a term expiring on 18 January 2080 for residential use.
- Pursuant to 2 Construction Work Planning Permits – Jian Zi Di Nos. 320600201310022 and 320600201310025 in favour of Nantong Baofeng, Nantong Villa Glorious with a total gross floor area of approximately 308,640 sq.m. has been approved for construction.
- Pursuant to 4 Construction Work Commencement Permits – 3206002010062100001A, 3206002010111600001A, 3206002010112300002A and 3206002011080100002A in favour of Nantong Baofeng, permission by the relevant local authority has been given to commence the construction of Nantong Villa Glorious with a total gross floor area of approximately 306,577 sq.m.

4. Pursuant to 8 Pre-sales Permits – Tong Fang Yu Shou Zheng [2010] Nos. 036, 042, 055 and 060, Tong Fang Yu Shou Zheng [2011] Nos. 002, 018 and 024, and Tong Fang Yu Shou Zheng [2012] No. 026 in favour of Nantong Baofeng, the Group is entitled to sell various buildings (representing a total gross floor area of approximately 252,512.95 sq.m.) of Nantong Villa Glorious to purchasers.
5. Pursuant to a Construction Work Completion and Inspection Certificate – 2013 Tong Jian Jun Yan No. 024 in favour of Nantong Baofeng, the construction of Nantong Villa Glorious with a total gross floor area of approximately 306,640 sq.m. has been completed and passed the acceptance inspection.
6. As advised by the Group, 4 residential units of the property with a total gross floor area of approximately 502.58 sq.m. have been pre-sold to various third parties at a total consideration of RMB3,912,477. Such units of the property have not been legally and virtually transferred and therefore we have included the units in our valuation. In arriving at our opinion on the capital value of the property, we have taken into account the contracted prices of such units of the property.
7. We have been provided with a legal opinion regarding the property interest by the Company's PRC legal advisers, which contains, inter alia, the following:
  - a. the Group has paid the land premium of the property in full and pursuant to a State-owned Land Use Rights Certificate, the Group has legally acquired the land use rights of the property; during the land use rights terms, the Group is entitled to occupy, use, lease, mortgage, transfer or otherwise dispose of the site of the property;
  - b. the Group has obtained from the PRC Government requisite approvals in respect of the construction of the property and the approvals are valid;
  - c. the Group is entitled to sell the property in accordance with the Pre-sale Permits mentioned in note 4; and
  - d. the construction inspection and acceptance procedures of the property have been completed, so the Group should not have any legal impediment to obtain the relevant title certificates.
8. A summary of major certificates/approvals is shown as follows:
 

a.	State-owned Land Use Rights Certificate	Yes
b.	Building Ownership Certificate	No
c.	Construction Work Planning Permit	Yes
d.	Construction Work Commencement Permit	Yes
e.	Pre-sales Permit	Yes
f.	Construction Work Completion and Inspection Certificate/Table	Yes

## VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at 30 September 2013 RMB										
7.	The unsold portion in Phase I of Nantong Royal Bay located at the west of Gongnong Road and the south of Hongqiao Road Chongchuan District Nantong City Jiangsu Province The PRC	<p>The property comprises 1,020 residential units, 103 retail units and 215 underground car parking spaces in Phase I of Nantong Royal Bay which is a residential development completed in June 2013.</p> <p>The property has a total gross floor area of approximately 197,199.05 sq.m., the details of which are set out as below:</p> <table border="1"> <thead> <tr> <th>Usage</th> <th>Gross Floor Area (sq.m.)</th> </tr> </thead> <tbody> <tr> <td>Residential</td> <td>122,510.87</td> </tr> <tr> <td>Retail</td> <td>15,284.18</td> </tr> <tr> <td>Car parking spaces</td> <td>59,404.00 (215 lots)</td> </tr> <tr> <td><b>Total:</b></td> <td><b><u>197,199.05</u></b></td> </tr> </tbody> </table>	Usage	Gross Floor Area (sq.m.)	Residential	122,510.87	Retail	15,284.18	Car parking spaces	59,404.00 (215 lots)	<b>Total:</b>	<b><u>197,199.05</u></b>	The property is currently vacant for sale.	1,845,000,000  (100% interest attributable to the Group: RMB1,845,000,000)
Usage	Gross Floor Area (sq.m.)													
Residential	122,510.87													
Retail	15,284.18													
Car parking spaces	59,404.00 (215 lots)													
<b>Total:</b>	<b><u>197,199.05</u></b>													
		<p>The land use rights of the property have been granted for terms expiring on 29 April 2080 for residential use and 29 April 2050 for commercial use.</p>												

## Notes:

- Pursuant to a State-owned Land Use Rights Certificate – Su Tong Guo Yong (2010) Di No. 0106020, the land use rights of a parcel of land with a site area of approximately 155,057.03 sq.m., on which the property is situated, have been granted to Glorious Weida (Nantong) Property Development Co., Ltd. (“Nantong Weida”, a wholly-owned subsidiary of the Company) for terms expiring on 29 April 2080 for residential use and 29 April 2050 for commercial use.
- Pursuant to 5 Construction Work Planning Permits – NTF Nos. 20100100, 20100101, 20100121, 20110002 and 20110016 in favour of Nantong Weida, Phase I of Nantong Royal Bay with a total gross floor area of approximately 286,491 sq.m. has been approved for construction.



3. Pursuant to 2 Construction Work Commencement Permits – 3206002010120600002A and 32060002011041100001A in favour of Nantong Weida, permission by the relevant local authority has been given to commence the construction of Phase I of Nantong Royal Bay with a total gross floor area of approximately 286,491 sq.m.
4. Pursuant to 4 Pre-sales Permits – Tong Fang Yu Shou Zheng Nos. [2010]058, [2011]017, [2011]041 and [2012]036 in favour of Nantong Weida, the Group is entitled to sell 19 residential buildings and 5 retail buildings (representing a total gross floor area of approximately 204,968.90 sq.m.) of Phase I of Nantong Royal Bay to purchasers.
5. Pursuant to 2 Construction Work Completion and Inspection Certificates – 2013 Tong Jian Jun Yan Nos. 056 and 073 in favour of Nantong Weida, the construction of portions of Phase I of Nantong Royal Bay with a total gross floor area of approximately 149,563 sq.m. has been completed and passed the acceptance inspection. As advised by the Group, Nantong Weida is applying for Construction Work Completion and Inspection Certificates to the remaining portion of Phase I of Nantong Royal Bay.
6. As advised by the Group, portions of the property comprising 857 residential units and 89 retail units with a total gross floor area of approximately 114,931.07 sq.m. and 35 underground car parking spaces have been pre-sold to various third parties at a total consideration of RMB1,506,725,471. Such portions of the property have not been legally and virtually transferred and therefore we have included the portions in our valuation. In arriving at our opinion on the capital value of the property, we have taken into account the contracted prices of such portions of the property.
7. We have been provided with a legal opinion regarding the property interest by the Company's PRC legal advisers, which contains, inter alia, the following:
  - a. the Group has paid the land premium of the property in full and pursuant to a State-owned Land Use Rights Certificate, the Group has legally acquired the land use rights of the property; during the land use rights terms, the Group is entitled to occupy, use, lease, mortgage, transfer or otherwise dispose of the site of the property;
  - b. the Group has obtained from the PRC Government requisite approvals in respect of the construction of the property and the approvals are valid;
  - c. the Group is entitled to sell various residential/retail units of the property in accordance with the Pre-sale Permits mentioned in note 4; and
  - d. the construction inspection and acceptance procedures of portions of the property mentioned in note 5 have been completed, so the Group should not have any legal impediment to obtain the relevant title certificates of the portions of the property.
8. A summary of major certificates/approvals is shown as follows:
 

a.	State-owned Land Use Rights Certificate	Yes
b.	Building Ownership Certificate	No
c.	Construction Work Planning Permit	Yes
d.	Construction Work Commencement Permit	Yes
e.	Pre-sales Permit	Yes
f.	Construction Work Completion and Inspection Certificate/Table	Portion

## VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at 30 September 2013 RMB								
8.	The unsold portion in Phase I of Nantong Glorious Chateau located at the south of Wei Six Road and the west of Jing Six Road New District Rugao Town Nantong City Jiangsu Province The PRC	<p>The property comprises 28 residential units and 32 retail units in Phase I of Nantong Glorious Chateau which is a residential development completed in May 2011.</p> <p>The property has a total gross floor area of approximately 23,280.73 sq.m., the details of which are set out as below:</p> <table border="1"> <thead> <tr> <th>Usage</th> <th>Gross Floor Area (sq.m.)</th> </tr> </thead> <tbody> <tr> <td>Residential</td> <td>7,422.17</td> </tr> <tr> <td>Retail</td> <td>15,858.56</td> </tr> <tr> <td><b>Total:</b></td> <td><b><u>23,280.73</u></b></td> </tr> </tbody> </table>	Usage	Gross Floor Area (sq.m.)	Residential	7,422.17	Retail	15,858.56	<b>Total:</b>	<b><u>23,280.73</u></b>	The property is currently vacant for sale.	132,000,000  (100% interest attributable to the Group: RMB132,000,000)
Usage	Gross Floor Area (sq.m.)											
Residential	7,422.17											
Retail	15,858.56											
<b>Total:</b>	<b><u>23,280.73</u></b>											
		<p>The land use rights of the property have been granted for terms expiring on 26 June 2079 for residential use and 26 June 2049 for commercial use.</p>										

## Notes:

- Pursuant to 2 State-owned Land Use Rights Certificates – Gao Guo Yong (2009) Di Nos. 838 and 839, the land use rights of 2 parcels of land with a total site area of approximately 318,093 sq.m., on which the property is situated, have been granted Fuda Real Estate Development (Nantong) Co., Ltd. (“**Nantong Fuda**”, a wholly-owned subsidiary of the Company) for terms expiring on 26 June 2079 for residential use and 26 June 2049 for commercial use.
- Pursuant to 8 Construction Work Planning Permits – Jian Zi Di Gang Nos. 320682201000020-1, 320682201000020-2, 320682201000020-3, 320682201000020-4, 320682201000020-5, 320682201000036 and 320682201000045, and Jian (Fu) Zi Di Gang No. 320682201100018 in favour of Nantong Fuda, Phase I of Nantong Glorious Chateau with a total gross floor area of approximately 303,492.81 sq.m. has been approved for construction.
- Pursuant to 4 Construction Work Commencement Permits – 3206982010060700001A, 3206982010060700002A, 3206982011011700001A and 3206982011050300001A in favour of Nantong Fuda, permission by the relevant local authority has been given to commence the construction of Phase I of Nantong Glorious Chateau with a total gross floor area of approximately 300,274.11 sq.m.

4. Pursuant to 11 Pre-sales Permits – Gao Jian Fang Xiao Zi Di Gang Nos. 2010005 to 2010008, 2010012 to 2010014, 2011001, 2011002, 2011004 and 2011016 in favour of Nantong Fuda, the Group is entitled to sell various buildings (representing a total gross floor area of approximately 259,992.98 sq.m.) of Phase I of Nantong Royal Bay to purchasers.
5. Pursuant to 6 Construction Work Completion and Inspection Certificates in favour of Nantong Fuda, the construction of Phase I of Nantong Glorious Chateau with a total gross floor area of approximately 269,398.59 sq.m. has been completed and passed the acceptance inspection.
6. As advised by the Group, 6 residential units and 1 retail unit of the property with a total gross floor area of approximately 1,405.23 sq.m. have been pre-sold to various third parties at a total consideration of RMB8,134,635. Such units of the property have not been legally and virtually transferred and therefore we have included the units in our valuation. In arriving at our opinion on the capital value of the property, we have taken into account the contracted prices of such units of the property.
7. We have been provided with a legal opinion regarding the property interest by the Company's PRC legal advisers, which contains, inter alia, the following:
  - a. the Group has paid the land premium of the property in full and pursuant to various State-owned Land Use Rights Certificate, the Group has legally acquired the land use rights of the property; during the land use rights terms, the Group is entitled to occupy, use, lease, mortgage, transfer or otherwise dispose of the sites of the property;
  - b. the Group has obtained from the PRC Government requisite approvals in respect of the construction of the property and the approvals are valid;
  - c. the Group is entitled to sell various residential units of the property in accordance with the Pre-sales Permits mentioned in note 4; and
  - d. the construction inspection and acceptance procedures of the property have been completed, so the Group should not have any legal impediment to obtain the relevant title certificates.
8. A summary of major certificates/approvals is shown as follows:
 

a.	State-owned Land Use Rights Certificate	Yes
b.	Building Ownership Certificate	No
c.	Construction Work Planning Permit	Yes
d.	Construction Work Commencement Permit	Yes
e.	Pre-sales Permit	Yes
f.	Construction Work Completion and Inspection Certificate/Table	Yes

## VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at 30 September 2013 RMB										
9.	The unsold portion in Hefei Villa Glorious located at the northwest of junction of Datong Road and Tongling Road Yaohai District Hefei City Anhui Province The PRC	<p>The property comprises 6 residential units in Building nos. 2, 9, 11 and 13, 8 retail units and 457 underground car parking spaces in Hefei Villa Glorious which is a residential development completed in various stages between 2011 and 2013.</p> <p>The property has a total gross floor area of approximately 16,855.38 sq.m, the details of which are set out as below:</p> <table border="1"> <thead> <tr> <th>Usage</th> <th>Gross Floor Area (sq.m.)</th> </tr> </thead> <tbody> <tr> <td>Residential</td> <td>771.86</td> </tr> <tr> <td>Retail</td> <td>2,256.52</td> </tr> <tr> <td>Car parking spaces</td> <td>13,827.00 (457 lots)</td> </tr> <tr> <td><b>Total:</b></td> <td><b><u>16,855.38</u></b></td> </tr> </tbody> </table>	Usage	Gross Floor Area (sq.m.)	Residential	771.86	Retail	2,256.52	Car parking spaces	13,827.00 (457 lots)	<b>Total:</b>	<b><u>16,855.38</u></b>	The residential and retail units are currently vacant for sale and the car parking spaces are currently rented out on short-term basis.	80,400,000  (100% interest attributable to the Group: RMB80,400,000)
Usage	Gross Floor Area (sq.m.)													
Residential	771.86													
Retail	2,256.52													
Car parking spaces	13,827.00 (457 lots)													
<b>Total:</b>	<b><u>16,855.38</u></b>													
		The land use rights of the property have been granted for terms expiring on 30 April 2078 for residential use and 30 April 2048 for commercial use.												

## Notes:

- Pursuant to 2 State-owned Land Use Rights Certificates – He Guo Yong (2010) Di Nos. 247 and 248, the land use rights of 2 parcels of land with a total site area of approximately 72,478 sq.m., on which the property is situated, have been granted to Glorious Hengmao (Hefei) Property Development Co., Ltd. (“Hengmao Hefei”, a wholly-owned subsidiary of the Company) for terms expiring on 30 April 2078 for residential use and 30 April 2048 for commercial use.

2. Pursuant to 6 Construction Work Planning Permits – He Gui Jian Min Xu Nos. 2010697, 2010447, 2010452, 2010453, Jian Zi Di Nos. 340102201210015 and 340102201210040 in favour of Hengmao Hefei, Building nos. 1 to 9, 10 to 14, retail facilities, underground car parking spaces and clubhouse of Hefei Villa Glorious with a total gross floor area of approximately 229,390 sq.m. has been approved for construction.
3. Pursuant to 4 Construction Work Commencement Permits – 010009030022, 010010040010, 010010110067 and 010010110018 in favour of Hengmao Hefei, permissions by the relevant local authority has been given to commence the construction of Building nos. 1 to 3 and 7 to 16, retail facilities, underground car parking spaces and clubhouse of Hefei Villa Glorious together having a total gross floor area of approximately 269,375.39 sq.m.
4. Pursuant to 5 Pre-sales Permits – He Fang Yu Shou Zheng Di Nos. 20090711, 20100223, 20100858, 20110284, 20120555 in favour of Hengmao Hefei, the Group is entitled to sell Building nos. 2, 9, 11, 13 and retail facilities (representing a total gross floor area of approximately 72,917 sq.m.) of Hefei Villa Glorious to purchasers.
5. Pursuant to 6 Construction Work Completion and Inspection Tables, the construction of Building nos. 2, 9, 11, 13, retail facilities and underground car parking spaces with a total gross floor area of approximately 98,115.97 sq.m. has passed the completion and acceptance inspection.
6. As advised by the Group, portions of the property comprising 3 residential units, one retail unit and 169 car parking spaces together having a total gross floor area of approximately 5,562.26 sq.m. have been pre-sold to various third parties at a total consideration of RMB15,003,266. Such portions of the property have not been legally and virtually transferred and therefore we have included the portions in our valuation. In arriving at our opinion on the capital value of the property, we have taken into account the contracted prices of such portions of the property.
7. We have been provided with a legal opinion regarding the property interest by the Company's PRC legal advisers, which contains, inter alia, the following:
  - a. the Group has paid the land premium in respect of the property in full and pursuant to various State-owned Land Use Rights Certificates, the Group has legally acquired the land use rights of the property; during the land use rights terms, the Group is entitled to occupy, use, lease, mortgage, transfer or otherwise dispose of the sites of the property;
  - b. the Group has obtained from the PRC Government requisite approvals in respect of the construction of the property and the approvals are valid;
  - c. the Group is entitled to sell various residential units in Building nos. 2, 9, 11 and 13 of the property in accordance with the Pre-sales Permits mentioned in note 4; and
  - d. the construction inspection and acceptance procedures of the property have been completed, so the Group should not have any legal impediment to obtain the relevant title certificates.
8. A summary of major certificates/approvals is shown as follows:
 

a.	State-owned Land Use Rights Certificate	Yes
b.	Building Ownership Certificate	No
c.	Construction Work Planning Permit	Yes
d.	Construction Work Commencement Permit	Yes
e.	Pre-sales Permit	Yes
f.	Construction Work Completion and Inspection Certificate/Table	Yes

## VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at 30 September 2013 RMB										
10.	The unsold portion in Hefei Royal Garden Phases I and II located at the southeast of junction of Mengcheng Road and Lianshui Road Luyang District Hefei City Anhui Province The PRC	The property comprises 7 residential units in Building nos. 3, 5, 10, 11 and 14, various retail units and 1,399 underground car parking spaces in Hefei Royal Garden Phases I and II which are residential developments completed in 2012 and 2013.  The property has a total gross floor area of approximately 41,955.87 sq.m, the details of which are set out as below:	The residential and retail units are currently vacant for sale and the car parking spaces are currently rented out on short-term basis/ available for rent.	76,400,000  (100% interest attributable to the Group: RMB76,400,000)										
		<table border="0" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th style="text-align: left;">Usage</th> <th style="text-align: right;">Gross Floor Area (sq.m.)</th> </tr> </thead> <tbody> <tr> <td>Residential</td> <td style="text-align: right;">706.3</td> </tr> <tr> <td>Retail</td> <td style="text-align: right;">470.63</td> </tr> <tr> <td>Car parking spaces</td> <td style="text-align: right;">40,788.94 (1,399 lots)</td> </tr> <tr> <td><b>Total:</b></td> <td style="text-align: right;"><b>41,955.87</b></td> </tr> </tbody> </table>	Usage	Gross Floor Area (sq.m.)	Residential	706.3	Retail	470.63	Car parking spaces	40,788.94 (1,399 lots)	<b>Total:</b>	<b>41,955.87</b>		
Usage	Gross Floor Area (sq.m.)													
Residential	706.3													
Retail	470.63													
Car parking spaces	40,788.94 (1,399 lots)													
<b>Total:</b>	<b>41,955.87</b>													
		The land use rights of the property have been granted for terms expiring on 15 September 2080 for residential use and 15 September 2050 for commercial use.												

## Notes:

- Pursuant to 3 State-owned Land Use Rights Certificates – He Guo Yong (2010) Di No. 522, He Guo Yong (2011) Di Nos. 10 and 11, the land use rights of 3 parcels of land with a total site area of approximately 150,000 sq.m., on which the property is situated, have been granted to Glorious Yifeng (Hefei) Property Development Co., Ltd. (“Hefei Yifeng”, a wholly-owned subsidiary of the Company) for terms expiring on 15 September 2080 for residential use and 15 September 2050 for commercial use.

2. Pursuant to 8 Construction Work Planning Permits – He Gui Jian Min Xu Nos. 2011325, 2011425, 2012034, Jian Zi Di Nos. 340103201310005, 340103201310007, 340103201310084, 340103201310086 and 340103201310088 in favour of Yifeng Hefei, Building nos. 3, 5, 10, 11 and 14, retail/other facilities and underground car parking spaces in Hefei Royal Garden Phases I and II with a total gross floor area of approximately 117,109 sq.m. have been approved for construction.
3. Pursuant to 4 Construction Work Commencement Permits – 010010120022, 010010120023, 010011072900958 and 010012022400144 in favour of Yifeng Hefei, permissions by the relevant local authority has been given to commence the construction of Building nos. 1 to 14, retail/other facilities and underground car parking spaces in Hefei Villa Glorious with a total gross floor area of approximately 164,006 sq.m.
4. Pursuant to 5 Pre-sales Permits – He Fang Yu Shou Zheng Di Nos. 20100908, 20110039, 20110502, 20110503, 20110633 in favour of Yifeng Hefei, the Group is entitled to sell Building nos. 3, 5, 10, 11 and 14 (representing 720 units with a total gross floor area of approximately 73,229 sq.m.) of Hefei Royal Garden Phases I and II to purchasers.
5. Pursuant to 5 Construction Work Completion and Inspection Tables, the construction of Building nos. 3, 5, 10, 11, and 14 of Hefei Royal Garden Phases I and II with a total gross floor area of approximately 72,947.63 sq.m. has been completed and passed the acceptance inspection.
6. As advised by the Group, 4 residential units of the property with a total gross floor area of approximately 378.75 sq.m. have been pre-sold to various third parties at a total consideration of RMB1,967,521. Such units of the property have not been legally and virtually transferred and therefore we have included the units in our valuation. In arriving at our opinion on the capital value of the property, we have taken into account the contracted prices of such units of the property.
7. We have been provided with a legal opinion regarding the property interest by the Company's PRC legal advisers, which contains, inter alia, the following:
  - a. the Group has paid the land premium in respect of the property in full and pursuant to various State-owned Land Use Rights Certificates, the Group has legally acquired the land use rights of the property; during the land use rights terms, the Group is entitled to occupy, use, lease, mortgage, transfer or otherwise dispose of the sites of the property;
  - b. the Group has obtained from the PRC Government requisite approvals in respect of the construction of the property and the approvals are valid;
  - c. the Group is entitled to sell various residential units in Building nos. 3, 5, 10, 11 and 14 of the property in accordance with the Pre-sales Permits mentioned in note 4; and
  - d. the construction inspection and acceptance procedures of the residential units of the property have been completed, so the Group should not have any legal impediment to obtain the relevant title certificates.
8. A summary of major certificates/approvals is shown as follows:
 

a.	State-owned Land Use Rights Certificate	Yes
b.	Building Ownership Certificate	No
c.	Construction Work Planning Permit	Yes
d.	Construction Work Commencement Permit	Yes
e.	Pre-sales Permit	Yes
f.	Construction Work Completion and Inspection Certificate/Table	Portion

## VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at 30 September 2013 RMB										
11.	The unsold portion in No.1 City Promotion located at the east of Xixing Road, the south of Xinguang Road and the west of Chunhua Road New District Wuxi City Jiangsu Province The PRC	<p>The property comprises 156 residential units, various retail units and 2,721 underground car parking spaces in No.1 City Promotion which is a residential development completed in various stages between 2007 and 2013.</p> <p>The property has a total gross floor area of approximately 194,388.45 sq.m., the details of which are set out as below:</p> <table border="1"> <thead> <tr> <th>Usage</th> <th>Gross Floor Area (sq.m.)</th> </tr> </thead> <tbody> <tr> <td>Residential</td> <td>33,879.08</td> </tr> <tr> <td>Retail</td> <td>35,998.15</td> </tr> <tr> <td>Car parking spaces</td> <td>124,511.22 (2,721 lots)</td> </tr> <tr> <td><b>Total:</b></td> <td><b><u>194,388.45</u></b></td> </tr> </tbody> </table>	Usage	Gross Floor Area (sq.m.)	Residential	33,879.08	Retail	35,998.15	Car parking spaces	124,511.22 (2,721 lots)	<b>Total:</b>	<b><u>194,388.45</u></b>	The property is currently vacant for sale.	770,500,000  (100% interest attributable to the Group: RMB770,500,000)
Usage	Gross Floor Area (sq.m.)													
Residential	33,879.08													
Retail	35,998.15													
Car parking spaces	124,511.22 (2,721 lots)													
<b>Total:</b>	<b><u>194,388.45</u></b>													
		<p>The land use rights of the property have been granted for terms expiring on 29 September 2074 for residential use, 29 September 2044 for commercial use and 29 September 2054 for other use.</p>												

## Notes:

- Pursuant to 3 State-owned Land Use Rights Certificates – Xi Xin Guo Yong (2005) Di No. 192 and Xi Xin Guo Yong (2010) Di Nos. 003 and 004, the land use rights of 3 parcels of land with a total site area of approximately 219,422.90 sq.m., on which the property is situated, have been granted to Glorious Wangjiarui (Wuxi) Co., Ltd. (“Wuxi Wangjiarui”, a wholly-owned subsidiary of the Company) for terms expiring on 29 September 2074 for residential use, 29 September 2044 for commercial use and 29 September 2054 for other use.



2. Pursuant to 5 Construction Work Planning Permits – Xi Xin Gui Jian Xu (2005) Di No. 192, Xi Xin Gui Jian Xu (2006) Di No. 27, Xi Xin Gui Jian Xu (2007) Di No. 4 and Jian Zi Di Nos. 3202012008X0038 and 3202012010X0131 in favour of Wuxi Wangjiarui, No.1 City Promotion with a total gross floor area of approximately 678,411.14 sq.m. has been approved for construction.
3. Pursuant to 5 Construction Work Commencement Permits – Xi Xin Jian Shi Xu No. 2005-B74, Xi Xin Jian Shi Xu 2006 No. B41, 3202992007061300004A, 32029920009041000002A and 3202992010072300001A in favour of Wuxi Wangjiarui, permission by the relevant local authority has been given to commence the construction of No.1 City Promotion with a total gross floor area of approximately 640,981.14 sq.m.
4. Pursuant to 5 Pre-sales Permits – (2005) Yu Xiao Zhun Zi Di No. 068, (2007) Yu Xiao Zhun Zi Di No. 086, (2011) Yu Xiao Zhun Zi Di No. 020, (2011) Yu Xiao Zhun Zi Di No. 092 and (2013) Yu Xiao Zhun Zi Di No. 045 in favour of Wuxi Wangjiarui, the Group is entitled to sell 13 residential buildings and 3 retail buildings (representing a total gross floor area of approximately 492,294.47 sq.m.) of No.1 City Promotion to purchasers.
5. Pursuant to 19 Construction Work Completion and Inspection Certificates in favour of Wuxi Wangjiarui, the construction of portion of No.1 City Promotion with a total gross floor area of approximately 596,720.79 sq.m. has been completed and passed the acceptance inspection.
6. As advised by the Group, 10 residential units of the property with a total gross floor area of approximately 1,279.97 sq.m. have been pre-sold to various third parties at a total consideration of RMB8,049,970. Such units of the property have not been legally and virtually transferred and therefore we have included the units in our valuation. In arriving at our opinion on the capital value of the property, we have taken into account the contracted prices of such units of the property.
7. We have been provided with a legal opinion regarding the property interest by the Company's PRC legal advisers, which contains, inter alia, the following:
  - a. the Group has paid the land premium of the property in full and pursuant to various State-owned Land Use Rights Certificates, the Group has legally acquired the land use rights of the property; during the land use rights terms, the Group is entitled to occupy, use, lease, mortgage, transfer or otherwise dispose of the sites of the property;
  - b. the Group has obtained from the PRC Government requisite approvals in respect of the construction of the property and the approvals are valid;
  - c. the Group is entitled to sell various residential/retail units of the property in accordance with the Pre-sales Permits mentioned in note 4; and
  - d. the construction inspection and acceptance procedures of portions of the property mentioned in note 5 have been completed, so the Group should not have any legal impediment to obtain the relevant title certificates of the portions of the property.
8. A summary of major certificates/approvals is shown as follows:
 

a.	State-owned Land Use Rights Certificate	Yes
b.	Building Ownership Certificate	No
c.	Construction Work Planning Permit	Yes
d.	Construction Work Commencement Permit	Yes
e.	Pre-sales Permit	Yes
f.	Construction Work Completion and Inspection Certificate/Table	Portion

## VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at 30 September 2013 RMB
12.	A clubhouse in Classical Life No.88 Qinfeng Road Yushan Town Changshu City Jiangsu Province The PRC	The property comprises a clubhouse with a gross floor area of approximately 1,470.03 sq.m. in Classical Life which is a residential development completed in June 2008.  The land use rights of the property have been granted for terms expiring on 30 March 2075, 30 July 2075 and 29 April 2078 for residential use.	The property is currently occupied by the Group for clubhouse purpose.	8,900,000  (100% interest attributable to the Group: RMB8,900,000)

## Notes:

1. Pursuant to 3 State-owned Land Use Rights Certificates – Chang Guo Yong (2005) Zi Di No.000595, Chang Guo Yong (2007) Zi Di No.002321 and Chang Guo Yong (2008) Zi Di No.000913, the land use rights of Classical Life, on which the property is situated, with a total site area of approximately 55,398 sq.m. have been granted to Suzhou Hongsheng Property Co., Ltd. (the former name of Glorious Hongsheng (Suzhou) Property Development Co., Ltd., “**Suzhou Hongsheng**”, a wholly-owned subsidiary of the Company) for terms expiring on 30 March 2075, 30 July 2075 and 29 April 2078 for residential use.
2. Pursuant to 3 Building Ownership Certificates – Shu Fang Quan Zheng Yu Shan Zi Di Nos. 18310 to 18312, a clubhouse with a total gross floor area of approximately 1,470.03 sq.m. are owned by Suzhou Hongsheng Property Co., Ltd., the former name of Suzhou Hongsheng.
3. We have been provided with a legal opinion regarding the property interest by the Company’s PRC legal advisers, which contains, inter alia, the following:
  - a. the Group has paid the land premium of the property in full and pursuant to the Land Use Rights Certificate, the Group has legally acquired the land use rights of the property; during the land use rights terms, the Group is entitled to occupy, use, lease, mortgage, transfer or otherwise dispose of the sites of the property; and
  - b. the Group legally owned the building ownership of the property and has the rights to occupy, use, lease, mortgage, transfer or otherwise dispose of the site of the property.
4. A summary of major certificates/approvals is shown as follows:
 

a.	State-owned Land Use Rights Certificate	Yes
b.	Building Ownership Certificate	Yes

## VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at 30 September 2013 RMB
13.	The unsold portion in Phases I to IV of Sunny Town No. 181 Nujiang North Street Yuhong District Shenyang City Liaoning Province The PRC	The property comprises various residential/retail units and underground car parking spaces in Phases I to IV of Sunny Town which is a large scale residential development completed in various stages between 2006 and 2011.	The property is currently vacant for sale.	343,200,000  (100% interest attributable to the Group: RMB343,200,000)

The property has a total gross floor area of approximately 44,256.11 sq.m., the details of which are set out as below:

Usage	Gross Floor Area (sq.m.)
Residential	8,156.03
Retail	347.17
Car parking spaces	35,752.91 (2,352 lots)
<b>Total:</b>	<b><u>44,256.11</u></b>

The land use rights of the property have been granted for terms expiring on 19 April 2056, 10 March 2058, 21 October 2058, 3 December 2059 and 9 May 2060 for residential use and 19 April 2046, 10 March 2048, 21 October 2048 and 9 May 2050 for other commercial use.

*Notes:*

1. Pursuant to 5 State-owned Land Use Rights Certificates – Shen Guo Yong (2006) Di Nos. 0114 and 0424, Shen Guo Yong (2008) Di Nos. 0060 and 0240 and Shen Guo Yong (2009) Di No. 0183, the land use rights of 5 parcels of land with a total site area of approximately 228,729.7 sq.m., on which the property is situated, have been granted to Liaoning Yangguang Xindi Property Co., Ltd. (遼寧陽光鑫地置業有限公司) (the former name of Glorious Yangguang Xindi (Liaoning) Property Co., Ltd., “**Liaoning Xindi**”, a wholly-owned subsidiary of the Company) for terms expiring on 19 April 2056, 10 March 2058 and 21 October 2058 for residential use and 19 April 2046, 10 March 2048 and 21 October 2048 for other commercial use.
2. Pursuant to 2 State-owned Land Use Rights Certificates – Shen Guo Yong (2010) Di No. 0047 and Shen Guo Yong (2011) Di No. 0014, the land use rights of 2 parcels of land with a total site area of approximately 139,400.7 sq.m., on which the property is situated, have been granted to Liaoning Xindi for terms expiring on 3 December 2059 and 9 May 2060 for residential use and 9 May 2050 for commercial use.
3. Pursuant to 6 Construction Work Planning Permits – Shen Gui Jian Zheng Zi 06 Nian Nos. 0098, 0100 and 0221, Shen Gui Jian Zheng Zi 2008 Nian No. 0041, Jian Zi Di Nos. 210100200900124 and 210100200900001 in favour of Liaoning Yangguang Xindi Property Co., Ltd. (遼寧陽光鑫地置業有限公司) (the former name of Liaoning Xindi), Phases I to III of Sunny Town with a total gross floor area of approximately 328,221 sq.m. have been approved for construction.
4. Pursuant to 2 Construction Work Planning Permits – Jian Zi Di Nos. 210100201100017 and 210100201000110 in favour of Liaoning Xindi, Phase IV of Sunny Town with a total gross floor area of approximately 251,076 sq.m. has been approved for construction.
5. Pursuant to 11 Construction Work Commencement Permit – 210107200607050201, 210107200612300101, 210107200607050101, 210107200607070101, 210107200607070201, 210107200804280301, 210107200911270101, 210107200910280101, 210107200911030101, 210107200907300101 and 210107200904020101 in favour of Liaoning Yangguang Xindi Property Co., Ltd. (遼寧陽光鑫地置業有限公司) (the former name of Liaoning Xindi), permission by the relevant local authority has been given to commence the construction of Phases I to III of Sunny Town with a total gross floor area of approximately 328,221 sq.m.
6. Pursuant to 4 Construction Work Commencement Permit – 210100201106100401, 210100201008231701, 210100201009100601 and 210100201009100501 in favour of Liaoning Xindi, permission by the relevant local authority has been given to commence the construction of Phase IV of Sunny Town with a total gross floor area of approximately 251,076 sq.m.
7. Pursuant to 28 Pre-sales Permits in favour of Liaoning Xindi, the Group is entitled to sell various buildings (representing a total gross floor area of approximately 486,629.96 sq.m.) of Phase I to Phase IV of Sunny Town to purchasers.
8. Pursuant to 45 Construction Work Completion and Inspection Certificates in favour of Liaoning Xindi, the construction of Phases I to III and Phase IV-2 of Sunny Town with a total gross floor area of approximately 426,978.52 sq.m. has been completed and passed the acceptance inspection.
9. As advised by the Group, Liaoning Xindi is applying for Construction Work Completion and Inspection Certificates to the Phase IV-1 of Sunny Town with a total gross floor area of approximately 118,161 sq.m.
10. As advised by the Group, portions of the property comprising various residential units with a total gross floor area of approximately 1,528.06 sq.m. have been pre-sold to various third parties at a total consideration of RMB10,994,588. Such portions of the property have not been legally and virtually transferred and therefore we have included the portions in our valuation. In arriving at our opinion on the capital value of the property, we have taken into account the contracted prices of such portions of the property.

11. We have been provided with a legal opinion regarding the property interest by the Company's PRC legal advisers, which contains, inter alia, the following:
- a. the Group has paid the land premium in respect of the property in full and pursuant to various State-owned Land Use Rights Certificates, the Group has legally acquired the land use rights of the property; during the land use rights terms, the Group is entitled to occupy, use, lease, mortgage, transfer or otherwise dispose of the site of the property;
  - b. the Group has obtained from the PRC Government requisite approvals in respect of the construction of the property and the approvals are valid;
  - c. the Group is entitled to sell various buildings of the property in accordance with the Pre-sales Permits mentioned in note 7;
  - d. the construction inspection and acceptance procedures of portions of the property mentioned in note 8 have been completed, so the Group should not have any legal impediment to obtain the relevant title certificates;
  - e. only after completing the construction inspection and acceptance procedures of Phase IV-1 of Sunny Town, the Group is able to use the units or deliver various units of the development to purchasers; the Group may undertake legal liabilities or suffer penalty for using the units or delivering the units without Construction Work Completion and Inspection Certificate(s); and
  - f. as confirmed by the Group, Liaoning Xindi is applying for the Construction Work Completion and Inspection Certificate(s) for the development, and they have not received any penalty notice from local government authority or had any legal dispute with the purchasers up till now.
12. A summary of major certificates/approvals is shown as follows:
- |    |   |         |
|----|---|---------|
| a. | State-owned Land Use Rights Certificate                       | Yes     |
| b. | Building Ownership Certificate                                | No      |
| c. | Construction Work Planning Permit                             | Yes     |
| d. | Construction Work Commencement Permit                         | Yes     |
| e. | Pre-sales Permit  | Yes     |
| f. | Construction Work Completion and Inspection Certificate/Table | Portion |

## VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at 30 September 2013 RMB										
14.	The unsold portion in Dalian Villa Glorious Bali Village Xianjin Street Jinzhou New District Dalian City Liaoning Province The PRC	The property comprises various residential/retail units and underground car parking spaces in Dalian Villa Glorious which is a residential development completed in September 2013.	The property is currently vacant for sale.	315,700,000  (100% interest attributable to the Group: RMB315,700,000)										
		The property has a total gross floor area of approximately 56,210.96 sq.m., the details of which are set out as below:												
		<table border="0"> <thead> <tr> <th style="text-align: left;">Usage</th> <th style="text-align: right;">Gross Floor Area (sq.m.)</th> </tr> </thead> <tbody> <tr> <td>Residential</td> <td style="text-align: right;">41,786.32</td> </tr> <tr> <td>Retail</td> <td style="text-align: right;">3,510.90</td> </tr> <tr> <td>Car parking spaces</td> <td style="text-align: right;">10,913.74 (449 lots)</td> </tr> <tr> <td><b>Total:</b></td> <td style="text-align: right;"><b><u>56,210.96</u></b></td> </tr> </tbody> </table>	Usage	Gross Floor Area (sq.m.)	Residential	41,786.32	Retail	3,510.90	Car parking spaces	10,913.74 (449 lots)	<b>Total:</b>	<b><u>56,210.96</u></b>		
Usage	Gross Floor Area (sq.m.)													
Residential	41,786.32													
Retail	3,510.90													
Car parking spaces	10,913.74 (449 lots)													
<b>Total:</b>	<b><u>56,210.96</u></b>													
		The land use rights of the property have been granted for terms expiring on 14 March 2080 for residential use and 14 March 2050 for public facility use.												

*Notes:*

- Pursuant to a State-owned Land Use Rights Certificate – Jin Guo Yong (2010) Di No. 0626013, the land use rights of a parcel of land with a site area of approximately 50,148 sq.m., on which the property is situated, have been granted to Dalian Runjing Property Development Co., Ltd. (“**Dalian Runjing**”, a wholly-owned subsidiary of the Company) for terms expiring on 14 March 2080 for residential use and 14 March 2050 for public facility use.
- Pursuant to a Construction Work Planning Permit – Jian Zi Di No. 210213201110079 in favour of Dalian Runjing, Phase I of Dalian Villa Glorious with a total gross floor area of approximately 165,375.39 sq.m. has been approved for construction.

3. Pursuant to a Construction Work Commencement Permit – 210206201110170101 in favour of Dalian Runjing, permission by the relevant local authority has been given to commence the construction of the property with a total gross floor area of approximately 165,375.39 sq.m.
4. Pursuant to 5 Pre-sales Permits – Da Jin Fang Yu (Xiao) Xu Zi Di Nos. 2011076, 2011087, 2012011, 2012030 and 2012039 in favour of Dalian Runjing, the Group is entitled to sell 17 buildings (representing a total gross floor area of approximately 142,415.24 sq.m.) of Phase I of Dalian Villa Glorious to purchasers.
5. As advised by the Group, Dalian Runjing is applying for Construction Work Completion and Inspection Certificates to the property.
6. As advised by the Group, portions of the property comprising various residential units with a total gross floor area of approximately 30,248.26 sq.m. have been pre-sold to various third parties at a total consideration of RMB185,056,773. Such portions of the property have not been legally and virtually transferred and therefore we have included the portions in our valuation. In arriving at our opinion on the capital value of the property, we have taken into account the contracted prices of such portions of the property.
7. We have been provided with a legal opinion regarding the property interest by the Company's PRC legal advisers, which contains, inter alia, the following:
  - a. the Group has paid the land premium in respect of the property in full and pursuant to a Land Use Rights Certificate, the Group has legally acquired the land use rights of the property; during the land use rights terms, the Group is entitled to occupy, use, lease, mortgage, transfer or otherwise dispose of the site of the property;
  - b. the Group has obtained from the PRC Government requisite approvals in respect of the construction of the property and the approvals are valid;
  - c. the Group is entitled to sell various Buildings of the property in accordance with the Pre-sales Permits mentioned in note 4;
  - d. only after completing the construction inspection and acceptance procedures of the completed development, the Group is able to use the units or deliver various units of the development to purchasers; the Group may undertake legal liabilities or suffer penalty for using the units or delivering various units without Construction Work Completion and Inspection Certificate(s); and
  - e. as confirmed by the Group, Dalian Runjing is applying for the Construction Work Completion and Inspection Certificate(s) for the project, and Dalian Runjing has not received any penalty notice from local government authority or had any legal dispute with the purchasers up till now.
8. A summary of major certificates/approvals is shown as follows:
 

a.	State-owned Land Use Rights Certificates	Yes
b.	Building Ownership Certificate	No
c.	Construction Work Planning Permit	Yes
d.	Construction Work Commencement Permit	Yes
e.	Pre-sales Permit	Yes
f.	Construction Work Completion and Inspection Certificate/Table	No

## VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at 30 September 2013 RMB														
15.	The unsold portion in Phases I to III of Harbin Villa Glorious located at the northeast of junction of Xinjiang Road and Qunli Fifth Avenue Qunli New Zone Daoli District Harbin City Heilongjiang Province The PRC	The property comprises 119 residential units, various retail units, 182 serviced apartment units and 472 underground car parking spaces in Phases I to III of Harbin Villa Glorious which is a large scale residential/commercial development completed in various stages between 2011 and 2013.  The property has a total gross floor area of approximately 64,918.51 sq.m., the details of which are set out as below:	The property is currently vacant for sale except for a retail building which is currently occupied by a tenant.	784,300,000  (100% interest attributable to the Group: RMB784,300,000)														
		<table border="1"> <thead> <tr> <th>Usage</th> <th>Gross Floor Area (sq.m.)</th> </tr> </thead> <tbody> <tr> <td>Residential</td> <td>19,236.64</td> </tr> <tr> <td>Retail</td> <td>18,713.85</td> </tr> <tr> <td>Serviced apartment</td> <td>9,829.73</td> </tr> <tr> <td>Car parking spaces (286 lots)</td> <td>10,301.17</td> </tr> <tr> <td>Car parking spaces (civil defense)</td> <td>6,837.12</td> </tr> <tr> <td><b>Total:</b></td> <td><b><u>64,918.51</u></b></td> </tr> </tbody> </table>	Usage	Gross Floor Area (sq.m.)	Residential	19,236.64	Retail	18,713.85	Serviced apartment	9,829.73	Car parking spaces (286 lots)	10,301.17	Car parking spaces (civil defense)	6,837.12	<b>Total:</b>	<b><u>64,918.51</u></b>		
Usage	Gross Floor Area (sq.m.)																	
Residential	19,236.64																	
Retail	18,713.85																	
Serviced apartment	9,829.73																	
Car parking spaces (286 lots)	10,301.17																	
Car parking spaces (civil defense)	6,837.12																	
<b>Total:</b>	<b><u>64,918.51</u></b>																	
		The land use rights of the property have been granted for terms expiring on 13 April 2078 for residential use and 13 April 2048 for retail use.																



*Notes:*

1. Pursuant to a State-owned Land Use Rights Certificate – Ha Guo Yong (2008) Di No. 35, the land use rights of the land with a site area of approximately 204,959.6 sq.m., on which the property is situated, have been granted to Glorious Yangguang Binhai (Harbin) Property Co., Ltd. (the former name of Harbin Yangguang Binhai Property Co., Ltd., “**Harbin Binhai**”, a wholly-owned subsidiary of the Company) for terms expiring on 13 April 2078 for residential use and 13 April 2048 for retail use.
2. Pursuant to 3 Construction Work Planning Permits – Ha Gui Cheng (Qunli) Jian Zi Di [2008] No. 19 Tiao, Ha Gui Cheng (Qunli) Jian Zi Di [2009] No. 19 and Ha Gui Cheng (Qunli) Jian Zi Di [2011] No. 13 in favour of Harbin Binhai, Phase I to Phase III of Harbin Villa Glorious with a total gross floor area of approximately 564,852.83 sq.m. have been approved for construction.
3. Pursuant to 42 Construction Work Commencement Permits in favour of Harbin Binhai, permission by the relevant local authority has been given to commence the construction of Phases I to III of Harbin Villa Glorious with a total gross floor area of approximately 564,649.46 sq.m.
4. Pursuant to 3 Pre-sales Permits in favour of Harbin Binhai, the Group is entitled to sell various buildings (representing a total gross floor area of approximately 531,420.29 sq.m.) of Phases I to III of Harbin Villa Glorious to purchasers.
5. Pursuant to 41 Construction Work Completion and Inspection Certificates in favour of Harbin Binhai, the construction of Phases I to III of Harbin Villa Glorious with a total gross floor area of approximately 559,519 sq.m. has been completed and passed the acceptance inspection.
6. As advised by the Group, portions of the property comprising 68 residential units, 77 apartment units and 23 underground car parking spaces with a total gross floor area of approximately 15,716 sq.m. have been pre-sold to various third parties at a total consideration of RMB124,732,766. Such portions of the property have not been legally and virtually transferred and therefore we have included the portions in our valuation. In arriving at our opinion on the capital value of the property, we have taken into account the contracted prices of such portions of the property.
7. Pursuant to a Tenancy Agreement dated 26 April 2012, a retail building of the property with a gross floor area of approximately 2,222.1 sq.m. was leased to a third party for a term of 3 years expiring on 31 March 2015 at an annual rental of RMB2,840,000 with a growth rate of 10% in the third year, exclusive of management, water and electricity fees.
8. We have been provided with a legal opinion regarding the property interest by the Company’s PRC legal advisers, which contains, inter alia, the following:
  - a. the Group has paid the land premium in respect of the property in full and pursuant to a State-owned Land Use Rights Certificate, the Group has legally acquired the land use rights of the property; during the land use rights terms, the Group is entitled to occupy, use, lease, mortgage, transfer or otherwise dispose of the site of the property;
  - b. the Group has obtained from the PRC Government requisite approvals in respect of the construction of the property and the approvals are valid;
  - c. the Group is entitled to sell various buildings of the property in accordance with the Pre-sales Permits mentioned in note 4;
  - d. the construction inspection and acceptance procedures of the property have been completed, so the Group should not have any legal impediment to obtain the relevant title certificates; and
  - e. Harbin Binhai has not obtained the Building Ownership Certificate to the retail building mentioned in note 7 and the Tenancy Agreement was not registered in relevant local authority; Harbin Binhai has rights to lease the retail building only after obtaining the Building Ownership Certificate and may suffer penalty for non-registration of the Tenancy Agreement.

9. A summary of major certificates/approvals is shown as follows:
- |    |   |     |
|----|---|-----|
| a. | State-owned Land Use Rights Certificates                      | Yes |
| b. | Building Ownership Certificate                                | No  |
| c. | Construction Work Planning Permit                             | Yes |
| d. | Construction Work Commencement Permit                         | Yes |
| e. | Pre-sales Permit  | Yes |
| f. | Construction Work Completion and Inspection Certificate/Table | Yes |

## VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at 30 September 2013 RMB												
16.	The unsold portion in Building nos. 1 to 9, 11, S1 and S2, and underground car parking spaces of Harbin Royal Garden No. 1066 Jinjiang Road Qunli New Zone Daoli District Harbin City Heilongjiang Province The PRC	<p>The property comprises 199 residential units, 2 retail units and 1,065 underground car parking spaces in Harbin Royal Garden which is a residential development completed in December 2012.</p> <p>The property has a total gross floor area of approximately 51,714.67 sq.m., the details of which are set out as below:</p> <table border="1"> <thead> <tr> <th>Usage</th> <th>Gross Floor Area (sq.m.)</th> </tr> </thead> <tbody> <tr> <td>Residential</td> <td>16,325.98</td> </tr> <tr> <td>Retail</td> <td>2,313.97</td> </tr> <tr> <td>Car parking spaces (817 lots)</td> <td>25,382.30</td> </tr> <tr> <td>Car parking spaces (civil defense) (248 lots)</td> <td>7,692.42</td> </tr> <tr> <td><b>Total:</b></td> <td><b><u>51,714.67</u></b></td> </tr> </tbody> </table>	Usage	Gross Floor Area (sq.m.)	Residential	16,325.98	Retail	2,313.97	Car parking spaces (817 lots)	25,382.30	Car parking spaces (civil defense) (248 lots)	7,692.42	<b>Total:</b>	<b><u>51,714.67</u></b>	The property is currently vacant for sale.	387,700,000  (100% interest attributable to the Group: RMB387,700,000)
Usage	Gross Floor Area (sq.m.)															
Residential	16,325.98															
Retail	2,313.97															
Car parking spaces (817 lots)	25,382.30															
Car parking spaces (civil defense) (248 lots)	7,692.42															
<b>Total:</b>	<b><u>51,714.67</u></b>															
		The land use rights of the property have been granted for terms of 70 years for residential use and 40 years for retail use.														

## Notes:

- Pursuant to a State-owned Land Use Rights Certificate – Ha Guo Yong (2011) Di No. 02006084 dated 18 August 2011, the land use rights of a parcel of land with a site area of approximately 75,938.37 sq.m., on which the property is situated, have been granted to Glorious Fuhai (Harbin) Development Co., Ltd. (“**Harbin Fuhai**”, a wholly-owned subsidiary of the Company) for terms of 70 years for residential use and 40 years for retail use.

2. Pursuant to a State-owned Land Use Rights Certificate – Ha Guo Yong (2011) Di No. 02006085, the land use rights of a parcel of land with a site area of approximately 1,941.03 sq.m., on which the property is situated, have been allocated to Harbin Fuhai for low-price leasing housing use. As advised by the Group, Harbin Fuhai in the process of changing the allocated land to granted land and will further pay land premium of approximately RMB18,000,000.
3. Pursuant to a Construction Work Planning Permit – Ha Gui Cheng (Qunli) Jian Zi Di [2011] No. 14 in favour of Harbin Fuhai, Harbin Royal Garden with a total gross floor area of approximately 226,594.15 sq.m. has been approved for construction.
4. Pursuant to 17 Construction Work Commencement Permits – 2301022011042001-01 2011.905, 2301022011042002-01 2011.906, 2301022011042003-01 2011.907, 2301022011042004-01 2011.908, 2301022011042005-01 2011.909, 2301022011042006-01 2011.910, 2301022011042007-01 2011.911, 2301022011042008-01 2011.912, 2301022011042009-01 2011.913, 2301022011042010-01 2011.914, 2301022011042011-01 2011.915, 2301022011042014-01 2011.918, 2301022011042015-01 2011.919, 2301022011042016-01 2011.920, 2301022011042001-01 2011.1271, 2301022011042002-01 2011.1272 and 2301022011042004-01 2011.1274 in favour of Harbin Fuhai, permission by the relevant local authority has been given to commence the construction of Harbin Royal Garden with a total gross floor area of approximately 213,800.23 sq.m.
5. Pursuant to 2 Pre-sales Permits – [2012] Ha Fang Yu Shou Zheng Di Nos. 0864 and [2011] Ha Fang Yu Shou Zheng Di No. 0816 in favour of Harbin Fuhai, the Group is entitled to sell 14 buildings and underground car parking spaces (representing a total gross floor area of approximately 203,129.69 sq.m.) of Harbin Royal Garden to purchasers.
6. Pursuant to 17 Construction Work Completion and Inspection Certificates in favour of Harbin Fuhai, the construction of Harbin Royal Garden with a total gross floor area of approximately 211,670 sq.m. has been completed and passed the acceptance inspection.
7. As advised by the Group, portions of the property comprising various residential units, retail units and underground car parking spaces with a total gross floor area of approximately 14,248.28 sq.m. have been pre-sold to various third parties at a total consideration of RMB136,504,548. Such portions of the property have not been legally and virtually transferred and therefore we have included the portions in our valuation. In arriving at our opinion on the capital value of the property, we have taken into account the contracted prices of such portions of the property.
8. We have been provided with a legal opinion regarding the property interest by the Company's PRC legal advisers, which contains, inter alia, the following:
  - a. the Group has paid the land premium in respect of a parcel of land of the property in full and pursuant to a State-owned Land Use Rights Certificate mentioned in note 1, the Group has legally acquired the land use rights of land; during the land use rights terms, the Group is entitled to occupy, use, lease, mortgage, transfer or otherwise dispose of the site of the property;
  - b. Harbin Fuhai has built commodity residential buildings on the allocated land mentioned in note 2, which is planned to build low-price leasing housing, and also has sold various units to purchasers, without changing the allocated land to granted land or paying land premium in accordance with relevant regulations; the purchasers may claim for the invalidity of the purchase contracts and ask for returning payment and paying compensation;
  - c. as confirmed by Harbin Fuhai, Harbin Fuhai has purchased various residential units in other place as low-price leasing housing and delivered them to relevant local government authorities, therefore, the local government authorities have not issued any penalty notice up till now;
  - d. the Group has obtained from the PRC Government requisite approvals in respect of the construction of the property and the approvals are valid;
  - e. the Group is entitled to sell various buildings of the property in accordance with the Pre-sales Permits mentioned in note 5; and
  - f. the construction inspection and acceptance procedures of the property has been completed, so the Group should not have any legal impediment to obtain the relevant title certificates.

9. A summary of major certificates/approvals is shown as follows:
- |    |   |     |
|----|---|-----|
| a. | State-owned Land Use Rights Certificates                      | Yes |
| b. | Building Ownership Certificate                                | No  |
| c. | Construction Work Planning Permit                             | Yes |
| d. | Construction Work Commencement Permit                         | Yes |
| e. | Pre-sales Permit  | Yes |
| f. | Construction Work Completion and Inspection Certificate/Table | Yes |

## VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at 30 September 2013 RMB										
17.	The unsold portion in Phase C1 of Changchun Villa Glorious located at the western side of Chaofan Avenue and the southern side of Chuangyi Road High-tech New District Changchun City Jilin Province The PRC	<p>The property comprises various residential/retail units and underground car parking spaces in Phase C1 of Changchun Villa Glorious which is a complex development completed in 2012.</p> <p>The property has a total gross floor area of approximately 78,029.51 sq.m., the details of which are set out as below:</p> <table border="1"> <thead> <tr> <th>Usage</th> <th>Gross Floor Area (sq.m.)</th> </tr> </thead> <tbody> <tr> <td>Residential</td> <td>14,471.22</td> </tr> <tr> <td>Retail</td> <td>17,570.93</td> </tr> <tr> <td>Car parking spaces</td> <td>45,987.36 (1,527 lots)</td> </tr> <tr> <td><b>Total:</b></td> <td><b><u>78,029.51</u></b></td> </tr> </tbody> </table>	Usage	Gross Floor Area (sq.m.)	Residential	14,471.22	Retail	17,570.93	Car parking spaces	45,987.36 (1,527 lots)	<b>Total:</b>	<b><u>78,029.51</u></b>	The property is currently vacant for sale.	388,100,000  (100% interest attributable to the Group: RMB388,100,000)
Usage	Gross Floor Area (sq.m.)													
Residential	14,471.22													
Retail	17,570.93													
Car parking spaces	45,987.36 (1,527 lots)													
<b>Total:</b>	<b><u>78,029.51</u></b>													
		The land use rights of the property have been granted for terms expiring on 13 May 2060 for residential and other commercial uses.												

## Notes:

- Pursuant to 2 State-owned Land Use Rights Certificates – Chang Guo Yong (2011) Di Nos. 091000251 and 091000252, the land use rights of 2 parcels of land with a total site area of approximately 197,940 sq.m., on which the property is situated, have been granted to Glorious Huixin (Changchun) Property Development Co., Ltd. (“**Changchun Huixin**”, a wholly-owned subsidiary of the Company) for terms expiring on 13 May 2060 for residential and other commercial uses.
- Pursuant to a Construction Work Planning Permit – Jian Zi Di No. 220000201100158 in favour of Changchun Huixin, Phase C1 of Changchun Villa Glorious with a gross floor area of approximately 280,244.22 sq.m. have been approved for construction.
- Pursuant to 18 Construction Work Commencement Permits in favour of Changchun Huixin, permission by the relevant local authority has been given to commence the construction of Phase C1 of Changchun Villa Glorious with a total gross floor area of approximately 280,244.22 sq.m.

4. Pursuant to 3 Pre-sales Permits – Chang Fang Shou Zheng (2011) Di Nos. 085, 101 and Chang Fang Shou Zheng (2012) Di No. 274 in favour of Changchun Huixin, the Group is entitled to sell various buildings (representing a total gross floor area of approximately 223,929.82 sq.m.) of Phase C1 of Changchun Villa Glorious to purchasers.
5. As advised by the Group, Changchun Huixin is applying for Construction Work Completion and Inspection Certificates to Phase C1 of Changchun Villa Glorious.
6. As advised by the Group, portions of the property comprising 41 residential units and 2 retail buildings with a total gross floor area of approximately 7,323.08 sq.m. have been pre-sold to various third parties at a total consideration of RMB42,413,558. Such portions of the property have not been legally and virtually transferred and therefore we have included the portions in our valuation. In arriving at our opinion on the capital value of the property, we have taken into account the contracted prices of such portions of the property.
7. We have been provided with a legal opinion regarding the property interest by the Company's PRC legal advisers, which contains, inter alia, the following:
  - a. the Group has paid the land premium in respect of the property in full and pursuant to various State-owned Land Use Rights Certificates, the Group has legally acquired the land use rights of the property; during the land use rights terms, the Group is entitled to occupy, use, lease, mortgage, transfer or otherwise dispose of the sites of the property;
  - b. the Group has obtained from the PRC Government requisite approvals in respect of the construction of the property and the approvals are valid;
  - c. the Group is entitled to sell various Buildings of Phase C1 of Changchun Villa Glorious in accordance with the Pre-sales Permits mentioned in note 4; and
  - d. only after completing the construction inspection and acceptance procedures of the completed development, the Group is able to use the units or deliver various units of the development to purchasers; the Group may undertake legal liabilities or suffer penalty for using the units or delivering various units without Construction Work Completion and Inspection Certificate(s); and
  - e. as confirmed by the Group, Changchun Huixin is applying for the Construction Work Completion and Inspection Certificate(s) for the project, and Changchun Huixin has not received any penalty notice from local government authority or had any legal dispute with the purchasers up till now.
8. A summary of major certificates/approvals is shown as follows:
 

a.	State-owned Land Use Rights Certificates	Yes
b.	Building Ownership Certificate	No
c.	Construction Work Planning Permit	Yes
d.	Construction Work Commencement Permit	Yes
e.	Pre-sales Permit	Yes
f.	Construction Work Completion and Inspection Certificate/Table	No

## VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at 30 September 2013 RMB										
18.	The unsold portion in Phase I of Tianjin Royal Bay Seaside-Xi Yuan located at Guangang Forest Park, Dagang District Tianjin The PRC	The property comprises various residential units, a retail building and 4 villas in Phase I of Tianjin Royal Bay Seaside-Xi Yuan ("Xi Yuan") which is a large scale residential development completed in 2012 and 2013.  The property has a total gross floor area of approximately 22,027.78 sq.m. Details of the property are set out as follows:	The property is currently vacant for sale.	124,000,000  (100% interest attributable to the Group: RMB124,000,000)										
		<table border="1"> <thead> <tr> <th>Usage</th> <th>Gross Floor Area (sq.m.)</th> </tr> </thead> <tbody> <tr> <td>Residential</td> <td>13,012.16</td> </tr> <tr> <td>Villa</td> <td>5,618.58</td> </tr> <tr> <td>Retail</td> <td>3,397.04</td> </tr> <tr> <td><b>Total:</b></td> <td><b><u>22,027.78</u></b></td> </tr> </tbody> </table>	Usage	Gross Floor Area (sq.m.)	Residential	13,012.16	Villa	5,618.58	Retail	3,397.04	<b>Total:</b>	<b><u>22,027.78</u></b>		
Usage	Gross Floor Area (sq.m.)													
Residential	13,012.16													
Villa	5,618.58													
Retail	3,397.04													
<b>Total:</b>	<b><u>22,027.78</u></b>													
		The land use rights of the property have been granted for a term expiring on 21 November 2077 for residential use.												

## Notes:

- Pursuant to a State-owned Land Use Rights Certificate – Gang Dan Guo Yong (2007) Di No. 222, the land use rights of a parcel of land with a site area of approximately 216,720.7 sq.m (including Phases I and II of Xi Yuan) have been granted to Tianjin Gangtian Real Estate Investment Co. Ltd. ("Tianjin Gangtian", a wholly-owned subsidiary of the Company) for a term expiring on 12 November 2077 for residential use.
- Pursuant to a Construction Work Planning Permit – 2010 Da Gang Jian Zheng No. 0097 in favour of Tianjin Gangtian, Phase I of Xi Yuan with a total gross floor area of approximately 92,044.76 sq.m. has been approved for construction.
- Pursuant to 2 Construction Work Commencement Permits – Nos. 12109021201012011 and 12109021201012012 in favour of Tianjin Gangtian, permissions by the relevant local authority was given to commence the construction of Phase I of Xi Yuan with a total gross floor area of approximately 92,044.76 sq.m.



4. Pursuant to 23 Pre-sales Permits in favour of Tianjin Gangtian, the Group is entitled to sell 19 residential buildings and 4 villas (representing a total gross floor area of approximately 83,613.98 sq.m.) in Phase I of Xi Yuan to purchasers.
5. Pursuant to 2 Construction Work Completion and Inspection Certificates in favour of Tianjin Gangtian, the construction of Phase I of Xi Yuan with a total gross floor area of approximately 92,044.76 sq.m. has been completed and passed the acceptance inspection.
6. We have been provided with a legal opinion regarding the property interest by the Company's PRC legal advisers, which contains, inter alia, the following:
  - a. the Group has paid the land premium in respect of the property in full and pursuant to a State-owned Land Use Rights Certificate, the Group has legally acquired the land use rights of the property; during the land use rights terms, the Group is entitled to occupy, use, lease, mortgage, transfer or otherwise dispose of the site of the property;
  - b. the Group has obtained from the PRC Government requisite approvals in respect of the construction of the property and the approvals are valid;
  - c. the Group is entitled to sell various Buildings of Phase I of Xi Yuan in accordance with the Pre-sales Permits mentioned in note 4; and
  - d. the construction inspection and acceptance procedures of Phase I of Xi Yuan have been completed, so the Group should not have any legal impediment to obtain the relevant title certificates.
7. A summary of major certificates/approvals is shown as follows:
 

a.	State-owned Land Use Rights Certificates	Yes
b.	Building Ownership Certificate	No
c.	Construction Work Planning Permit	Yes
d.	Construction Work Commencement Permit	Yes
e.	Pre-sales Permit	Portion
f.	Construction Work Completion and Inspection Certificate/Table	Yes

## VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at 30 September 2013 RMB																						
19.	The unsold portion in Glorious Artstyle Townhouse No. 31 Yu Zhen Avenue Daxing District Beijing The PRC	<p>The property comprises various residential/retail units and 562 car parking spaces in Phases I and II of Glorious Artstyle Townhouse which is a large scale residential development completed in various stages between 2010 and 2013.</p> <p>The property has a total gross floor area of approximately 40,704 sq.m. Details of the property are set out as follows:</p> <table border="1"> <thead> <tr> <th>Usage</th> <th>Gross Floor Area (sq.m.)</th> </tr> </thead> <tbody> <tr> <td colspan="2"><b>Phase I:</b></td> </tr> <tr> <td>Residential</td> <td>279.28</td> </tr> <tr> <td>Retail</td> <td>17,682.14</td> </tr> <tr> <td>Car parking spaces (562 lots)</td> <td>7,795.64</td> </tr> <tr> <td>Sub-total:</td> <td><u>25,757.06</u></td> </tr> <tr> <td colspan="2"><b>Phase II:</b></td> </tr> <tr> <td>Residential</td> <td>13,036.34</td> </tr> <tr> <td>Retail</td> <td>1,910.60</td> </tr> <tr> <td>Sub-total:</td> <td><u>14,946.94</u></td> </tr> <tr> <td><b>Grand-total:</b></td> <td><b><u><u>40,704.00</u></u></b></td> </tr> </tbody> </table>	Usage	Gross Floor Area (sq.m.)	<b>Phase I:</b>		Residential	279.28	Retail	17,682.14	Car parking spaces (562 lots)	7,795.64	Sub-total:	<u>25,757.06</u>	<b>Phase II:</b>		Residential	13,036.34	Retail	1,910.60	Sub-total:	<u>14,946.94</u>	<b>Grand-total:</b>	<b><u><u>40,704.00</u></u></b>	The property is currently vacant for sale.	264,000,000  (100% interest attributable to the Group: RMB264,000,000)
Usage	Gross Floor Area (sq.m.)																									
<b>Phase I:</b>																										
Residential	279.28																									
Retail	17,682.14																									
Car parking spaces (562 lots)	7,795.64																									
Sub-total:	<u>25,757.06</u>																									
<b>Phase II:</b>																										
Residential	13,036.34																									
Retail	1,910.60																									
Sub-total:	<u>14,946.94</u>																									
<b>Grand-total:</b>	<b><u><u>40,704.00</u></u></b>																									
		<p>The land use rights of the property have been granted for terms expiring on 5 June 2076 for residential use and 5 June 2046 for commercial use.</p>																								

*Notes:*

1. Pursuant to 3 State-owned Land Use Rights Certificates – Jing Xing Guo Yong (2007 Chu) Di Nos. 028 and 029 and Jing Xing Guo Yong (2011 Chu) Di No. 00017, the land use rights of 3 parcels of land with a total site area of approximately 240,607.22 sq.m. have been granted to Glorious Hetian Hexin (Beijing) Property Development Co., Ltd. (“**Hetian Hexin**”, a wholly-owned subsidiary of the Company) for terms expiring on 5 June 2076 for residential use and 5 June 2046 for commercial use.
2. Pursuant to 13 Building Ownership Certificates – X Jing Fang Quan Zheng Xing Zi Di Nos. 077144, 109216, 109215, 099647, 056805, 056807, 056803, 063466, 067790, 095015, 099645, 093644 and 095016, 12 buildings (including the retail units) and 307 car parking spaces in Phase I of Glorious Artstyle Townhouse with a total gross floor area of approximately 75,269.3 sq.m. are owned by Hetian Hexin.
3. Pursuant to a Construction Work Planning Permit – 2008 Gui (Da) Jian Zi No. 0063 in favour of Beijing Hetian Hexin Property Development Co., Ltd. (the former name of Hetian Hexin), portions of Phase I of Glorious Artstyle Townhouse with a total gross floor area of approximately 86,867 sq.m. (including the 255 car parking spaces) have been approved for construction.
4. Pursuant to 2 Construction Work Planning Permits – 2011 Gui (Da) Jian Zi Nos. 0041 and 0008 in favour of Hetian Hexin, Phase II of Glorious Artstyle Townhouse with a total gross floor area of approximately 99,662.84 sq.m. has been approved for construction.
5. Pursuant to 5 Construction Work Commencement Permit – [2010] Shi Jian Zi Nos. 0722 and 0890 in favour of Hetian Hexin, permissions by the relevant local authority has been given to commence the construction of portions of Phase I of Glorious Artstyle Townhouse with a total gross floor area of approximately 86,867 sq.m. (including the 255 car parking spaces).
6. Pursuant to 5 Construction Work Commencement Permits – [2010] Shi Jian Zi Nos. 0508, 0743, 0205, 0364 and 0698 in favour of Hetian Hexin, permissions by the relevant local authority has been given to commence the construction of Phase II of Glorious Artstyle Townhouse with a total gross floor area of approximately 99,662.84 sq.m.
7. Pursuant to 4 Pre-sales Permits – Jing Fang Shou Zheng Zi (2011) Nos. 140, 106, Jing Fang Shou Zheng Zi (2012) No. 44 and Jing Fang Shou Zheng Zi (2013) No. 98 in favour of Hetian Hexin, the Group is entitled to sell 20 residential buildings (representing a total gross floor area of approximately 80,117.99 sq.m.) of Phase II of Glorious Artstyle Townhouse to purchasers.
8. Pursuant to 6 Construction Work Completion and Inspection Tables in favour of Hetian Hexin, the construction of portions of Phase I and Phase II of Glorious Artstyle Townhouse with a total gross floor area of approximately 186,529.84 sq.m. has been completed and passed the acceptance inspection.
9. As advised by the Group, 55 residential units of the property with a total gross floor area of approximately 8,786.6 sq.m. have been pre-sold to various third parties at a total consideration of RMB87,350,898. Such units of the property have not been legally and virtually transferred and therefore we have included the units in our valuation. In arriving at our opinion on the capital value of the property, we have taken into account the contracted prices of such units of the property.
10. We have been provided with a legal opinion regarding the property interest by the Company’s PRC legal advisers, which contains, inter alia, the following:
  - a. the Group has paid the land premium in respect of the property in full and pursuant to various State-owned Land Use Rights Certificates, the Group has legally acquired the land use rights of the property; during the land use rights terms, the Group is entitled to occupy, use, lease, mortgage, transfer or otherwise dispose of the sites of the property;
  - b. the Group has obtained from the PRC Government requisite approvals in respect of the construction of the property and the approvals are valid;
  - c. the Group is entitled to sell various Buildings in accordance with the Pre-sales Permits mentioned in note 7; and
  - d. the construction inspection and acceptance procedures of the property have been completed, so the Group should not have any legal impediment to obtain the relevant title certificates.

11. A summary of major certificates/approvals is shown as follows:

- |    |   |         |
|----|---|---------|
| a. | State-owned Land Use Rights Certificates                      | Yes     |
| b. | Building Ownership Certificate                                | Portion |
| c. | Construction Work Planning Permit                             | Yes     |
| d. | Construction Work Commencement Permit                         | Yes     |
| e. | Pre-sales Permit  | Yes     |
| f. | Construction Work Completion and Inspection Certificate/Table | Yes     |

## VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at 30 September 2013 RMB										
20.	The unsold portion in Royal Mansion Phase I No. 16 Jingouhe Road Haidian District Beijing The PRC	The property comprises 5 residential units, 12 retail units and 301 car parking spaces in Royal Mansion Phase I which is a residential development completed between 2010 and 2013.  The property has a total gross floor area of approximately 16,798.17 sq.m. Details of the property are set out as follows:	The property is currently vacant for sale.	137,000,000  (100% interest attributable to the Group: RMB137,000,000)										
		<table border="1"> <thead> <tr> <th>Usage</th> <th>Gross Floor Area (sq.m.)</th> </tr> </thead> <tbody> <tr> <td>Residential</td> <td>901.21</td> </tr> <tr> <td>Retail</td> <td>3,172.96</td> </tr> <tr> <td>Car parking spaces</td> <td>12,724 (301 lots)</td> </tr> <tr> <td><b>Total:</b></td> <td><b><u>16,798.17</u></b></td> </tr> </tbody> </table>	Usage	Gross Floor Area (sq.m.)	Residential	901.21	Retail	3,172.96	Car parking spaces	12,724 (301 lots)	<b>Total:</b>	<b><u>16,798.17</u></b>		
Usage	Gross Floor Area (sq.m.)													
Residential	901.21													
Retail	3,172.96													
Car parking spaces	12,724 (301 lots)													
<b>Total:</b>	<b><u>16,798.17</u></b>													
		The land use rights of the property have been granted for terms expiring on 11 February 2073 for residential use, 11 February 2043 for commercial use and 11 February 2053 for car parking spaces use.												

## Notes:

- Pursuant to a State-owned Land Use Rights Certificate – Jing Hai Guo Yong (2006 Zhuan) Di No. 3757, the land use rights of a parcel of land with a site area of approximately 34,850 sq.m. (including Phases I and II of Royal Mansion) have been granted to Beijing Yangguang Xindi Property Development Co., Ltd., the former name of Glorious Yangguang Xindi (Beijing) Property Co., Ltd. (“Beijing Xindi”, a wholly-owned subsidiary of the Company) for various terms expiring on 11 February 2073 for residential use, 11 February 2043 for commercial use and 11 February 2053 for car parking spaces use.

2. Pursuant to 4 Building Ownership Certificates – X Jing Fang Quan Zheng Hai Zi Di No. 327684, 349166, 259982 and 267683, 2 residential buildings and 2 retail buildings (including the residential and retail units of the property) with a total gross floor area of approximately 52,097.88 sq.m. are owned by Beijing Xindi.
3. As advised by the Group, 5 residential units of the property with a total gross floor area of approximately 901.21 sq.m. have been pre-sold to various third parties at a total consideration of RMB24,732,489. Such units of the property have not been legally and virtually transferred and therefore we have included the units in our valuation. In arriving at our opinion on the capital value of the property, we have taken into account the contracted prices of such units of the property.
4. Pursuant to a Construction Work Planning Permit – 2008 Gui (Hai) Jian Zi No. 0097 in favour of Beijing Yangguang Xindi Property Development Co., Ltd., the former name of Beijing Xindi, underground car parking spaces with a total gross floor area of approximately 18,400 sq.m.(including civil defence area of approximately 5,676 sq.m.) has been approved for construction.
5. Pursuant to a Construction Work Commencement Permit – [2009] Shi Jian Zi No. 0505, in favour of Beijing Yangguang Xindi Property Development Co., Ltd., the former name of Beijing Xindi, permission by the relevant local authority has been given to commence the construction of a retail building and the underground car parking spaces with a total gross floor area of approximately 19,722 sq.m.
6. We have been provided with a legal opinion regarding the property interest by the Company’s PRC legal advisers, which contains, inter alia, the following:
  - a. the Group has paid the land premium in respect of the property in full and pursuant to a State-owned Land Use Rights Certificate, the Group has legally acquired the land use rights of the property; during the land use rights terms, the Group is entitled to occupy, use, lease, mortgage, transfer or otherwise dispose of the site of the property;
  - b. the Group is entitled to occupy, use, lease, mortgage, transfer and otherwise dispose of the residential and retail portion of the property without outstanding fees; and
  - c. the Group has obtained from the PRC Government requisite approvals in respect of the construction of the car parking spaces of the property and the approvals are valid.
7. A summary of major certificates/approvals is shown as follows:
 

a.	State-owned Land Use Rights Certificates	Yes
b.	Building Ownership Certificate	Portion
c.	Construction Work Planning Permit	Yes
d.	Construction Work Commencement Permit	Yes
e.	Pre-sales Permit	N/A
f.	Construction Work Completion and Inspection Certificate/Table (for car parking spaces)	No

## VALUATION CERTIFICATE

## Group II – Property interests held for investment by the Group in the PRC

No.	Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at 30 September 2013 RMB
21.	Various retail units and 586 underground car parking spaces in Phases I and II of Shanghai Bay 18/19 Nong Kaibin Road Xuhui District Shanghai The PRC	<p>The property comprises various retail units in Building nos. 1 to 5 and 7 to 10 and 586 underground car parking spaces in Phases I and II of Shanghai Bay, which are residential developments completed in 2009 and 2012.</p> <p>The retail units have a total gross floor area of approximately 11,376.96 sq.m. and the car parking spaces have a total gross floor area of approximately 17,931.6 sq.m.</p> <p>The land use rights of the property have been granted for a term expiring on 30 August 2074 for residential use.</p>	<p>The retail units of the property are vacant except for a unit with a total gross floor area of approximately 4,801.87 sq.m. which is operated by the Group as a clubhouse. The car parking spaces of the property are currently rented out on short-term basis.</p>	<p>391,000,000</p> <p>(100% interest attributable to the Group: RMB391,000,000)</p>

## Notes:

- Pursuant to 2 Real Estate Title Certificates – Hu Fang Di Xu Zi (2010) Di No. 006146 and Hu Fang Di Xu Zi (2012) Di No. 018148, Building nos. 1, 3, 4, 5, 7, 9 and 10 of Shanghai Bay with a total gross floor area of approximately 185,970.89 sq.m. are owned by Shanghai Xintai Property Development Co., Ltd. (“**Shanghai Xintai**”, a wholly-owned subsidiary of the Company). The relevant land use rights of these buildings have been granted to Shanghai Xintai for a term expiring on 30 August 2074 for residential use.
- Pursuant to a Real Estate Title Certificate – Hu Fang Di Xu Zi (2011) Di No. 008852, retail units in Building nos. 2 and 8 of Shanghai Bay with a total gross floor area of approximately 2,085.25 sq.m. are owned by Shanghai Penghui Property Development Co., Ltd. (“**Shanghai Penghui**”, a wholly-owned subsidiary of the Company). The relevant land use rights of these units have been granted to Shanghai Xintai for a term expiring on 30 August 2074 for residential use.
- Pursuant to a Real Estate Title Certificate – Hu Fang Di Xu Zi (2004) Di No. 044909, the land use rights of a parcel of land with a site area of approximately 65,575 sq.m., on which the car parking spaces of the property is situated, have been granted to Shanghai Xintai for terms expiring on 30 August 2074 for residential use.
- Pursuant to a Construction Work Planning Permit – Hu Gui Jian (2008) No. 080318F00613 in favour of Shanghai Penghui, underground car parking spaces in the south area of Shanghai Bay with a total gross floor area of approximately 18,430 sq.m. have been approved for construction.

5. Pursuant to a Construction Work Commencement Permit – 0501XH0024D04310104200506092619 in favour of Shanghai Xintai, permission by the relevant local authority has been given to commence the construction of the underground car parking spaces of the property with a total gross floor area of approximately 18,430 sq.m.
6. We have not been provided with any title certificate for the 586 car parking spaces of the property. However, according to a registration form of a Building and Land Investigation Report issued by Shanghai Institute of Geological Survey, there were 586 car parking spaces with a total gross floor area of approximately 17,931.60 sq.m.
7. We have been provided with a legal opinion regarding the property interest by the Company's PRC legal advisers, which contains, inter alia, the following:
  - a. the Group has paid the land premium in respect of the property in full and pursuant to various State-owned Land Use Rights Certificates, the Group has legally acquired the land use rights of the property; during the land use rights terms, the Group is entitled to occupy, use, lease, mortgage, transfer or otherwise dispose of the sites of the property;
  - b. the Group is entitled to occupy, use, lease, mortgage, transfer and otherwise dispose of the retail portion of the property without outstanding fees; and
  - c. the Group has obtained from the PRC Government requisite approvals in respect of the construction of the car parking spaces of the property and the approvals are valid.
8. A summary of major certificates/approvals is shown as follows:
 

a.	Real Estate Title Certificate (for land only)	Yes
b.	Construction Work Planning Permit (for car parking spaces)	Yes
c.	Construction Work Commencement Permit (for car parking spaces)	Yes
d.	Construction Work Completion and Inspection Certificate/Table (for car parking spaces)	No
e.	Real Estate Title Certificate (for retail units)	Yes



## VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at 30 September 2013 RMB
22.	22 retail units in Sunglow Xinjing No. 259 Tiandeng Road Xuhui District Shanghai The PRC	The property comprises 22 retail units with a total gross floor area of approximately 2,075.73 sq.m. in Sunglow Xinjing which is a residential development completed in December 2001.  The land use rights of the property have been granted for a term expiring on 30 July 2070 for residential use.	Portions of the property with a total gross floor area of approximately 1,871.64 sq.m. were occupied by various tenants, whilst the remaining portion was vacant as at the valuation date.	61,000,000  (100% interest attributable to the Group: RMB61,000,000)

*Notes:*

1. Pursuant to a Real Estate Title Certificate – Hu Fang Di Pu Zi (2002) Zi Di No. 001110, various units with a total gross floor area of approximately 4,466.08 sq.m. (including the property) are owned by Shanghai Xintai Property Development Co., Ltd. (“**Shanghai Xintai**”, a wholly-owned subsidiary of the Company).
2. Pursuant to 18 Tenancy Agreements, the property with a total gross floor area of approximately 1,871.64 sq.m. were leased to various tenants with the expiry dates between 30 September 2013 and 10 August 2017 at a total current annual rent of RMB2,582,868.
3. We have been provided with a legal opinion regarding the property interest by the Company’s PRC legal advisers, which contains, inter alia, the following:
  - a. the Group is entitled to occupy, use, lease, mortgage, transfer and otherwise dispose of the property without outstanding fees;
  - b. 6 Tenancy Agreements are legal, valid and binding; and
  - c. the aforesaid Tenancy Agreements should be registered in relevant local authority; non-registration would not affect the validity of the Agreements, but Shanghai Xintai may suffer penalty.
4. A summary of major certificates/approvals is shown as follows:
  - a. Real Estate Title Certificate Yes

## VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at 30 September 2013 RMB												
23.	Various retail units, 8 commercial buildings, a retail center and 883 underground car parking spaces in Sunshine Venice located at the southern side of Taopu Road and the western side of Qilianshan Road Putuo District Shanghai The PRC	<p>The property comprises various retail units, 8 commercial buildings and a retail center with a total gross floor area of approximately 100,307.86 sq.m. in Sunshine Venice which is a large scale residential development completed in 2006 and 2009.</p> <p>The property also comprises 883 underground car parking spaces with a total gross floor area of approximately 25,356.05 sq.m. Details of the property are set out as follows:</p> <table border="1"> <thead> <tr> <th>Usage</th> <th>Gross Floor Area (sq.m.)</th> </tr> </thead> <tbody> <tr> <td>Retail units</td> <td>41,649.36</td> </tr> <tr> <td>Commercial buildings</td> <td>10,826</td> </tr> <tr> <td>Retail Center</td> <td>47,832.5</td> </tr> <tr> <td>Car parking spaces</td> <td>25,356.05 (883 lots)</td> </tr> <tr> <td><b>Total:</b></td> <td><b><u>125,663.91</u></b></td> </tr> </tbody> </table> <p>The land use rights of the property have been granted for terms expiring on 2 October 2071 and 21 December 2074 for residential use.</p>	Usage	Gross Floor Area (sq.m.)	Retail units	41,649.36	Commercial buildings	10,826	Retail Center	47,832.5	Car parking spaces	25,356.05 (883 lots)	<b>Total:</b>	<b><u>125,663.91</u></b>	<p>Portions of the retail units with a total gross floor area of approximately 18,101.12 sq.m. were occupied by various tenants, whilst the remaining portion was occupied by various connected parties or vacant as at the valuation date.</p> <p>The retail center is operated by a third party as Flower Exhibition Center, and the 8 commercial buildings are vacant.</p> <p>The car parking spaces of the property are currently rented out on short-term basis.</p>	<p>909,000,000</p> <p>(100% interest attributable to the Group: RMB909,000,000)</p>
Usage	Gross Floor Area (sq.m.)															
Retail units	41,649.36															
Commercial buildings	10,826															
Retail Center	47,832.5															
Car parking spaces	25,356.05 (883 lots)															
<b>Total:</b>	<b><u>125,663.91</u></b>															

*Notes:*

1. Pursuant to 3 Real Estate Title Certificates – Hu Fang Di Pu Zi (2005) Di Nos. 000806, 000220 and Hu Fang Di Shi Zi (2002) Di No. 012723, the land use rights of 3 parcels of land in Sunshine Venice with a total site area of approximately 429,929 sq.m. have been granted to Shanghai Yijing Property Development Co., Ltd. (“**Shanghai Yijing**”, a wholly-owned subsidiary of the Company) for various terms expiring on 2 October 2071 and 21 December 2074 for residential use.
2. Pursuant to 12 Real Estate Title Certificates – Hu Fang Di Pu Zi (2005) Zi Di Nos. 000615, 001628 and 040646, Hu Fang Di Pu Zi (2006) Zi Di Nos. 008373 and 032816, Hu Fang Di Pu Zi (2008) Di No. 015063, Hu Fang Di Pu Zi (2009) Di Nos. 004879 and 017015, Hu Fang Di Pu Zi (2010) Di Nos. 014734, 014735, 30441 and Hu Fang Di Pu Zi (2012) Di No. 008957, various buildings and 290 car parking spaces with a total gross floor area of approximately 949,664.6 sq.m. of Sunshine Venice (including the retail units and 290 underground car parking spaces of the property) are owned by Shanghai Yijing.
3. Pursuant to a Construction Work Planning Permit – Hu Pu Jian (2007) No. 07070614F01669 in favour of Shanghai Yijing, 8 commercial buildings and the retail center of the property and a serviced facility (a gross floor area of approximately 60 sq.m.) together having a total gross floor area of approximately 58,718 sq.m. have been approved for construction.
4. Pursuant to 3 Construction Work Planning Permits – Hu Pu Jian (2004) No. 0080, Hu Pu Jian (2005) No. 07051128F02966 and Hu Pu Jian (2007) No. 0707113F03150 in favour of Shanghai Yijing, underground car parking spaces and other serviced facilities in Sunshine Venice Phases I, II and IIIB with a total gross floor area of approximately 38,189.96 sq.m. have been approved for construction.
5. Pursuant to a Construction Work Commencement Permit – No. 0101PT0591D20 in favour of Shanghai Yijing, permission by the relevant local authority was given to commence the construction of the 8 commercial buildings and the retail center of the property and another building (a gross floor area of approximately 1,766 sq.m.) together having a total gross floor area of approximately 60,424 sq.m.
6. Pursuant to 2 Construction Work Commencement Permits – Nos. 0101F0591D14 and 0101F0591D21 in favour of Shanghai Yijing, permissions by the relevant local authority was given to commence the construction of the underground car parking spaces in Sunshine Venice Phases II and IIIB with a total gross floor area of approximately 9,132 sq.m.
7. Pursuant to 3 Construction Work Completion and Inspection Certificates – 2004PT0027, 2005PT0085 and 2009PT0044 in favour of Shanghai Yijing, the construction of the underground car parking spaces in Sunshine Venice Phases I, II and IIIB with a total gross floor area of approximately 281,705 sq.m. has been completed and passed the acceptance inspection.
8. As advised by the Group, Shanghai Yijing has not obtained Construction Work Completion and Inspection Certificates for the 8 commercial buildings and the retail center.
9. Pursuant to 95 Tenancy Agreements, as at the valuation date, portions of the property with a total gross floor area of approximately 18,101.12 sq.m. were leased to various tenants for terms with the expiry dates between 30 September 2013 and 30 April 2024 at a total current annual rent of RMB13,055,375.
10. Pursuant to an Operation and Management Contract, Shanghai Yijing has engaged Shanghai Jicheng Business Development Company Limited (“**Jicheng**”) to provide leasing and management services for the operation of the retail center named Flower Exhibition Center for a term of 5 years expiring on 31 December 2016. The annual rent is the higher between RMB32,000,000 (for the first three years) or RMB36,000,000 (for the last two years) and 67% of business income.

11. We have been provided with a legal opinion regarding the property interest by the Company's PRC legal advisers, which contains, inter alia, the following:
- a. the Group has paid the land premium in respect of the property in full and pursuant to 3 Real Estate Title Certificates, the Group has acquired the land use rights to the property; during the land use rights terms, the Group is entitled to occupy, use, lease, mortgage, transfer or otherwise dispose of the sites of the property;
  - b. the Group is entitled to occupy, use, lease, mortgage, transfer and otherwise dispose of retail units and 290 car parking spaces of the property without outstanding fees;
  - c. the Group has obtained from the PRC Government all requisite approvals in respect of the construction of 8 commercial buildings, the retail center and underground car parking spaces;
  - d. the construction inspection and acceptance procedures of the car parking spaces have been completed, so the Group should not have any legal impediment to obtain the relevant title certificates;
  - e. only after completing the construction inspection and acceptance procedures of the 8 commercial buildings and the retail center, the Group is able to use the buildings or deliver the buildings to purchasers; the Group may undertake legal liabilities or suffer penalty for leasing out the retail center of the property without Construction Work Completion and Inspection Certificate(s);
  - f. as confirmed by the Group, Shanghai Yijing is applying for the Construction Work Completion and Inspection Certificate(s) for the buildings mentioned above, and Shanghai Yijing has not received any penalty notice from local government authority or notice from the lessees for terminating the leasing contracts; and
  - g. the Company's PRC Legal advisers could not make a judgement on the validity of the Tenancy Agreements mentioned in note 9 because they have not received these agreements till now.
12. In the valuation of this property, we have relied on the aforesaid legal opinion (11. (e)) and attributed no commercial value to the retail center of the property. However, for reference purpose, we are of the opinion that the capital value of the retail center as at the valuation date would be RMB662,000,000 assuming all relevant title certificates and construction permits have been obtained and it could be freely transferred. For the 8 commercial buildings of the property, which had no Construction Work Completion and Inspection Certificate(s) but were still vacant as at the valuation date, we have attributed capital values to them which were included in the total capital value of RMB909,000,000.
13. A summary of major certificates/approvals is shown as follows:
- |    |   |         |
|----|---|---------|
| a. | Real Estate Title Certificate (for land only)   | Yes     |
| b. | Construction Work Planning Permit   | Yes     |
| c. | Construction Work Commencement Permit   | Yes     |
| d. | Construction Work Completion and Inspection Certificate/Table<br>(for car parking spaces) | Portion |
| e. | Real Estate Title Certificate (for the retail units and 290 car parking spaces)           | Portion |

## VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at 30 September 2013 RMB
24.	5 retail units and an underground supermarket in Chateau De Paris Phase II No. 2093 Xietu Road Xuhui District Shanghai The PRC	The property comprises 5 retail units and an underground supermarket in Chateau De Paris Phase II which is a residential development completed in January 2008.  The property has a total gross floor area of approximately 15,558.94 sq.m.  The land use rights of the property have been granted for a term expiring on 6 November 2072 for residential use.	The property are occupied by various tenants.	344,900,000  (100% interest attributable to the Group: RMB344,900,000)

*Notes:*

1. Pursuant to a Real Estate Title Certificate – Hu Fang Di Xu Zi (2009) Di No. 000683, various buildings and car parking spaces with a total gross floor area of approximately 92,401.21 sq.m. of Chateau De Paris Phase II are owned by Shanghai Haosen Property Co., Ltd. (“**Shanghai Haosen**”, a wholly-owned subsidiary of the Company). The relevant land use rights of these buildings have been granted to Shanghai Haosen for a term expiring on 6 November 2072 for residential use.
2. Pursuant to 6 Tenancy Agreements, the property with a total lettable area of approximately 13,549 sq.m. were leased to various tenants for various terms with the expiry dates between 31 March 2014 and 30 September 2027 at a total current annual rent of RMB18,492,556.
3. We have been provided with a legal opinion regarding the property interest by the Company’s PRC legal advisers, which contains, inter alia, the following:
  - a. the Group is entitled to occupy, use, lease, mortgage, transfer and otherwise dispose of the property without outstanding fees.
  - b. the Tenancy Agreements mentioned in note 2 are legal, valid and binding; and
  - c. the aforesaid Tenancy Agreements should be registered in relevant local authority, but non-registration would not affect the validity of the Agreements.
4. A summary of major certificates/approvals is shown as follows:
  - a. Real Estate Title Certificate Yes

## VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at 30 September 2013 RMB
25.	A clubhouse, 26 retail units and 960 car parking spaces in Sunshine Holiday located at the eastern side of Taixing South Road and the southern side of Chenyang Road Hedong District Tianjin The PRC	The property comprises a clubhouse, 26 retail units and 960 car parking spaces with a total gross floor area of approximately 32,162.17 sq.m. in Tianjin Sunshine Holiday which is a large residential development completed in 2006 and 2007.  The land use rights of the property have been granted for terms expiring on 15 March 2075 and 15 March 2045 for residential use and other commercial service use.	The clubhouse is occupied by a tenant and 26 retail units are vacant.	273,000,000  (100% interest attributable to the Group: RMB273,000,000)

*Notes:*

- Pursuant to a Real Estate Title Certificate – Fang Di Zheng Jin Zi Di No. 102010907545, a clubhouse of the property with a gross floor area approximately 6,091.32 sq.m. is owned by Glorious Yangguang Xindi (Tianjin) Investment Co., Ltd. (“**Tianjin Xindi**”, a wholly-owned subsidiary of the Company). The land use rights of the clubhouse with an apportioned land area of approximately 2,069.20 sq.m. have been granted to Tianjin Xindi for a term expiring on 15 March 2075 for residential use.
- Pursuant to 27 Real Estate Title Certificates – Fang Di Zheng Jin Zi Di Nos. 102011120936, 10201113913, 10201113914, 10201113916, 10201113917, 10201113920 to 10201113925, 10201113928 to 10201113933, 10201113935 to 10201113938 and 4700209918807 to 4700209918812, 26 retail units and various car parking spaces of the property with a gross floor area approximately 5,558.25 sq.m. and 20,512.60 sq.m. respectively are owned by Tianjin Xindi. The land use rights of the 26 retail units and various car parking spaces have been granted to Tianjin Xindi.
- Pursuant to a Tenancy Agreement, a portion of the clubhouse with a gross floor area of approximately 4,000 sq.m. was leased to a tenant for a term from 20 July 2009 to 19 July 2019 and the first two years were rent-free period. The daily rent was RMB0.1 per sq.m. from 20 July 2012 to 19 July 2014 and RMB0.8 per sq.m. for the remaining period.
- Pursuant to a Tenancy Agreement, the remaining portion of the clubhouse with a gross floor area of approximately 2,091.32 sq.m. was leased to the above same tenant for a term from 1 January 2010 to 31 December 2019 and the first two years were rent-free period. The daily rent was RMB0.1 per sq.m. from 1 January 2013 to 31 December 2014 and RMB0.8 per sq.m. for the remaining period.

5. We have been provided with a legal opinion regarding the property interest by the Company's PRC legal advisers, which contains, inter alia, the following:
- a. the Group legally owns the ownership rights of the property and is entitled to occupy, use, lease, mortgage, transfer and otherwise dispose of the property without outstanding fees;
  - b. the Tenancy Agreements mentioned in notes 3 and 4 are legal, valid and binding; and
  - c. the aforesaid Tenancy Agreements should be registered in relevant local authority; non-registration would not affect the validity of the Agreements but Tianjin Xindi may suffer penalty.
6. A summary of major certificates/approvals is shown as follows:
- a. Real Estate Title Certificate Yes

## VALUATION CERTIFICATE

## Group III – Property interests held under development by the Group in the PRC

No.	Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at 30 September 2013 RMB
26.	Phase III and 2 commercial buildings of Shanghai Bay under construction 18/19 Nong Kaibin Road Xuhui District Shanghai The PRC	The property comprises Building no. 6, Building nos. 11 to 16 in Phase III of Shanghai Bay and 2 commercial buildings known as North Tower and South Tower of Shanghai Bay, which are currently under construction.	Building nos. 11 to 16 of the property are currently under construction. Building no. 6 of the property was under construction as at the valuation date and was completed in October 2013.	12,405,000,000  (100% interest attributable to the Group: RMB12,405,000,000)

As advised by the Group, Building no. 6 was completed at the end of October of 2013, Building nos. 11 to 16 and North Tower are scheduled to be completed at the end of 2015 and South Tower is scheduled to be completed at the end of 2014. Upon completion, the property will have a total gross floor area of approximately 650,136.7 sq.m., the details of which are listed as below:

Item	Gross Floor Area (sq.m.)
Building no. 6	41,450.5
Building nos. 11 to 16	359,095.2
South Tower	123,891
North Tower	114,346
<b>Total:</b>	<b><u>638,782.7</u></b>

As advised by the Group, the total construction cost is estimated to be approximately RMB7,300 million, of which RMB3,700 million had been paid up to the valuation date.

The land use rights of the property have been granted for terms expiring on 30 August 2074 for residential use and 30 August 2054 for public facility use.



## Notes:

1. Pursuant to 6 Real Estate Title Certificates – Hu Fang Di Xu Zi (2004) Di Nos. 044906 to 044909, Hu Fang Di Xu Zi (2005) Di No. 009499 and Hu Fang Di Xu Zi (2011) Di No. 010033, the land use rights of 6 parcels of land, on which the property is situated, with a total site area of approximately 178,733 sq.m. have been granted to Shanghai Xintai Property Development Co., Ltd. (“Shanghai Xintai”, a wholly-owned subsidiary of the Company) for terms expiring on 30 August 2074 for residential use and 30 August 2054 for public facility use.
2. Pursuant to 8 Construction Work Planning Permits – Hu Gui Jian Ji No. (2007) 00070410F00987, Hu Gui Jian (2008) No. 00080529F01241, Hu Gui Jian (2009) No. FA31000020090650, Hu Gui Jian (2009) No. FA31000020090137, Hu Gui Jian No. (2010) FA31000020101954, Hu Gui Jian (2011) No. FA31000020111241, Hu Gui Jian (2011) No. FA310000200110009 and Hu Gui Jian (2013) No. FA31000020134057 in favour of Shanghai Xintai, the property (exclusive of Building nos. 15 and 16) with a total gross floor area of approximately 576,808 sq.m. has been approved for construction.
3. Pursuant to 9 Construction Work Commencement Permits – 0501XH0062D01310104200512052601, 0501XH0062D03310104200512052601, 0501XH0024D12310104200506092619, 0501XH0024D13310104200506092619, 0501XH0024D09310104200506092619, 0501XH0024D10310104200506092619, 0501XH0024D11310104200506092619, 0501XH0024D05310104200506092619, and 0501XH0062D02310104200512052601 in favour of Shanghai Xintai, permissions by the relevant local authority was given to commence the construction of the property (exclusive of Building nos. 15 and 16) with a total gross floor area of approximately 576,129 sq.m.
4. As at the valuation date, the construction work of Building nos. 15 and 16 with a total gross floor area of approximately 70,672.26 sq.m. had not commenced.
5. Pursuant to a Pre-sales Permit – Xu Hui Fang Guan (2012) Yu Zi No. 0000402 in favour of Shanghai Xintai, the Group is entitled to sell Building no. 6 (representing 237 residential units with a total gross floor area of approximately 34,990.63 sq.m.) of Shanghai Bay to purchasers.
6. The market value as if completed of the property is approximately RMB22,486,000,000.
7. As advised by the Group, 123 residential units of Building no. 6 of Shanghai Bay with a total gross floor area of approximately 16,592.82 sq.m. have been pre-sold to various third parties at a total consideration of RMB787,065,316. Such units of the property have not been legally and virtually transferred and therefore we have included these units in our valuation. In arriving at our opinion on the capital value of the property, we have taken into account the contracted prices of such units of the property.
8. We have been provided with a legal opinion regarding the property interest by the Company’s PRC legal advisers, which contains, inter alia, the following:
  - a. the Group has paid the land premium in respect of the property in full and pursuant to various Real Estate Title Certificates, the Group has legally acquired the land use rights of the property; during the land use rights terms, the Group is entitled to occupy, use, lease, mortgage, transfer or otherwise dispose of the sites of the property;
  - b. the Group has obtained from the PRC Government requisite approvals in respect of the construction of the property (exclusive of Building nos. 15 and 16) and the approvals are valid; and
  - c. the Group is entitled to sell Building no. 6 of the property in accordance with the Pre-sales Permits mentioned in note 5.
9. A summary of major certificates/approvals is shown as follows:
 

a.	Real Estate Title Certificates (for land only)	Yes
b.	Construction Work Planning Permits	Yes
c.	Construction Work Commencement Permits	Yes
d.	Pre-sale Permits	Portion
e.	Construction Work Completion and Inspection Certificate/Table	N/A

## VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at 30 September 2013 RMB
27.	Phase I-2 and Phase II of Shanghai City Glorious- Affordable Housing Block and Phase I of Shanghai City Glorious-Commodity Block under construction located at the north of Yingao West Road, east of Jiang Yang South Road and west of Gaojing Road Gaojing Town Baoshan District Shanghai The PRC	<p>Shanghai City Glorious is a large residential development with retail facilities comprising three blocks of Commodity Block, Relocated Block and Affordable Housing Block.</p> <p>Shanghai City Glorious-Commodity Block occupies a parcel of land with a site area of approximately 102,174 sq.m., which comprises three Phases. As at the valuation date, Phase I was under construction, Phase II and Phase III were vacant. Shanghai City Glorious-Affordable Housing Block occupies a parcel of land with a site area of approximately 94,076 sq.m., which comprises Phases I-1, I-2 and II. As at the valuation date, Phase I-1 was completed, Phase I-2 and Phase II were under construction.</p> <p>The property comprises: (i) Phase I of Commodity Block with a total planned gross floor area of approximately 141,405.43 sq.m. (“Part A”); and (ii) Phase I-2 and Phase II in Shanghai City Glorious- Affordable Housing Block (“Part B”) with a total planned gross floor area of approximately 259,262.84 sq.m.</p>	The property is currently under construction.	<p>2,771,000,000</p> <p>(100% interest attributable to the Group: RMB2,771,000,000)</p>

No.	Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at 30 September 2013 RMB
		As advised by the Group, the total construction cost is estimated to be approximately RMB1,500 million, of which RMB411 million had been paid up to the valuation date.		
		The land use rights of Commodity Block have been granted for a term expiring on 31 August 2080 for residential use and the land use rights of the Affordable Housing Block have been allocated to the Group.		

## Notes:

- Pursuant to a Real Estate Title Certificate – Hu Fang Di Bao Zi (2012) Di No. 001480, the land use rights of Affordable Housing Block with a site area of approximately 94,075.9 sq.m. have been allocated to Shanghai Shengtong Property Development Co., Ltd. (“Shanghai Shengtong”, a wholly-owned subsidiary of the Company) for affordable housing use.
- Pursuant to a Real Estate Title Certificate – Hu Fang Di Bao Zi (2012) Di No. 037443, the land use rights of Commodity Block with a site area of approximately 102,173.7 sq.m. have been granted to Shanghai Shengtong for a term expiring on 31 August 2080 for residential use.
- Pursuant to a Construction Work Planning Permit – Jian Zi Di Hu Bao Jian (2010) FA31011320101592 in favour of Shanghai Shengtong, various buildings of Affordable Housing Block Phases I and II with a total gross floor area of approximately 332,994 sq.m. have been approved for construction.
- Pursuant to 2 Construction Work Planning Permits – Hu Bao Jian (2012) FA31011320124294 and Hu Bao Jian (2013) FA31011320134840 in favour of Shanghai Shengtong, various buildings of Commodity Block phase I with a total gross floor area of approximately 124,164.35 sq.m. have been approved for construction.
- Pursuant to a Construction Work Commencement Permit – 1101BS0075D01310113201107201819 in favour of Shanghai Shengtong, permission by the relevant local authority was given to commence the construction of 10 buildings of Commodity Block Phase I with a total gross floor area of approximately 89,018.34 sq.m.
- Pursuant to 3 Construction Work Commencement Permits – 0901BS0102D02310113200912220319, 0901BS0102D03310113200912220319 and 0901BS0102D04310113200912220319 in favour of Shanghai Shengtong, permission by the relevant local authority was given to commence the construction of the buildings of Affordable Housing Block Phases I-2 and II with a total gross floor area of approximately 267,725 sq.m.
- Pursuant to a Pre-sales Permit – Bao Shan Fang Guan (2012) Yu Zi No. 0000580 in favour of Shanghai Shengtong, the Group is freely entitled to sell the buildings of Commodity Block Phase I with a total gross floor area of 62,536.43 sq.m. to purchasers.

8. Pursuant to a Pre-sales Permit – Bao Shan Fang Guan (2012) Yu Zi No. J0161 in favour of Shanghai Shengtong, the Group is freely entitled to sell the buildings of Affordable Housing Block with a total gross floor area of 91,308.62 sq.m. to purchasers.
9. The market value as if completed of the property is approximately RMB6,378,000,000.
10. As advised by the Group, various units of Commodity Block Phase I with a total gross floor area of approximately 60,378.42 sq.m. and various units of Affordable Housing Block Phase I-2 with a total gross floor area of approximately 89,199.61 sq.m. have been pre-sold to various third parties at a total consideration of RMB1,302,351,198.03 and RMB802,960,201.89 respectively. Such units of the property have not been legally and virtually transferred and therefore we have included such units in our valuation. In arriving at our opinion on the capital value of the property, we have taken into account the contracted prices of such units of the property.
11. We have been provided with a legal opinion regarding the property interest by the Company's PRC legal advisers, which contains, inter alia, the following:
- a. the Group has paid the land premium in respect of the property in full and pursuant to various Real Estate Title Certificates, the Group has legally acquired the land use rights of the property; during the land use rights terms, the Group is entitled to occupy, use, lease, mortgage, transfer or otherwise dispose of the sites of the property;
  - b. the Group has obtained from the PRC Government requisite approvals in respect of the construction of the property, and the approvals are valid; and
  - c. the Group is entitled to sell various buildings in accordance with the Pre-sales Permits mentioned in notes 7 and 8.
12. A summary of major certificates/approvals is shown as follows:
- |    |   |     |
|----|---|-----|
| a. | Real Estate Title Certificate (for land only)                 | Yes |
| b. | Construction Work Planning Permit                             | Yes |
| c. | Construction Work Commencement Permit                         | Yes |
| d. | Pre-sale Permit   | Yes |
| e. | Construction Work Completion and Inspection Certificate/Table | N/A |

## VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at 30 September 2013 RMB
28.	Phase I of Nanjing Royal Bay under construction No. 118 Zhenghe South Road Gulou District Nanjing City Jiangsu Province The PRC	<p>The property comprises Phase I of a residential development known as Nanjing Royal Bay which is currently under construction.</p> <p>As advised by the Group, the property is scheduled to be completed in January 2015. Upon completion, the property will have a total gross floor area of approximately 74,236 sq.m.</p> <p>As advised by the Group, the total construction cost is estimated to be approximately RMB390,000,000, of which RMB261,000,000 had been paid up to the valuation date.</p> <p>The land use rights of the property have been granted for a term expiring on 1 March 2079 for residential use.</p>	The property is currently under construction.	<p>991,000,000</p> <p>(60% interest attributable to the Group: RMB594,600,000)</p>

*Notes:*

- Pursuant to 2 State-owned Land Use Rights Certificates – Ning Xia Guo Yong (2010) Di Nos. 05869 and 05870, the land use rights of 2 parcels of land, on which the property is situated, with a total site area of approximately 109,245.7 sq.m. have been granted to Glorious Jiangxu (Nanjing) Property Development Co., Ltd. (“**Nanjing Jiangxu**”, a 60% interest owned subsidiary of the Company) for a term expiring on 1 March 2079 for residential use.
- Pursuant to 5 Construction Work Planning Permits – Jian Zi Di Nos. 320107201310161, 320107201310241, 320107201310219, 320107201310242 and 320107201310185 in favour of Nanjing Jiangxu, the property with a total gross floor area of approximately 74,236 sq.m. has been approved for construction.
- Pursuant to 5 Construction Work Commencement Permit – Nos. 320100020130163, 320100020130251, 320100020130242, 320100020130252 and 320100020130243 in favour of Nanjing Jiangxu, permission by the relevant local authority was given to commence the construction of the property with a total gross floor area of approximately 74,236 sq.m.
- The market value as if completed of the property is approximately RMB1,677,000,000.

5. We have been provided with a legal opinion regarding the property interest by the Company's PRC legal advisers, which contains, inter alia, the following:
- a. the Group has paid the land premium in respect of the property in full and pursuant to various State-owned Land Use Rights Certificates, the Group has legally acquired the land use rights of the property; during the land use rights terms, the Group is entitled to occupy, use, lease, mortgage, transfer or otherwise dispose of the sites of the property;
  - b. pursuant to an Other Rights Certificate – Ta Xiang (2012) Di No. 00038, a parcel of land under the State-owned Land Use Rights Certificate – Ning Xia Guo Yong (2010) Di No. 05869 with a site area of approximately 31,888.2 sq.m. was subject to a mortgage in favour of Jiangsu International Trust Corporation Limited; Nanjing Jiangxu has the rights to occupy and use the parcel of land, but could not transfer, lease, mortgage or otherwise dispose of the land without obtaining the consent of the mortgagee;
  - c. the land of the property was recognized as idle land by Nanjing State-owned Land Resources Bureau on 14 September 2011, however, as confirmed by the Group, Nanjing Jiangxu did/would not get administrative punishment or handling; and
  - d. the Group has obtained from the PRC Government requisite approvals in respect of the construction of the property and the approvals are valid.
6. A summary of major certificates/approvals is shown as follows:
- |    |   |     |
|----|---|-----|
| a. | State-owned Land Use Rights Certificate                       | Yes |
| b. | Construction Work Planning Permit                             | Yes |
| c. | Construction Work Commencement Permit                         | Yes |
| d. | Pre-sale Permit   | N/A |
| e. | Construction Work Completion and Inspection Certificate/Table | N/A |

## VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at 30 September 2013 RMB
29.	Nantong Glorious Plaza under construction located at the south of Shiji Avenue and the east of Gongnong South Road Chongchuan District Nantong City Jiangsu Province The PRC	<p>The property, known as Nantong Glorious Plaza, comprises a 48-storey office building, a 47-storey hotel building and a 7-storey conference building, which are currently under construction.</p> <p>As advised by the Group, the property is scheduled to be completed in March 2015. Upon completion, the property will have a total gross floor area of approximately 299,504 sq.m.</p> <p>As advised by the Group, the total construction cost is estimated to be approximately RMB2,364,000,000, of which approximately RMB437,000,000 had been paid up to the valuation date.</p> <p>The land use rights of the property have been granted for a term expiring on 14 December 2046 for commercial use.</p>	The property is currently under construction.	<p>1,347,000,000</p> <p>(100% interest attributable to the Group: RMB1,347,000,000)</p>

*Notes:*

- Pursuant to a State-owned Land Use Rights Certificate – Su Tong Guo Yong (2008) Di No. 0110012, the land use rights of a parcel of land, on which the property is situated, with a site area of approximately 45,089.53 sq.m. have been granted to Glorious Plaza (Nantong) Property Development Co., Ltd. (“**Glorious Nantong**”, a wholly-owned subsidiary of the Company) for a term expiring on 14 December 2046 for commercial use.
- Pursuant to 2 Construction Work Planning Permits – NTF Nos. 20100122 and 20110072 in favour of Glorious Nantong, the property with a total gross floor area of approximately 299,504 sq.m. has been approved for construction.
- Pursuant to 2 Construction Work Commencement Permits – Nos. 3206002011040800001A and 320600020110017 in favour of Glorious Rongsheng (Nantong) Building Real Estate Development Co., Ltd (the former name of Glorious Nantong), permissions by the relevant local authority was given to commence the construction of the property with a total gross floor area of approximately 299,504 sq.m.

4. The market value as if completed the property is approximately RMB3,616,000,000.
5. We have been provided with a legal opinion regarding the property interest by the Company's PRC legal advisers, which contains, inter alia, the following:
  - a. the Group has paid the land premium of the property in full and has legally acquired the land use rights of the property, however, in accordance with the excursus of the State-owned Land Use Rights Certificate, the validity of the Certificate was till 30 September 2012;
  - b. the Group is entitled to occupy, use, lease, mortgage, transfer or otherwise dispose of the site of the property after extending the valid time of the Certificate; and
  - c. the Group has obtained from the PRC Government requisite approvals in respect of the construction of the property and the approvals are valid.
6. A summary of major certificates/approvals is shown as follows:
 

a.	State-owned Land Use Rights Certificate	Yes
b.	Construction Work Planning Permit	Yes
c.	Construction Work Commencement Permit	Yes
d.	Pre-sale Permit	N/A
e.	Construction Work Completion and Inspection Certificate/Table	N/A



## VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at 30 September 2013 RMB
30.	Phase II of Nantong Royal Bay under construction located at the west of Gongnong Road and the south of Hongqiao Road Chongchuan District Nantong City Jiangsu Province The PRC	<p>The property comprises Phase II of a residential development known as Nantong Royal Bay which is currently under construction.</p> <p>As advised by the Group, the property is scheduled to be completed in July 2015. Upon completion, the property will have a total gross floor area of approximately 333,796.90 sq.m.</p> <p>As advised by the Group, the total construction cost is estimated to be approximately RMB1,168,000,000, of which approximately RMB383,000,000 had been paid up to the valuation date.</p> <p>The land use rights of the property were contracted to be granted for terms expiring on 29 April 2080 for residential use and 29 April 2050 for commercial use.</p>	The property is currently under construction.	No commercial value

*Notes:*

- Pursuant to a State-owned Land Use Rights Grant Contract dated 31 December 2009, the land use rights of a parcel of land with a site area of approximately 244,523.50 sq.m. ("Land Lot 3" and "Land Lot 5"), on which the property is situated, were contracted to be granted to Fuda Real Estate Development (Nantong) Co., Ltd. (a wholly-owned subsidiary of the Company) for terms expiring on 29 April 2080 for residential use and 29 April 2050 for commercial use. The land premium was RMB3,349,971,950.
- Pursuant to a Construction Land Planning Permit – Di Zi Di No. 320600201010109 in favour of Glorious Weida (Nantong) Property Development Co., Ltd. ("**Nantong Weida**", a wholly-owned subsidiary of the Company), permission towards the planning of a parcel of land with a site area of approximately 244,524 sq.m., on which the property is situated, has been granted to Nantong Weida.
- Pursuant to a State-owned Land Use Rights Certificate – Su Tong Guo Yong (2010) Di No. 0106020, the land use rights of a parcel of land with a site area of approximately 155,057.03 sq.m. ("Land Lot 3"), on which a portion of the property is situated, have been granted to Nantong Weida for terms expiring on 29 April 2080 for residential use and 29 April 2050 for commercial use.

4. Pursuant to a Construction Work Planning Permit – NTF No. 20110042 in favour of Nantong Weida, portion of the property with a gross floor area of approximately 144,320 sq.m. has been approved for construction.
5. We have not been provided with the Construction Work Commencement Permit of the property.
6. The market value as if completed of the property is approximately RMB4,908,000,000.
7. We have been provided with a legal opinion regarding the property interest by the Company's PRC legal advisers, which contains, inter alia, the following:
  - a. the Group has paid the land premium in respect of a portion of the property in full and pursuant to a State-owned Land Use Rights Certificates mentioned in note 3, the Group has legally acquired the land use rights of the parcel of land; during the land use rights terms, the Group is entitled to occupy, use, lease, mortgage, transfer or otherwise dispose of the site of the property;
  - b. for the land lot 5, on which the remaining portion of the property is situated, the Group has not obtained the State-owned Land Use Rights Certificate and will pay approximately RMB500,000,000 as the land premium before obtaining the title certificate;
  - c. the Group may be subject to penalty for commencing the construction of the property without relevant construction permits; and
  - d. as confirmed by Nantong Weida, Nantong Weida has not received any penalty notice from relevant local government authorities.
8. In the valuation of this property, we have relied on the aforesaid legal opinion and attributed no commercial value to the property. However, for reference purpose, we are of the opinion that the capital value of the property as at the valuation date would be RMB2,668,000,000 assuming all relevant title certificates and construction permits have been obtained and it could be freely transferred.
9. A summary of major certificates/approvals is shown as follows:
 

a.	Construction Land Planning Permit	Yes
b.	State-owned Land Use Rights Certificate	Portion
c.	Construction Work Planning Permit	Portion
d.	Construction Work Commencement Permit	No
e.	Pre-sale Permit	N/A
f.	Construction Work Completion and Inspection Certificate/Table	N/A

## VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at 30 September 2013 RMB														
31.	Phase I of the south area of Bashangjie Project under construction located at the southwestern side of the junction of Changjiang Road and Mingguang Road Yaohai District Hefei City Anhui Province The PRC	<p>The property comprises 3 residential buildings with a 9-storey commercial podium in Phase I of the south area of Bashangjie Project, which is currently under construction.</p> <p>As advised by the Group, the property is scheduled to be completed in December 2014. Upon completion, the property will have a total gross floor area of approximately 323,996 sq.m. Details of the property are set out as follows:</p> <table border="1"> <thead> <tr> <th>Usage</th> <th>Gross Floor Area (sq.m.)</th> </tr> </thead> <tbody> <tr> <td>Residential</td> <td>94,694</td> </tr> <tr> <td>Retail</td> <td>69,110</td> </tr> <tr> <td>Relocated Retail</td> <td>60,000</td> </tr> <tr> <td>Car parking spaces</td> <td>83,942</td> </tr> <tr> <td>Ancillary</td> <td>16,250</td> </tr> <tr> <td><b>Total:</b></td> <td><b>323,996</b></td> </tr> </tbody> </table>	Usage	Gross Floor Area (sq.m.)	Residential	94,694	Retail	69,110	Relocated Retail	60,000	Car parking spaces	83,942	Ancillary	16,250	<b>Total:</b>	<b>323,996</b>	The property is currently under construction.	<p>1,420,000,000</p> <p>(100% interest attributable to the Group: RMB1,420,000,000</p>
Usage	Gross Floor Area (sq.m.)																	
Residential	94,694																	
Retail	69,110																	
Relocated Retail	60,000																	
Car parking spaces	83,942																	
Ancillary	16,250																	
<b>Total:</b>	<b>323,996</b>																	
		<p>As advised by the Group, the total construction cost is estimated to be approximately RMB1,695 million, of which RMB1,107 million had been paid up to the valuation date.</p> <p>The land use rights of the property have been granted for terms expiring on 24 December 2078 for residential use and 24 December 2048 for commercial and office uses.</p>																

*Notes:*

1. Pursuant to a State-owned Land Use Rights Certificate – He Guo Yong (2012) Di No. 217, the land use rights of a parcel of land with a site area of approximately 57,838.55 sq.m (including Phases I and II of the south area of Bashangjie Project) have been granted to Glorious Hengmao (Hefei) Property Development Co., Ltd. (“**Hefei Hengmao**”, a wholly-owned subsidiary of the Company) for terms expiring on 24 December 2078 for residential use and 24 December 2048 for commercial and office uses.
2. Pursuant to a duplicate copy of the Construction Work Planning Permit – He Gui Jian in Xu No. 2013077 in favour of Hefei Hengmao, Phase I of south area of Bashangjie Project with a total gross floor area of approximately 323,996 sq.m. has been approved for construction.

However, according to the note stated in the Permit, the Permit could not be used for title registration and the Construction Work Planning Permit could be issued and obtained when the construction has been completed and passed the planning inspection based on the aforesaid duplicate copy and relevant approvals.

3. Pursuant to a Construction Work Commencement Permit – No. 010013022800183 in favour of Hefei Hengmao, permission by the relevant local authority was given to commence the construction of Phase I of the south area of Bashangjie Project with a total gross floor area of approximately 323,996 sq.m.
4. Pursuant to a Pre-sales Permit – He Fang Yu Shou Zheng Di No. 20130120 in favour of Hefei Hengmao, the Group is entitled to sell 888 residential units (representing a total gross floor area of approximately 94,694.02 sq.m.) of Phase I of the south area of Bashangjie Project.
5. The market value as if completed of the proposed development is approximately RMB2,107,000,000.
6. As advised by the Group, 313 residential units with a total gross floor area of approximately 34,626.22 sq.m. have been pre-sold to various third parties at a total consideration of RMB377,593,576. Such portions of the property have not been legally and virtually transferred and therefore we have included the units in our valuation. In arriving at our opinion on the capital value of the property, we have taken into account the contracted prices of such units of the property.
7. We have been provided with a legal opinion regarding the property interest by the Company’s PRC legal advisers, which contains, inter alia, the following:
  - a. the Group has paid the land premium in respect of the property in full and pursuant to a State-owned Land Use Rights Certificate, the Group has legally acquired the land use rights of the property; during the land use rights terms, the Group is entitled to occupy, use, lease, mortgage, transfer or otherwise dispose of the site of the property;
  - b. pursuant to a Mortgage Contract entered into between Hefei Hengmao and Shanghai Branch of China Merchants Bank (the “**Bank**”), a portion of a parcel of land under the State-owned Land Use Rights Certificate – He Guo Yong (2012) Di No. 217 with a site area of approximately 33,615.43 sq.m. and the development under construction were subject to a mortgage in favour of the Bank for a loan of RMB600,000,000 for a term from 26 April 2013 to 26 April 2015; Hefei Hengmao has the rights to occupy and use the portion of the land, but could not transfer, lease, mortgage or otherwise dispose of the portion without obtaining the consent of the mortgagee;
  - c. the Group has obtained from the PRC Government requisite approvals in respect of the construction of the property and the approvals are valid; and
  - d. the Group is entitled to sell various residential units of the property in accordance with the Pre-sales Permits mentioned in note 4.
8. A summary of major certificates/approvals is shown as follows:
 

a.	State-owned Land Use Rights Certificate	Yes
b.	Construction Work Planning Permit	Yes
c.	Construction Work Commencement Permit	Yes
d.	Pre-sales Permit	Portion
e.	Construction Work Completion and Inspection Certificate/Table	N/A

## VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at 30 September 2013 RMB
32.	Hefei Royal Garden Phase III under construction located at the southeast of junction of Mengcheng Road and Lianshui Road Luyang District Hefei City Anhui Province The PRC	<p>The property comprises a residential development known as Hefei Royal Garden Phase III which is currently under construction.</p> <p>As advised by the Group, the property is scheduled to be completed at the end of 2014. Upon completion, the property will have a total gross floor area of approximately 214,947 sq.m.</p> <p>As advised by the Group, the total construction cost is estimated to be approximately RMB519,000,000, of which RMB329,700,000 had been paid up to the valuation date.</p> <p>The land use rights of the property have been granted for terms expiring on 15 September 2080 for residential use and 15 September 2050 for commercial use.</p>	The property is currently under construction.	<p>709,000,000</p> <p>(100% interest attributable to the Group: RMB709,000,000)</p>

## Notes:

1. Pursuant to 3 State-owned Land Use Rights Certificates – He Guo Yong (2010) Di No. 522, He Guo Yong (2011) Di Nos. 10 and 11, the land use rights of 3 parcels of land with a total site area of approximately 150,000 sq.m., on which the property is situated, have been granted to Glorious Yifeng (Hefei) Property Development Co., Ltd. (“**Hefei Yifeng**”, a wholly-owned subsidiary of the Company) for terms expiring on 15 September 2080 for residential use and 15 September 2050 for commercial use.

Pursuant to the excursus of the State-owned Land Use Rights Certificates, a hotel and a supermarket should be constructed, and should be held and operated by the Group when completed. Sale of the hotel and supermarket would not be permitted.

2. Pursuant to 11 Construction Work Planning Permits – He Gui Jian Min Xu Nos. 2011684, 2012377, 2012308 to 2012310, 2012378, 2012119, 2012364, 2012120, 2012413 and 2012185 in favour of Hefei Yifeng, Hefei Royal Garden Phase III with a total gross floor area of approximately 214,947 sq.m. has been approved for construction.

3. Pursuant to 3 Construction Work Commencement Permits – 010012102501318, 010012061100640 and 010013041800423 in favour of Hefei Yifeng, permissions by the relevant local authority has been given to commence the construction of Hefei Royal Garden Phase III and other facilities with a total gross floor area of approximately 221,580 sq.m.
4. Pursuant to 8 Pre-sales Permits – He Fang Yu Shou Zheng Di Nos. 20120314, 20120336, 20120547, 20120554, 20120646, 20130040, 20130157 and 20130442 in favour of Hefei Yifeng, the Group is entitled to sell Building nos. 15 to 22 (representing 1,442 units with a total gross floor area of approximately 138,091.93 sq.m.) of Hefei Royal Garden Phase III to purchasers.
5. The market value as if completed of the property is approximately RMB953,000,000.
6. As advised by the Group, 1,335 residential units of the property with a total gross floor area of approximately 127,841 sq.m. have been pre-sold to various third parties at a total consideration of RMB723,812,880. Such units of the property have not been legally and virtually transferred and therefore we have included the units in our valuation. In arriving at our opinion on the capital value of the units, we have taken into account the contracted prices of such units of the property.
7. We have been provided with a legal opinion regarding the property interest by the Company's PRC legal advisers, which contains, inter alia, the following:
  - a. the Group has paid the land premium in respect of the property in full and pursuant to various Land Use Rights Certificates, the Group has legally acquired the land use rights of the property; during the land use rights terms, the Group is entitled to occupy, use, lease, mortgage, transfer or otherwise dispose of the sites of the property;
  - b. the Group has obtained from the PRC Government requisite approvals in respect of the construction of the property and the approvals are valid; and
  - c. the Group is entitled to sell Building nos. 15 to 22 of the property in accordance with the Pre-sales Permits mentioned in note 4.
8. A summary of major certificates/approvals is shown as follows:
 

a. State-owned Land Use Rights Certificates	Yes
b. Construction Work Planning Permit	Yes
c. Construction Work Commencement Permit	Yes
d. Pre-sales Permit	Yes
e. Construction Work Completion and Inspection Certificate/Table	N/A
f. Building Ownership Certificate	N/A

## VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at 30 September 2013 RMB
33.	Shenyang Glorious Plaza under construction No. 181 Nujiang North Street Yuhong District Shenyang City Liaoning Province The PRC	<p>The property comprises a 4-storey retail center with a 2-storey basement in a residential development known as Sunny Town Phase IV, which is currently under construction.</p> <p>As advised by the Group, the property is scheduled to be completed in June 2014. Upon completion, the property will have a total gross floor area of approximately 119,391 sq.m.</p> <p>As advised by the Group, the total construction cost is estimated to be approximately RMB569,000,000, of which RMB344,700,000 had been paid up to the valuation date.</p> <p>The land use rights of the property have been granted for terms expiring on 9 May 2060 for residential use and 9 May 2050 for retail use.</p>	The property is currently under construction.	658,000,000  (100% interest attributable to the Group: RMB658,000,000)

## Notes:

- Pursuant to a State-owned Land Use Rights Certificate – Shen Yang Guo Yong (2011) Di No. 0014, the land use rights of a parcel of land, on which the property is situated, with a site area of approximately 84,966.5 sq.m. have been granted to Glorious Yangguang Xindi (Liaoning) Property Co., Ltd. (“**Liaoning Xindi**”, a wholly-owned subsidiary of the Company) for terms expiring on 9 May 2060 for residential use and 9 May 2050 for retail use.
- Pursuant to 2 Construction Work Planning Permits – Jian Zi Di Nos. 21000201100049 and 210100201100073 in favour of Liaoning Xindi, the property with a total gross floor area of approximately 119,391 sq.m. has been approved for construction.
- Pursuant to a Construction Work Commencement Permit – No. 210100201109205501 in favour of Liaoning Xindi, permission by the relevant local authority was given to commence the construction of the property with a total gross floor area of approximately 119,391 sq.m.
- The market value as if completed of the property is approximately RMB1,009,000,000.

5. We have been provided with a legal opinion regarding the property interest by the Company's PRC legal advisers, which contains, inter alia, the following:
- a. the Group has paid the land premium in respect of the property in full and pursuant to a State-owned Land Use Rights Certificate, the Group has legally acquired the land use rights of the property; during the land use rights terms, the Group is entitled to occupy, use, lease, mortgage, transfer or otherwise dispose of the site of the property; and
  - b. the Group has obtained from the PRC Government requisite approvals in respect of the construction of the property and the approvals are valid.
6. A summary of major certificates/approvals is shown as follows:
- |    |   |     |
|----|---|-----|
| a. | State-owned Land Use Rights Certificate                       | Yes |
| b. | Construction Work Planning Permit                             | Yes |
| c. | Construction Work Commencement Permit                         | Yes |
| d. | Pre-sale Permit   | N/A |
| e. | Construction Work Completion and Inspection Certificate/Table | N/A |



## VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at 30 September 2013 RMB
34.	Building nos. 10, S3 and S4 of Harbin Royal Garden under construction No. 1066 Jinjiang Road Qunli New Zone Daoli District Harbin City Heilongjiang Province The PRC	<p>The property comprises a residential building (Building no. 10) and two retail buildings (Building nos. S3 and S4) in a residential development known as Harbin Royal Garden, which is currently under construction.</p> <p>As advised by the Group, the property was completed in December 2013. Upon completion, the property has a total gross floor area of approximately 12,793.92 sq.m.</p> <p>As advised by the Group, the total construction cost is estimated to be approximately RMB20,340,000, of which RMB16,070,000 had been paid up to the valuation date.</p> <p>The land use rights of the property have been granted for terms of 70 years for residential use and 40 years for commercial use.</p>	<p>The property was under construction as at the valuation date and was completed in December 2013.</p>	<p>87,000,000</p> <p>(100% interest attributable to the Group: RMB87,000,000)</p>

## Notes:

- Pursuant to a State-owned Land Use Rights Certificate – Ha Guo Yong (2011) Di No. 02006084, the land use rights of a parcel of land with a site area of approximately 75,938.37 sq.m., on which the property is situated, have been granted to Glorious Fuhai (Harbin) Development Co., Ltd. (“**Harbin Fuhai**”, a wholly-owned subsidiary of the Company) for terms of 70 years for residential use and 40 years for commercial use.
- Pursuant to a State-owned Land Use Rights Certificate – Ha Guo Yong (2011) Di No. 02006085, the land use rights of a parcel of land with a site area of approximately 1,941.03 sq.m., on which the property is situated, have been allocated to Harbin Fuhai for low-price leasing housing use. As advised by the Group, Harbin Fuhai is in the process of changing the allocated land to granted land and will further pay approximately RMB18,000,000.

3. Pursuant to a Construction Work Planning Permit – Ha Gui Cheng (Qunli) Jian Zi Di [2011] No. 14 in favour of Harbin Fuhai, Harbin Royal Garden with a total gross floor area of approximately 226,594.15 sq.m. has been approved for construction.
4. Pursuant to 3 Construction Work Commencement Permits – 2301022011042003-01 2011.1273, 2301022011042012-01 2011.916 and 2301022011042013-01 2011.917 in favour of Harbin Fuhai, permissions by the relevant local authority was given to commence the construction of the property with a total gross floor area of approximately 12,793.92 sq.m.
5. Pursuant to 2 Pre-sales Permits – [2012] Ha Fang Yu Shou Zheng Di No. 0878 and [2011] Ha Fang Yu Shou Zheng Di No. 0816 in favour of Harbin Fuhai, the Group is entitled to sell 13 buildings (representing a total gross floor area of approximately 157,656.85 sq.m.) of Harbin Royal Garden (including Building nos. 10, S3 and S4) to purchasers.
6. The market value as if completed of the proposed development is approximately RMB124,000,000.
7. As advised by the Group, 96 residential units and 2 retail buildings of the property with a total gross floor area of approximately 12,006.91 sq.m. have been pre-sold to various third parties at a total consideration of RMB120,545,482. Such units of the property have not been legally and virtually transferred and therefore we have included the units in our valuation. In arriving at our opinion on the capital value of the units, we have taken into account the contracted prices of such units of the property.
8. We have been provided with a legal opinion regarding the property interest by the Company's PRC legal advisers, which contains, inter alia, the following:
  - a. the Group has paid the land premium in respect a parcel of land of the property in full and pursuant to a State-owned Land Use Rights Certificate mentioned in note 1, the Group has legally acquired the land use rights of the land; during the land use rights terms, the Group is entitled to occupy, use, lease, mortgage, transfer or otherwise dispose of the site of the property;
  - b. Harbin Fuhai has built commodity residential buildings on the allocated land mentioned in note 2, which is planned to build low-price leasing housing, and also has sold various unites to purchasers, without changing the allocated land to granted land or paying land premium in accordance with relevant regulations; the purchasers may claim for the invalidity of the purchase contracts and ask for returning payment and paying compensation;
  - c. as confirmed by Harbin Fuhai, Harbin Fuhai has purchased various residential units in other place as low-price leasing housing and delivered them to relevant local government authorities, therefore, the local government authorities have not issued any penalty notice up till now;
  - d. the Group has obtained from the PRC Government requisite approvals in respect of the construction of the property and the approvals are valid; and
  - e. the Group is entitled to sell various buildings in accordance with the Pre-sales Permits mentioned in note 5.
9. A summary of major certificates/approvals is shown as follows:
 

a.	State-owned Land Use Rights Certificate	Yes
b.	Construction Work Planning Permit	Yes
c.	Construction Work Commencement Permit	Yes
d.	Pre-sale Permit	Yes
e.	Construction Work Completion and Inspection Certificate/Table	N/A

## VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at 30 September 2013 RMB
35.	Phases A1 and C2 of Changchun Villa Glorious under construction located at the western side of Chaofan Avenue and the southern side of Chuangyi Road High-tech New District Changchun City Jilin Province The PRC	<p>The property comprises various residential buildings, commercial buildings and underground car parking spaces in Phases A1 and C2 of a residential development known as Changchun Villa Glorious, which are currently under construction.</p> <p>As advised by the Group, the property is scheduled to be completed in June 2014. Upon completion, the property will have a total gross floor area of approximately 414,055.97 sq.m.</p> <p>As advised by the Group, the total construction cost is estimated to be approximately RMB1,155,000,000, of which RMB902,000,000 had been paid up to the valuation date.</p> <p>The land use rights of the property have been granted for terms expiring on 22 July 2060 and 13 May 2060 for residential and other commercial uses.</p>	The property is currently under construction.	<p>1,328,000,000</p> <p>(100% interest attributable to the Group: RMB1,328,000,000)</p>

## Notes:

- Pursuant to 4 State-owned Land Use Rights Certificates – Chang Guo Yong (2011) Di Nos. 091000251 and 091000252, 091000288 and 091000289 the land use rights of 4 parcels of land with a total site area of approximately 363,988 sq.m., on which the property is situated, have been granted to Glorious Huixin (Changchun) Property Development Co., Ltd. (“**Changchun Huixin**”, a wholly-owned subsidiary of the Company) for terms expiring on 22 July 2060 and 13 May 2060 for residential and other commercial uses.
- Pursuant to 2 Construction Work Planning Permits – Jian Zi Di Nos. 220000201200091 and 220000201100159 in favour of Changchun Huixin, Phases A1 and C2 of Changchun Villa Glorious with a total gross floor area of approximately 412,881.88 sq.m. have been approved for construction.

3. Pursuant to 21 Construction Work Commencement Permits in favour of Changchun Huixin, permission by the relevant local authority has been given to commence the construction of Phases A1 and C2 of Changchun Villa Glorious with a total gross floor area of approximately 412,881.88 sq.m.
4. Pursuant to 4 Pre-sales Permits – Chang Fang Shou Zheng (2011) Di Nos. 241, 279, Chang Fang Shou Zheng (2012) Di Nos. 170 and 266 in favour of Changchun Huixin, the Group is entitled to sell various buildings of Phases A1 and C2 of Changchun Villa Glorious (representing a total gross floor area of approximately 328,287.74 sq.m.) to purchasers.
5. The market value as if completed of the property is approximately RMB1,847,000,000.
6. As advised by the Group, 1,743 residential units with a total gross floor area of approximately 184,320.79 sq.m. have been pre-sold to various third parties at a total consideration of RMB757,083,634. Such units of the property have not been legally and virtually transferred and therefore we have included the units in our valuation. In arriving at our opinion on the capital value of the property, we have taken into account the contracted prices of such units of the property.
7. We have been provided with a legal opinion regarding the property interest by the Company's PRC legal advisers, which contains, inter alia, the following:
  - a. the Group has paid the land premium in respect of the property in full and pursuant to various State-owned Land Use Rights Certificates, the Group has legally acquired the land use rights of the property; during the land use rights terms, the Group is entitled to occupy, use, lease, mortgage, transfer or otherwise dispose of the sites of the property;
  - b. the Group has obtained from the PRC Government requisite approvals in respect of the construction of the property and the approvals are valid; and
  - c. the Group is entitled to sell various buildings in accordance with the Pre-sales Permits mentioned in note 4.
8. A summary of major certificates/approvals is shown as follows:
 

a.	State-owned Land Use Rights Certificate	Yes
b.	Construction Work Planning Permit	Yes
c.	Construction Work Commencement Permit	Yes
d.	Pre-sale Permit	Portion
e.	Construction Work Completion and Inspection Certificate/Table	N/A

## VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at 30 September 2013 RMB										
36.	Tianjin Glorious Plaza under construction located at northeast of the junction of Taixing South Road and Chenglin Road Hedong District Tianjin The PRC	<p>The property comprises a commercial building (known as Tianjin Glorious Plaza) which is under construction.</p> <p>As advised by the Group, Tianjin Glorious Plaza is scheduled to be completed at the end of 2015. Upon completion, it will have a total gross floor area of approximately 71,505 sq.m. with apartment and retail components plus underground car parking spaces. Details of the property are set out as follows:</p> <table border="1"> <thead> <tr> <th>Usage</th> <th>Gross Floor Area (sq.m.)</th> </tr> </thead> <tbody> <tr> <td>Apartment</td> <td>23,100</td> </tr> <tr> <td>Retail</td> <td>25,180</td> </tr> <tr> <td>Car parking spaces</td> <td><u>23,225</u></td> </tr> <tr> <td><b>Total:</b></td> <td><b><u>71,505</u></b></td> </tr> </tbody> </table>	Usage	Gross Floor Area (sq.m.)	Apartment	23,100	Retail	25,180	Car parking spaces	<u>23,225</u>	<b>Total:</b>	<b><u>71,505</u></b>	The property is currently under construction.	<p>390,000,000</p> <p>(100% interest attributable to the Group: RMB390,000,000)</p>
Usage	Gross Floor Area (sq.m.)													
Apartment	23,100													
Retail	25,180													
Car parking spaces	<u>23,225</u>													
<b>Total:</b>	<b><u>71,505</u></b>													
		<p>As advised by the Group, the total construction cost is estimated to be approximately RMB409,000,000, of which RMB69,800,000 had been paid up to the valuation date.</p> <p>The land use rights of the property have been granted for a term expiring on 29 November 2050 for commercial and financial uses.</p>												

*Notes:*

1. Pursuant to a Real Estate Title Certificate – Fang Di Zheng Jin Zi Di No. 102051100422, the land use rights of a parcel of land with a site area of approximately 15,769.70 sq.m., on which the property is situated, have been granted to Glorious Yangguang Xindi (Tianjin) Investment Co., Ltd. (“**Tianjin Xindi**”, a wholly-owned subsidiary of the Company) for a term expiring on 29 November 2050 for commercial and financial uses.
2. Pursuant to 2 Construction Work Planning Permits – 2012 He Dong Jian Zheng Nos. 0021 and 0020 in favour of Tianjin Xindi, Tianjin Glorious Plaza with a total gross floor area of approximately 71,505 sq.m. has been approved for construction.
3. Pursuant to a Construction Work Commencement Permit – No. 12102081201304001 in favour of Tianjin Xindi, permission by the relevant local authority was given to commence the construction of Tianjin Glorious Plaza with a total gross floor area of approximately 71,505 sq.m.
4. The market value as if completed of the property is approximately RMB994,000,000.
5. We have been provided with a legal opinion regarding the property interest by the Company’s PRC legal advisers, which contains, inter alia, the following:
  - a. the Group has paid the land premium in respect of the property in full and pursuant to a Real Estate Title Certificate, the Group has legally acquired the land use rights of the property; during the land use rights terms, the Group is entitled to occupy, use, lease, mortgage, transfer or otherwise dispose of the site of the property;
  - b. pursuant to a Land Use Rights Mortgage Contract, a parcel of land under the Real Estate Title Certificate – Fang Di Zheng Jin Zi Di No. 102051100422 with a site area of approximately 15,769.7 sq.m. was subject to a mortgage in favour of Minmetals International Trust Co., Ltd. for a term of 2 years from 25 September 2013 to 24 September 2015; Tianjin Xindi has the rights to occupy and use the parcel of land, but could not transfer, lease, mortgage or otherwise dispose of the land without obtaining the consent of the mortgagee; and
  - c. the Group has obtained from the PRC Government requisite approvals in respect of the construction of the property and the approvals are valid.
6. A summary of major certificates/approvals is shown as follows:
 

a.	Real Estate Title Certificate (for land only)	Yes
b.	Construction Work Planning Permit	Yes
c.	Construction Work Commencement Permit	Yes
d.	Pre-sale Permit	N/A
e.	Construction Work Completion and Inspection Certificate/Table	N/A

## VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at 30 September 2013 RMB														
37.	Phase I of Tianjin Royal Bay Seaside – Dong Yuan and Bei Yuan under construction located at Guangang Forest Park Dagang District Tianjin The PRC	<p>The property comprises 51 low-rise houses in Phase I of Royal Bay Seaside – Dong Yuan (“Dong Yuan”) and 54 low-rise houses in Phase I of the Tianjin Royal Bay Seaside-Bei Yuan (“Bei Yuan”), which are currently under construction. Tianjin Royal Bay Seaside is a large low-density residential development.</p> <p>As advised by the Group, the property is scheduled to be completed in July and December 2014. Upon completion, the property will have a total gross floor area of approximately 162,643.71 sq.m. Details of the property are set out as follows:</p> <table border="1"> <thead> <tr> <th>Usage</th> <th>Gross Floor Area (sq.m.)</th> </tr> </thead> <tbody> <tr> <td colspan="2"><b>Dong Yuan Phase I</b></td> </tr> <tr> <td>Low-rise houses</td> <td>97,663.83</td> </tr> <tr> <td>Serviced facilities</td> <td>3,951.23</td> </tr> <tr> <td colspan="2"><b>Bei Yuan Phase I</b></td> </tr> <tr> <td>Low-rise houses</td> <td>61,028.65</td> </tr> <tr> <td><b>Total:</b></td> <td><b><u>162,643.71</u></b></td> </tr> </tbody> </table> <p>As advised by the Group, the total construction cost is estimated to be approximately RMB1,252,000,000, of which RMB403,300,000 had been paid up to the valuation date.</p> <p>The land use rights of the property have been granted for terms expiring on 21 November 2077 for residential use and 27 April 2046 for commercial use.</p>	Usage	Gross Floor Area (sq.m.)	<b>Dong Yuan Phase I</b>		Low-rise houses	97,663.83	Serviced facilities	3,951.23	<b>Bei Yuan Phase I</b>		Low-rise houses	61,028.65	<b>Total:</b>	<b><u>162,643.71</u></b>	The property is currently under construction.	776,000,000  (100% interest attributable to the Group: RMB776,000,000)
Usage	Gross Floor Area (sq.m.)																	
<b>Dong Yuan Phase I</b>																		
Low-rise houses	97,663.83																	
Serviced facilities	3,951.23																	
<b>Bei Yuan Phase I</b>																		
Low-rise houses	61,028.65																	
<b>Total:</b>	<b><u>162,643.71</u></b>																	

*Notes:*

1. Pursuant to a State-owned Land Use Rights Certificate – Gang Dan Guo Yong (2007) Di No. 221, the land use rights of a parcel of land with a site area of approximately 366,666.6 sq.m (including Phases I and II of Dong Yuan) have been granted to Tianjin Gangtian Real Estate Investment Co. Ltd. (“**Tianjin Gangtian**”, a wholly-owned subsidiary of the Company) for a term expiring on 21 November 2077 for residential use.
2. Pursuant to 2 Real Estate Title Certificates – Fang Di Zheng Jin Zi Di Nos. 109051000729 and 109051000730, the land use rights of a parcel of land with a site area of approximately 312,712.5 sq.m (including Phases I and II of Bei Yuan) have been granted to Glorious Tianxingjian (Tianjin) Real Estate Investment Co., Ltd. (“**Tianjin Tianxingjian**”, a wholly-owned subsidiary of the Company) for a term expiring on 27 April 2046 for commercial use.
3. Pursuant to 2 Construction Work Planning Permits – 2010 Da Gang Jian Zheng Nos. 0106 and 0085 in favour of Tianjin Gangtian, Phase I of Dong Yuan with a total gross floor area of approximately 101,615.06 sq.m. has been approved for construction.
4. Pursuant to a Construction Work Planning Permit – 2010 Da Gang Jian Zheng No. 0107 in favour of Tianjin Tianxingjian, Phase I of Bei Yuan with a total gross floor area of approximately 61,028.65 sq.m. has been approved for construction.
5. Pursuant to 2 Construction Work Commencement Permits – Nos. 12109021201012020 and 12109021201105001 in favour of Tianjin Gangtian, permission by the relevant local authority was given to commence the construction of Phase I of Dong Yuan with a total gross floor area of approximately 97,663.83 sq.m.
6. Pursuant to 2 Construction Work Commencement Permits – Nos. 12109041201104010 and 12109041201012021 in favour of Tianjin Tianxingjian, permission by the relevant local authority was given to commence the construction of Phase I of Bei Yuan with a total gross floor area of approximately 61,028.65 sq.m.
7. Pursuant to 16 Pre-sales Permits – Jin Guo Tu Fang Shou Xu Zi (2011) Di Nos. 818-001 to 818-016 in favour of Tianjin Tianxingjian, the Group is entitled to sell 16 low-rise houses (representing a total gross floor area of approximately 15,647 sq.m.) of portions of the property in Phase I of Bei Yuan.
8. The market value as if completed of the property is approximately RMB1,508,000,000.
9. We have been provided with a legal opinion regarding the property interest by the Company’s PRC legal advisers, which contains, inter alia, the following:
  - a. the Group has paid the land premium in respect of the property in full and pursuant to various State-owned Land Use Rights Certificates/Real Estate Title Certificates, the Group has legally acquired the land use rights of the property; during the land use rights terms, the Group is entitled to occupy, use, lease, mortgage, transfer or otherwise dispose of the sites of the property;
  - b. the Group has obtained from the PRC Government requisite approvals in respect of the construction of the property and the approvals are valid;
  - c. the Group is entitled to sell various buildings in accordance with the Pre-sales Permits mentioned in note 7;
  - d. in accordance with 2 land supplementary agreements, construction work of the property should be completed before 31 December 2013, so the Group would be subject to penalty due to the delay of the construction; and
  - e. as confirmed by the Group, the delay of the construction work of the property was caused by the uncertainty of the scheme of governmental road network, therefore, Tianjin Gangtian and Tianjin Tianxingjian should negotiate with relevant government authorities for the aforesaid matter.



10. A summary of major certificates/approvals is shown as follows:

- |    |  |         |
|----|--|---------|
| a. | State-owned Land Use Rights Certificate/<br>Real Estate Title Certificates (for land only) | Yes     |
| b. | Construction Work Planning Permit  | Yes     |
| c. | Construction Work Commencement Permit  | Yes     |
| d. | Pre-sales Permit of Residential  | Portion |
| e. | Construction Work Completion and Inspection Certificate/Table                              | N/A     |

## VALUATION CERTIFICATE

## Group IV – Property interests held for future development by the Group in the PRC

No.	Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at 30 September 2013 RMB
38.	2 parcels of land located at Block 143 of Xu Jia Hui Xuhui District Shanghai The PRC	The property comprises 2 parcels of land with a total site area of approximately 23,614 sq.m., which is planned to be developed into a complex building with office and retail components plus some ancillary facilities.	The property is vacant for future development.	1,869,000,000  (100% interest attributable to the Group: RMB1,869,000,000)

As advised by the Group, upon completion, the property will have a total gross floor area of approximately 91,000 sq.m. and the details are set out as follows:

Usage	Gross Floor Area (sq.m.)
Retail	33,100
Office	35,400
Car parking spaces	19,000 (550 lots)
Service facilities	3,500
<b>Total:</b>	<b>91,000</b>

The land use rights of the property have been granted for terms of 40 years expiring on 21 March 2050 for commercial use and 50 years expiring on 21 March 2060 for office and cultural uses.

*Notes:*

1. Pursuant to 2 Real Estate Title Certificates – Hu Fang Di Xu (2010) Zi Nos. 017880 and 017878, the land use rights of 2 parcels of land with a total site area of approximately 23,614 sq.m. have been granted to Shanghai Rongxiang Property Development Co., Ltd. (“**Shanghai Rongxiang**”, a wholly-owned subsidiary of the Company) for terms of 40 years expiring on 21 March 2050 for commercial use and 50 years expiring on 21 March 2060 for office and cultural uses.
2. We have been provided with a legal opinion regarding the property interest by the Company’s PRC legal advisers, which contains, inter alia, the following:
  - a. the Group has paid the land premium in respect of the property in full and pursuant to various Real Estate Title Certificates, the Group has legally acquired the land use rights of the property; during the land use rights terms, the Group is entitled to occupy, use, lease, mortgage, transfer or otherwise dispose of the property; and
  - b. Shanghai Rongxiang should sign a supplementary agreement with relevant government authorities to extend the construction date of the property.
3. A summary of major certificates/approvals is shown as follows:
 

a.	Real Estate Title Certificate (for land only)	Yes
b.	Construction Work Planning Permit	No

## VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 September 2013 RMB												
39.	A parcel of land located at Block 292 of Cao He Jing Xuhui District Shanghai The PRC	The property comprises a parcel of land with a site area of approximately 17,610.90 sq.m., which is planned to be developed into a complex building with office and retail components plus some ancillary facilities.  As advised by the Group, upon completion, the property will have a total gross floor area of approximately 99,319 sq.m., and the details are set out as follows:	The property is vacant for future development.	2,385,000,000  (100% interest attributable to the Group: RMB2,385,000,000)												
		<table border="1"> <thead> <tr> <th>Usage</th> <th>Gross Floor Area (sq.m.)</th> </tr> </thead> <tbody> <tr> <td>Retail</td> <td>21,745</td> </tr> <tr> <td>Office</td> <td>57,238</td> </tr> <tr> <td>Hotel</td> <td>7,846</td> </tr> <tr> <td>Car parking spaces</td> <td>12,490 (359 lots)</td> </tr> <tr> <td><b>Total:</b></td> <td><b>99,319</b></td> </tr> </tbody> </table>	Usage	Gross Floor Area (sq.m.)	Retail	21,745	Office	57,238	Hotel	7,846	Car parking spaces	12,490 (359 lots)	<b>Total:</b>	<b>99,319</b>		
Usage	Gross Floor Area (sq.m.)															
Retail	21,745															
Office	57,238															
Hotel	7,846															
Car parking spaces	12,490 (359 lots)															
<b>Total:</b>	<b>99,319</b>															
		The land use rights of the property have been granted for terms of 40 years expiring on 21 March 2050 for commercial use and 50 years expiring on 21 March 2060 for office and cultural uses.														

## Notes:

- Pursuant to a Real Estate Title Certificate – Hu Fang Di Xu (2010) Zi No. 017879, the land use rights of a parcel of land with a site area of approximately 17,610.90 sq.m. have been granted to Shanghai Jinhao Property Development Co., Ltd. (“Shanghai Jinhao”, a wholly-owned subsidiary of the Company) for terms of 40 years expiring on 21 March 2050 for commercial use and 50 years expiring on 21 March 2060 for office and cultural uses.

2. We have been provided with a legal opinion regarding the property interest by the Company's PRC legal advisers, which contains, inter alia, the following:
  - a. the Group has paid the land premium in respect of the property in full and pursuant to a Real Estate Title Certificate, the Group has legally acquired the land use rights of the property; during the land use rights terms, the Group is entitled to occupy, use, lease, mortgage, transfer or otherwise dispose of the property.
  
3. A summary of major certificates/approvals is shown as follows:

a.	Real Estate Title Certificate (for land only)	Yes
b.	Construction Work Planning Permit	No

## VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at 30 September 2013 RMB
40.	Phases II and III of Shanghai City Glorious-Commodity Block located at the north of Yingao West Road, east of Jiang Yang South Road and west of Gaojing Road Gaojing Town Baoshan District Shanghai The PRC	<p>Shanghai City Glorious is a large residential development with retail facilities comprising three blocks of Commodity Block, Relocated Block and Affordable Housing Block.</p> <p>Shanghai City Glorious-Commodity Block occupies a parcel of land with a site area of approximately 102,174 sq.m., which comprises three phases. As at the valuation date, Phase I was under construction, Phase II and Phase III were vacant.</p> <p>The property comprises Phases II and III of Commodity Block. As advised by the Group, upon completion, the property will have a total planned gross floor area of approximately 187,489.99 sq.m.</p> <p>The land use rights of the property have been granted for a term expiring on 31 August 2080 for residential use.</p>	The property is vacant for future development.	1,727,000,000  (100% interest attributable to the Group: RMB1,727,000,000)

*Notes:*

- Pursuant to a Real Estate Title Certificate – Hu Fang Di Bao Zi (2012) Di No. 037443, the land use rights of a parcel of land with a site area of approximately 102,173.7 sq.m. have been granted to Shanghai Shengtong Property Development Co., Ltd. (“**Shanghai Shengtong**”, a wholly-owned subsidiary of the Company) for a term expiring on 31 August 2080 for residential use.

2. We have been provided with a legal opinion regarding the property interest by the Company's PRC legal advisers, which contains, inter alia, the following:
  - a. the Group has paid the land premium in respect of the property in full and pursuant to a Real Estate Title Certificate, the Group has legally acquired the land use rights of the property; during the land use rights terms, the Group is entitled to occupy, use, lease, mortgage, transfer or otherwise dispose of the property.
  
3. A summary of major certificates/approvals is shown as follows:

a.	Real Estate Title Certificate (for land only)	Yes
b.	Construction Work Planning Permit	No

## VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at 30 September 2013 RMB
41.	2 parcels of land of Royal Lakefront located at No. 89 Nong Zefeng Road Fengxian District Shanghai The PRC	The property comprises 2 parcels of land with a total site area of approximately 40,668 sq.m. which is planned to be developed into a commercial development.  As advised by the Group, upon completion, the property will have a total gross floor area of approximately 142,670 sq.m.  The land use rights of the property have been granted for terms expiring on 7 April 2059 for commercial use and 7 April 2058 for commercial and office uses.	The property is vacant for future development.	446,000,000  (100% interest attributable to the Group: RMB446,000,000)

*Notes:*

1. Pursuant to 2 State-owned Land Use Rights Certificates – Hu Fang Di Feng (2009) Di No. 008891 and Hu Fang Di Feng (2010) Di No. 001155, the land use rights of 2 parcels of land with a total site area of approximately 40,668 sq.m. have been granted to Shanghai Hongye Property Development Co., Ltd. (“**Shanghai Hongye**”, a wholly-owned subsidiary of the Company) for terms expiring on 7 April 2059 for commercial use and 7 April 2058 for commercial and office uses.
2. We have been provided with a legal opinion regarding the property interest by the Company’s PRC legal advisers, which contains, inter alia, the following:
  - a. the Group has paid the land premium in respect of the property in full and pursuant to various State-owned Land Use Rights Certificates, the Group has legally acquired the land use rights of the property; during the land use rights terms, the Group is entitled to occupy, use, lease, mortgage, transfer or otherwise dispose of the property; and
  - b. as confirmed by the Group, the construction work of the property failed to start till now due to the uncertainty of governmental transportation plan; Shanghai Hongye should sign a supplementary agreement with relevant local government authorities to extend the construction date in avoidance of the land being recognized as idle land.
3. A summary of major certificates/approvals is shown as follows:

a.	State-owned Land Use Rights Certificate	Yes
b.	Construction Work Planning Permit	No



## VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 September 2013 RMB
42.	The reserved land of Nanjing Royal Bay No. 118 Zhenghe South Road Gulou District Nanjing City Jiangsu Province The PRC	The property comprises the reserved land of Nanjing Royal Bay which is planned to be developed into a complex development with residential, retail, car parking spaces and some ancillary facilities.	The property is vacant for future development.	3,848,000,000  (60% interest attributable to the Group: RMB2,308,800,000)
		As advised by the Group, upon completion, the property will have a total gross floor area of approximately 473,541 sq.m., and the details are set out as below:		
		<b>Usage</b>	<b>Gross Floor Area (sq.m.)</b>	
		Residential	297,919.20	
		Retail	27,788.00	
		Ancillary	32,664.00	
		Car parking spaces	115,169.80 (3,211 lots)	
		<b>Total:</b>	<b><u>473,541</u></b>	
		The land use rights of the property have been granted for a term expiring on 1 March 2079 for residential use.		

## Notes:

- Pursuant to 2 State-owned Land Use Rights Certificates – Ning Xia Guo Yong (2010) Di Nos. 05869 and 05870, the land use rights of 2 parcels of land, on which the property is situated, with a total site area of approximately 109,245.7 sq.m. have been granted to Glorious Jiangxu (Nanjing) Property Development Co., Ltd. (“Nanjing Jiangxu”, a 60% interest owned subsidiary of the Company) for a term expiring on 1 March 2079 for residential use.

2. We have been provided with a legal opinion regarding the property interest by the Company's PRC legal advisers, which contains, inter alia, the following:
- a. the Group has paid the land premium in respect of the property in full and pursuant to various State-owned Land Use Rights Certificates, the Group has legally acquired the land use rights of the property; during the land use rights terms, the Group is entitled to occupy, use, lease, mortgage, transfer or otherwise dispose of the property;
  - b. pursuant to an Other Rights Certificate – Ta Xiang (2012) Di No. 00038, a parcel of land under the State-owned Land Use Rights Certificate – Ning Xia Guo Yong (2010) Di No. 05869 with a site area of approximately 31,888.2 sq.m. was subject to a mortgage in favour of Jiangsu International Trust Corporation Limited; Nanjing Jiangxu has the rights to occupy and use the parcel of land, but could not transfer, lease, mortgage or otherwise dispose of the land without obtaining the consent of the mortgagee; and
  - c. the property was recognized as idle land by Nanjing State-owned Land Resources Bureau on 14 September 2011, however, as confirmed by the Group, Nanjing Jiangxu did/would not get administrative punishment or handling.
3. A summary of major certificates/approvals is shown as follows:
- |    |   |     |
|----|---|-----|
| a. | State-owned Land Use Rights Certificate | Yes |
| b. | Construction Work Planning Permit       | No  |

## VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at 30 September 2013 RMB
43.	12 parcels of land of Nantong Glorious Chateau Phase II located at Erbaimu Village and Yongpingzha Village Rugao Town Nantong City Jiangsu Province The PRC	The property comprises 12 parcels of land of Nantong Glorious Chateau Phase II with a total site area of approximately 742,475 sq.m. which is planned to be developed into a residential development.  The land use rights of the property have been granted for terms expiring on 10 May 2080, 17 September 2080 and 31 December 2080 for residential use and 10 May 2050, 17 September 2050 and 31 December 2050 for commercial use.	The property is vacant for future development.	590,000,000  (100% interest attributable to the Group: RMB590,000,000)

*Notes:*

1. Pursuant to 12 State-owned Land Use Rights Certificates – Gao Guo Yong (2010) Di No. 869 and Gao Guo Yong (2011) Di Nos. 82401132 to 82401142, the land use rights of 12 parcels of land with a total site area of approximately 742,475 sq.m. have been granted to 9 companies comprising Fuda Real Estate Development (Nantong) Co., Ltd., Fusheng Real Estate Development (Nantong) Co., Ltd., Henghui Real Estate Development (Nantong) Co., Ltd., Nantong Huangshi Hui Real Estate Development Co., Ltd., Nantong Jiangle Real Estate Development Co., Ltd., Nantong Jiehui Real Estate Development Co., Ltd., Nantong Lehua Real Estate Development Co., Ltd., Yonghe Real Estate Development (Nantong) Co., Ltd. and Zhuo Yi Real Estate Development (Nantong) Co., Ltd. (9 wholly-owned subsidiaries of the Company) for terms expiring on 10 May 2080, 17 September 2080 and 31 December 2080 for residential use and 10 May 2050, 17 September 2050 and 31 December 2050 for commercial use.
2. We have been provided with a legal opinion regarding the property interest by the Company's PRC legal advisers, which contains, inter alia, the following:
  - a. the Group has paid the land premium in respect of the property in full and pursuant to various Land Use Rights Certificates, the Group has legally acquired the land use rights of the property; during the land use rights terms, the Group is entitled to occupy, use, lease, mortgage, transfer or otherwise dispose of the property.
3. A summary of major certificates/approvals is shown as follows:

a.	State-owned Land Use Rights Certificate	Yes
b.	Construction Work Planning Permit	No

## VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at 30 September 2013 RMB
44.	9 parcels of land located at Dongfengtian Village Rugao Town Nantong City Jiangsu Province The PRC	The property comprises 9 parcels of land with a total site area of approximately 108,479.23 sq.m. which is planned to be developed into a complex development with residential and retail components.  The land use rights of the property have been granted for a term expiring on 30 December 2056 for commercial and residential uses.	The property is vacant for future development.	84,000,000  (100% interest attributable to the Group: RMB84,000,000)

## Notes:

1. Pursuant to 9 State-owned Land Use Rights Certificates – Gao Guo Yong (2008) Di Nos. 79 to 87, the land use rights of 9 parcels of land with a total site area of approximately 108,479.23 sq.m. have been granted to 9 companies comprising Fuda Real Estate Development (Nantong) Co., Ltd., Fusheng Real Estate Development (Nantong) Co., Ltd., Henghui Real Estate Development (Nantong) Co., Ltd., Nantong Huangshi Hui Real Estate Development Co., Ltd., Nantong Jiangle Real Estate Development Co., Ltd., Nantong Jiehui Real Estate Development Co., Ltd., Nantong Lehua Real Estate Development Co., Ltd., Yonghe Real Estate Development (Nantong) Co., Ltd. and Zhuo Yi Real Estate Development (Nantong) Co., Ltd. (9 wholly-owned subsidiaries of the Company) for a term expiring on 30 December 2056 for commercial and residential uses.
2. We have been provided with a legal opinion regarding the property interest by the Company's PRC legal advisers, which contains, inter alia, the following:
  - a. the Group has paid the land premium in respect of the property in full and pursuant to various State-owned Land Use Rights Certificates, the Group has legally acquired the land use rights of the property; during the land use rights terms, the Group is entitled to occupy, use, lease, mortgage, transfer or otherwise dispose of the property;
  - b. as confirmed by the Group, the construction work of the property failed to start till now and no supplementary agreement was signed; therefore, there are some potential risks that the property may be recognized as idle land by relevant local government authorities and then the 9 companies mentioned in note 1 may be subject to penalty or even the property may be expropriated; and
  - c. as confirmed by the 9 companies, they have not received any penalty notice or notice of expropriation from local government authorities.
3. A summary of major certificates/approvals is shown as follows:

a.	State-owned Land Use Rights Certificate	Yes
b.	Construction Work Planning Permit	No

## VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at 30 September 2013 RMB																																		
45.	The reserved land of Bashangjie Project located at the southwestern side of the junction of Changjiang Road and Mingguang Road Yaohai District Hefei City Anhui Province The PRC	<p>The property comprises the reserved land of Bashangjie Project (including the north area and Phase II of the south area) which is planned to be developed into 2 complex developments with residential, office, hotel, retail and some ancillary facilities.</p> <p>As advised by the Group, upon completion, the property will have a total gross floor area of approximately 950,368 sq.m. Details of the property are set out as follows:</p> <table border="0" style="margin-left: 40px;"> <thead> <tr> <th style="text-align: left;">Usage</th> <th style="text-align: right;">Gross Floor Area (sq.m.)</th> </tr> </thead> <tbody> <tr> <td colspan="2"><b>The north area</b></td> </tr> <tr> <td>Residential</td> <td style="text-align: right;">158,238</td> </tr> <tr> <td>Retail</td> <td style="text-align: right;">77,853</td> </tr> <tr> <td>Relocated retail</td> <td style="text-align: right;">60,000</td> </tr> <tr> <td>Office</td> <td style="text-align: right;">126,300</td> </tr> <tr> <td>Hotel</td> <td style="text-align: right;">54,896</td> </tr> <tr> <td>Car/Bicycle parking spaces</td> <td style="text-align: right;">145,308 (3,786/ 7,760 lots)</td> </tr> <tr> <td><b>Sub-total:</b></td> <td style="text-align: right;"><b><u>622,595</u></b></td> </tr> <tr> <td colspan="2"><b>Phase II of the south area:</b></td> </tr> <tr> <td>Residential</td> <td style="text-align: right;">70,191</td> </tr> <tr> <td>Retail</td> <td style="text-align: right;">72,113</td> </tr> <tr> <td>Office</td> <td style="text-align: right;">67,598</td> </tr> <tr> <td>Hotel</td> <td style="text-align: right;">43,580</td> </tr> <tr> <td>Car/bicycle parking spaces</td> <td style="text-align: right;">74,291 (1,941/ 3,847 lots)</td> </tr> <tr> <td><b>Sub-total:</b></td> <td style="text-align: right;"><b><u>327,773</u></b></td> </tr> <tr> <td><b>Total:</b></td> <td style="text-align: right;"><b><u>950,368</u></b></td> </tr> </tbody> </table>	Usage	Gross Floor Area (sq.m.)	<b>The north area</b>		Residential	158,238	Retail	77,853	Relocated retail	60,000	Office	126,300	Hotel	54,896	Car/Bicycle parking spaces	145,308 (3,786/ 7,760 lots)	<b>Sub-total:</b>	<b><u>622,595</u></b>	<b>Phase II of the south area:</b>		Residential	70,191	Retail	72,113	Office	67,598	Hotel	43,580	Car/bicycle parking spaces	74,291 (1,941/ 3,847 lots)	<b>Sub-total:</b>	<b><u>327,773</u></b>	<b>Total:</b>	<b><u>950,368</u></b>	The property is vacant for future development.	<p>1,619,000,000</p> <p>(100% interest attributable to the Group: RMB1,619,000,000)</p>
Usage	Gross Floor Area (sq.m.)																																					
<b>The north area</b>																																						
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No.	Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at 30 September 2013 RMB
		The land use rights of the property have been granted for terms expiring on 24 December 2078 for residential use and 24 December 2048 for commercial and office uses.		
<i>Notes:</i>				
1.	Pursuant to a State-owned Land Use Rights Certificate – He Guo Yong (2012) Di No. 217, the land use rights of a parcel of land with a site area of approximately 57,838.55 sq.m (including Phases I and II of the south area of Bashangjie Project) have been granted to Glorious Hengmao (Hefei) Property Development Co., Ltd. (“ <b>Hefei Hengmao</b> ”, a wholly-owned subsidiary of the Company) for terms expiring on 24 December 2078 for residential use and 24 December 2048 for commercial and office uses.			
2.	Pursuant to a State-owned Land Use Rights Certificate – He Guo Yong (2013) Di No. 321, the land use rights of the north area of Bashangjie Project with a site area of approximately 56,508.58 sq.m have been granted to Hefei Hengmao for terms expiring on 24 December 2048 for commercial and office uses and 24 December 2078 for residential use.			
3.	We have been provided with a legal opinion regarding the property interest by the Company’s PRC legal advisers, which contains, inter alia, the following:			
	a. the Group has paid the land premium in respect of the property in full and pursuant to a State-owned Land Use Rights Certificate, the Group has legally acquired the land use rights of the property; during the land use rights terms, the Group is entitled to occupy, use, lease, mortgage, transfer or otherwise dispose of the property.			
4.	A summary of major certificates/approvals is shown as follows:			
	a. State-owned Land Use Rights Certificate			Yes
	b. Construction Work Planning Permit			No

## VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at 30 September 2013 RMB
46.	The reserved land of Hefei Royal Garden located at the southeast of junction of Mengcheng Road and Lianshui Road Luyang District Hefei City Anhui Province The PRC	The property comprises the reserved land of Hefei Royal Garden which is planned to be developed into a hotel with a total gross floor area of approximately 15,386 sq.m.  The land use rights of the property have been granted for terms expiring on 15 September 2080 for residential use and 15 September 2050 for commercial use.	The property is vacant for future development.	16,000,000  (100% interest attributable to the Group: RMB16,000,000)

## Notes:

1. Pursuant to 3 State-owned Land Use Rights Certificates – He Guo Yong (2010) Di No. 522, He Guo Yong (2011) Di Nos. 10 and 11, the land use rights of 3 parcels of land with a site area of approximately 150,000 sq.m., on which the property is situated, have been granted to Glorious Yifeng (Hefei) Property Development Co., Ltd. (“Hefei Yifeng”, a wholly-owned subsidiary of the Company) for terms expiring on 15 September 2080 for residential use and 15 September 2050 for commercial use.

Pursuant to the excursus of the State-owned Land Use Rights Certificates, a hotel and a supermarket should be constructed, and should be held and operated by the Group. Sale of the hotel and supermarket would not be permitted.

2. We have been provided with a legal opinion regarding the property interest by the Company’s PRC legal advisers, which contains, inter alia, the following:
- a. the Group has paid the land premium in respect of the property in full and pursuant to various State-owned Land Use Rights Certificates, the Group has legally acquired the land use rights of the property; during the land use rights terms, the Group is entitled to occupy, use, lease, mortgage, transfer or otherwise dispose of the property; and
  - b. in accordance with the Land Use Rights Grant Contract of the development, construction work of the property should be completed before 10 January 2013; Hefei Yifeng may be subject to penalty due to the delay of construction work of the property.
3. A summary of major certificates/approvals is shown as follows:
- |    |  |     |
|----|--|-----|
| a. | State-owned Land Use Rights Certificates | Yes |
| b. | Construction Work Planning Permit        | No  |

## VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at 30 September 2013 RMB												
47.	A parcel of land located at Bali Village Xianjin Street Jinzhou New District Dalian City Liaoning Province The PRC	The property comprises a parcel of land with a site area of approximately 120,576 sq.m. which is planned to be developed into a complex development with residential, retail, car parking spaces and some ancillary facilities.  As advised by the Group, upon completion, the property will have a total gross floor area of approximately 375,535.37 sq.m., and the details are set out as below:	The property is vacant for future development.	525,000,000  (70% interest attributable to the Group: RMB367,500,000)												
		<table border="1"> <thead> <tr> <th>Usage</th> <th>Gross Floor Area (sq.m.)</th> </tr> </thead> <tbody> <tr> <td>Residential</td> <td>289,694.14</td> </tr> <tr> <td>Retail</td> <td>11,989.41</td> </tr> <tr> <td>Ancillary</td> <td>27,668.09</td> </tr> <tr> <td>Car parking spaces</td> <td>46,183.73 (1,904 lots)</td> </tr> <tr> <td><b>Total:</b></td> <td><b><u>375,535.37</u></b></td> </tr> </tbody> </table>	Usage	Gross Floor Area (sq.m.)	Residential	289,694.14	Retail	11,989.41	Ancillary	27,668.09	Car parking spaces	46,183.73 (1,904 lots)	<b>Total:</b>	<b><u>375,535.37</u></b>		
Usage	Gross Floor Area (sq.m.)															
Residential	289,694.14															
Retail	11,989.41															
Ancillary	27,668.09															
Car parking spaces	46,183.73 (1,904 lots)															
<b>Total:</b>	<b><u>375,535.37</u></b>															
		The land use rights of the property have been granted for a term expiring on 14 March 2080 for residential use.														

## Notes:

- Pursuant to a State-owned Land Use Rights Certificate – Jin Guo Yong (2011) Di No. 0626005, the land use rights of a parcel of land with a site area of approximately 120,576 sq.m. have been granted to Glorious Yangguang Xindi (Dalian) Property Co., Ltd (“Dalian Xindi”, a 70% interest owned subsidiary of the Company) for a term expiring on 14 March 2080 for residential use.



2. We have been provided with a legal opinion regarding the property interest by the Company's PRC legal advisers, which contains, inter alia, the following:
  - a. the Group has paid the land premium in respect of the property in full and pursuant to a State-owned Land Use Rights Certificate, the Group has legally acquired the land use rights of the property; during the land use rights terms, the Group is entitled to occupy, use, lease, mortgage, transfer or otherwise dispose of the property;
  - b. as confirmed by the Group, the construction work of the property failed to start till now; therefore, there are some potential risks that the property may be recognized as idle land by relevant local government authorities and then Dalian Xindi may be subject to penalty or even the property may be expropriated; and
  - c. as confirmed by the Group, Dalian Xindi has not received any penalty notice or notice of expropriation from local government authorities.
  
3. A summary of major certificates/approvals is shown as follows:

a.	State-owned Land Use Rights Certificate	Yes
b.	Construction Work Planning Permit	No

## VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at 30 September 2013 RMB												
48.	The reserved land of Changchun Villa Glorious located at the western side of Chaofan Avenue and the southern side of Chuangyi Road High-tech New District Changchun City Jilin Province The PRC	The property comprises the reserved land of Changchun Villa Glorious which is planned to be developed into a complex development with residential, retail, underground car parking spaces and some ancillary facilities.  As advised by the Group, upon completion, the property will have a total gross floor area of approximately 721,482.47 sq.m., and the details are set out as below:	The property is vacant for future development.	974,000,000  (100% interest attributable to the Group: RMB974,000,000)												
		<table border="1"> <thead> <tr> <th>Usage</th> <th>Gross Floor Area (sq.m.)</th> </tr> </thead> <tbody> <tr> <td>Residential</td> <td>599,058.04</td> </tr> <tr> <td>Retail</td> <td>56,304.20</td> </tr> <tr> <td>Ancillary</td> <td>1,129.97</td> </tr> <tr> <td>Car parking spaces</td> <td>64,990.26 (3,410 lots)</td> </tr> <tr> <td><b>Total:</b></td> <td><b><u>721,482.47</u></b></td> </tr> </tbody> </table>	Usage	Gross Floor Area (sq.m.)	Residential	599,058.04	Retail	56,304.20	Ancillary	1,129.97	Car parking spaces	64,990.26 (3,410 lots)	<b>Total:</b>	<b><u>721,482.47</u></b>		
Usage	Gross Floor Area (sq.m.)															
Residential	599,058.04															
Retail	56,304.20															
Ancillary	1,129.97															
Car parking spaces	64,990.26 (3,410 lots)															
<b>Total:</b>	<b><u>721,482.47</u></b>															
		The land use rights of the property have been granted for a term expiring on 22 July 2060 for residential and other commercial uses.														

*Notes:*

1. Pursuant to 6 State-owned Land Use Rights Certificates – Chang Guo Yong (2011) Di Nos. 091000284 to 091000289, the land use rights of 6 parcels of land, on which the property is situated, with a total site area of approximately 318,828 sq.m. have been granted to Glorious Huixin (Changchun) Property Development Co., Ltd. (“**Changchun Huixin**”, a wholly-owned subsidiary of the Company) for a term expiring on 22 July 2060 for residential and other commercial uses.
2. Pursuant to 2 Construction Work Planning Permits – Jian Zi Di Nos. 220000201300224 and 220000201300334 in favour of Changchun Huixin, Phases A2 and B1 of Changchun Villa Glorious (including a portion of the property) with a gross floor area of approximately 481,152.47 sq.m. have been approved for construction.
3. We have been provided with a legal opinion regarding the property interest by the Company’s PRC legal advisers, which contains, inter alia, the following:
  - a. the Group has paid the land premium in respect of the property in full and pursuant to various Land Use Rights Certificates, the Group has legally acquired the land use rights of the property; during the land use rights terms, the Group is entitled to occupy, use, lease, mortgage, transfer or otherwise dispose of the property.
4. A summary of major certificates/approvals is shown as follows:
 

a.	State-owned Land Use Rights Certificate	Yes
b.	Construction Work Planning Permit	Portion

## VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at 30 September 2013 RMB
49.	A parcel of land located at Tuanbohu Jinghai County Tianjin The PRC	The property comprises a parcel of land with a site area of approximately 1,196,000 sq.m. which is planned to be developed into a residential development named Tianjin Royal Bay Lakeside with residential, retail, car parking spaces and some ancillary facilities.  The land use rights of the property have been granted for terms expiring on 23 January 2046 for commercial use and 23 January 2076 for residential use.	The property is vacant for future development.	1,545,000,000  (70% interest attributable to the Group: RMB1,081,500,000)

*Notes:*

1. Pursuant to a State-owned Land Use Rights Certificate – Jing Dan Guo Yong (2007) Di No. 103, the land use rights of a parcel of land with a site area of approximately 1,196,000 sq.m. have been granted to Tianjin Dong'an Construction Co. Ltd. ("**Tianjin Dong'an**", a 70% interest owned subsidiary of the Company) for terms expiring on 23 January 2046 for commercial use and 23 January 2076 for residential use.
2. We have been provided with a legal opinion regarding the property interest by the Company's PRC legal advisers, which contains, inter alia, the following:
  - a. the Group has paid the land premium in respect of the property in full and pursuant to a State-owned Land Use Rights Certificate, the Group has legally acquired the land use rights of the property; during the land use rights terms, the Group is entitled to occupy, use, lease, mortgage, transfer or otherwise dispose of the property;
  - b. in accordance with the excursus of the State-owned Land Use Rights Certificate, construction work of the property should be commenced before 25 June 2013; however, as confirmed by the Group, the construction work of the property has not been commenced and no supplementary agreement was signed; therefore, there are some potential risks that the property may be recognized as idle land by relevant local government authorities and then Tianjin Dong'an may be subject to penalty or even the property may be expropriated;
  - c. as confirmed by Tianjin Dong'an, Tianjin Dong'an has not received any penalty notice or notice of expropriation from local government authorities; and
  - d. the property was subject to a mortgage in favour of Bank of China, Rugao Branch for a term from 24 September 2012 to 23 September 2015; Tianjin Dong'an has the rights to occupy and use the property, but could not transfer, lease, mortgage or otherwise dispose of the property without obtaining the consent of the mortgagee.
3. A summary of major certificates/approvals is shown as follows:

a.	State-owned Land Use Rights Certificate	Yes
b.	Construction Work Planning Permit	No

## VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at 30 September 2013 RMB																		
50.	The reserved land of Tianjin Royal Bay Seaside located at Guangang Forest Park Dagang District Tianjin The PRC	<p>The property comprises the reserved land of Tianjin Royal Bay Seaside-Dong Yuan, Xi Yuan and Bei Yuan ("Dong Yuan", "Xi Yuan" and "Bei Yuan") with a total site area of approximately 600,851.18 sq.m. which is planned to be developed into 3 complex developments with residential, villa and commercial and some ancillary facilities.</p> <p>As advised by the Group, upon completion, the property will have a total gross floor area of approximately 675,814.99 sq.m. Details of the property are set out as follows:</p> <table border="1"> <thead> <tr> <th>Usage</th> <th>Gross Floor Area (sq.m.)</th> </tr> </thead> <tbody> <tr> <td><b>Xi Yuan</b></td> <td></td> </tr> <tr> <td>Residential Serviced facilities</td> <td>153,470.05 9,114.6</td> </tr> <tr> <td><b>Dong Yuan</b></td> <td></td> </tr> <tr> <td>Villa and ancillary</td> <td>228,730.29</td> </tr> <tr> <td><b>Bei Yuan</b></td> <td></td> </tr> <tr> <td>Villa and ancillary</td> <td>214,018.3</td> </tr> <tr> <td>Retail</td> <td>70,481.75</td> </tr> <tr> <td><b>Total:</b></td> <td><b><u>675,814.99</u></b></td> </tr> </tbody> </table>	Usage	Gross Floor Area (sq.m.)	<b>Xi Yuan</b>		Residential Serviced facilities	153,470.05 9,114.6	<b>Dong Yuan</b>		Villa and ancillary	228,730.29	<b>Bei Yuan</b>		Villa and ancillary	214,018.3	Retail	70,481.75	<b>Total:</b>	<b><u>675,814.99</u></b>	The property is vacant for future development.	1,406,000,000  (100% interest attributable to the Group: RMB1,406,000,000
Usage	Gross Floor Area (sq.m.)																					
<b>Xi Yuan</b>																						
Residential Serviced facilities	153,470.05 9,114.6																					
<b>Dong Yuan</b>																						
Villa and ancillary	228,730.29																					
<b>Bei Yuan</b>																						
Villa and ancillary	214,018.3																					
Retail	70,481.75																					
<b>Total:</b>	<b><u>675,814.99</u></b>																					
		The land use rights of the property have been granted for terms expiring on 21 November 2077 for residential use and 27 April 2046 for commercial use.																				

*Notes:*

1. Pursuant to a State-owned Land Use Rights Certificate – Gang Dan Guo Yong (2007) Di No. 221, the land use rights of a parcel of land with a site area of approximately 366,666.6 sq.m (including Phases I and II of Dong Yuan) have been granted to Tianjin Gangtian Real Estate Investment Co. Ltd. (“**Tianjin Gangtian**”, a wholly-owned subsidiary of the Company) for a term expiring on 21 November 2077 for residential use.
2. Pursuant to a State-owned Land Use Rights Certificate – Gang Dan Guo Yong (2007) Di No. 222, the land use rights of a parcel of land with a site area of approximately 216,720.7 sq.m (including Phases I and II of Xi Yuan) have been granted to Tianjin Gangtian for a term expiring on 21 November 2077 for residential use.
3. Pursuant to 2 Real Estate Title Certificates – Fang Di Zheng Jin Zi Di Nos. 109051000729 and 109051000730, the land use rights of a parcel of land with a site area of approximately 312,712.5 sq.m (including Phases I and II of Bei Yuan) have been granted to Glorious Tianxingjian (Tianjin) Real Estate Investment Co., Ltd. (“**Tianjin Tianxingjian**”, a wholly-owned subsidiary of the Company) for a term expiring on 27 April 2046 for commercial use.
4. We have been provided with a legal opinion regarding the property interest by the Company’s PRC legal advisers, which contains, inter alia, the following:
  - a. the Group has paid the land premium in respect of the property in full and pursuant to various Land Use Rights Certificates and Real Estate Title Certificates, the Group has legally acquired the land use rights of the property; during the land use rights terms, the Group is entitled to occupy, use, lease, mortgage, transfer or otherwise dispose of the property;
  - b. in accordance with 2 land supplementary agreements, construction work of the property should be completed before 31 December 2013, so the Group would be subject to penalty due to the delay of the construction; and
  - c. as confirmed by the Group, the delay of the construction work of the property was caused by the uncertainty of the scheme of governmental road network, therefore, Tianjin Gangtian and Tianjin Tianxingjian should negotiate with relevant government authorities for the aforesaid matter.
5. A summary of major certificates/approvals is shown as follows:
 

a.	State-owned Land Use Rights Certificate/ Real Estate Title Certificates (for land only)	Yes
b.	Construction Work Planning Permit	No

## VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at 30 September 2013 RMB								
51.	A parcel of land of Royal Mansion Phase II No. 16 Jingouhe Road Haidian District Beijing The PRC	The property comprises a parcel of land with a site area of approximately 11,712 sq.m. which is planned to be developed into a residential/commercial development.  As advised by the Group, upon completion, the property will have a total gross floor area of approximately 43,872 sq.m. Details of the property are set out as follows:	The property is currently occupied by various old buildings which will be demolished.	435,000,000  (100% interest attributable to the Group: RMB435,000,000)								
		<table border="1"> <thead> <tr> <th>Usage</th> <th>Gross Floor Area (sq.m.)</th> </tr> </thead> <tbody> <tr> <td>Residential</td> <td>36,639</td> </tr> <tr> <td>Retail</td> <td>7,233</td> </tr> <tr> <td><b>Total:</b></td> <td><b>43,872</b></td> </tr> </tbody> </table>	Usage	Gross Floor Area (sq.m.)	Residential	36,639	Retail	7,233	<b>Total:</b>	<b>43,872</b>		
Usage	Gross Floor Area (sq.m.)											
Residential	36,639											
Retail	7,233											
<b>Total:</b>	<b>43,872</b>											
		The land use rights of the property have been granted for terms expiring on 11 February 2073 for residential use, 11 February 2043 for commercial use and 11 February 2053 for car parking spaces use.										

## Notes:

- Pursuant to a State-owned Land Use Rights Certificate – Jing Hai Guo Yong (2006Zhuan) Di No. 3757, the land use rights of a parcel of land with a site area of approximately 34,850 sq.m.(including Phases I and II of Royal Mansion) have been granted to Beijing Yangguang Xindi Property Development Co., Ltd., the former name of Glorious Yangguang Xindi (Beijing) Property Co., Ltd. (“Beijing Xindi”, a wholly-owned subsidiary of the Company) for various terms expiring on 11 February 2073 for residential use, 11 February 2043 for commercial use and 11 February 2053 for car parking spaces use.

2. We have been provided with a legal opinion regarding the property interest by the Company's PRC legal advisers, which contains, inter alia, the following:
  - a. the Group has paid the land premium in respect of the property in full and pursuant to a State-owned Land Use Rights Certificate, the Group has legally acquired the land use rights of the property; during the land use rights terms, the Group is entitled to occupy, use, lease, mortgage, transfer or otherwise dispose of the property.
  
3. A summary of major certificates/approvals is shown as follows:

a.	State-owned Land Use Rights Certificate	Yes
b.	Construction Work Planning Permit	No



## 1. RESPONSIBILITY STATEMENTS

This Scheme Document includes particulars given in compliance with the Takeovers Code for the purpose of giving information with regard to the Proposal, the Offeror and the Group.

The sole director of the Offeror accepts full responsibility for the accuracy of the information contained in this Scheme Document (other than that relating to the Group), and confirms, having made all reasonable enquiries, that to the best of his knowledge, opinions expressed in this Scheme Document (other than those expressed by the Group) have been arrived at after due and careful consideration and there are no other facts not contained in this Scheme Document, the omission of which would make any statement in this Scheme Document misleading.

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this Scheme Document (other than that relating to the Offeror and parties acting in concert with it) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this Scheme Document (other than those expressed by the Offeror) have been arrived at after due and careful consideration and there are no other facts not contained in this Scheme Document, the omission of which would make any statement contained in this Scheme Document misleading.

## 2. SHARE CAPITAL

As at the Latest Practicable Date:

- (a) the authorised share capital of the Company was HK\$380,000,000 divided into 38,000,000,000 Shares;
- (b) the issued share capital of the Company was HK\$77,926,456.23 divided into 7,792,645,623 Shares;
- (c) the Company had not issued any Shares since 31 December 2012, being the end of the last financial year of the Company;
- (d) all of the issued Shares ranked *pari passu* in all respects with each other, including all rights as to dividends, voting and interests in capital;
- (e) there were 74,000,000 Share Options granted under the Share Option Scheme and remaining outstanding, with an exercise price of HK\$1.76 per Share and an exercise period from 2 October 2009 to 8 September 2019. Mr. Zhang held 15,000,000 Share Options. An aggregate of 59,000,000 Shares may fall to be issued if all outstanding Share Options are exercised by the Optionholders in full; and

- (f) other than the Shares and the outstanding Share Options as disclosed in paragraphs (b) and (e) above, there were no other outstanding options, warrants, derivatives or other convertible securities which may confer any rights to the holder(s) thereof to subscribe for, convert or exchange into Shares.

### 3. DISCLOSURE OF INTERESTS

#### (a) Directors' interests and short positions in the Shares and shares in the Company's associated corporations

As at the Latest Practicable Date, the following Directors and the chief executive of the Company had the following interests and short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept by the Company under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to Part XV of the SFO or the Model Code for Securities Transactions by Directors of Listed Issuers under the Listing Rules (the "Model Code"):

Name of Director	Number of Shares			Approximate % of shareholding
	Personal Interests (Note 1)	Corporate Interests	Total	
Mr. Cheng Li Xiong	15,500,000 (Note 2)	–	15,500,000	0.20
Mr. Ding Xiang Yang	15,000,000	–	15,000,000	0.19
Mr. Liu Ning	5,000,000	–	5,000,000	0.06
Mr. Xia Jing Hua	5,000,000	–	5,000,000	0.06
Mr. Yan Zhi Rong	5,000,000	–	5,000,000	0.06

*Notes:*

- (1) This includes interests held by the relevant Directors as beneficial owner in the Share Options granted to the Directors under the Share Option Scheme to subscribe for Shares in the Company.
- (2) Ms. Wu Yi Wen is the Beneficial Owner of 500,000 Shares and is the spouse of Mr. Cheng Li Xiong, the chairman and an executive Director of the Company. By virtue of the SFO, Mr. Cheng Li Xiong is deemed to be interested in the said Shares. Mr. Cheng Li Xiong is also interested in Share Options to subscribe for 15,000,000 Shares.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors or the chief executive of the Company had any interests or short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in

the register required to be kept by the Company under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to Part XV of the SFO or the Model Code.

As at the Latest Practicable Date, each of the Optionholders (including Mr. Cheng Li Xiong, Mr. Ding Xiang Yang, Mr. Liu Ning, Mr. Xia Jing Hua and Mr. Yan Zhi Rong) had indicated that he/she intended to accept the Option Offer.

**(b) Interests of the Offeror and other substantial Shareholders in the Shares**

As at the Latest Practicable Date, the following persons had the following interests or short positions in the Shares or underlying Shares of the Company as recorded in the register required to be kept by the Company under Section 336 of the SFO.

Name of Shareholder	Capacity	Number of Shares	Long position/ short position/ lending pool	Approximate % of shareholding
Mr. Zhang	Interested in controlled corporations ( <i>Note 3</i> )/ Beneficial Owner	5,329,216,436	Long position	68.39
The Offeror ( <i>Note 1</i> )	Beneficial Owner	4,978,923,436	Long position	63.89
China Life Insurance (Group) Company ( <i>Note 2</i> )	Interested in controlled corporation	748,781,000	Long position	9.61
China Life Insurance (Overseas) Co. Ltd. ( <i>Note 2</i> )	Beneficial Owner	748,781,000	Long position	9.61

*Notes:*

- (1) The Offeror is owned as to 100% by Mr. Zhang, who is also the sole director of the Offeror.
- (2) China Life Insurance (Overseas) Co. Ltd. is owned as to 100% by China Life Insurance (Group) Company.
- (3) As at the Latest Practicable Date, the Offeror, Market Victor Limited, Novel Ventures Limited, Island Century Limited and Well Advantage Limited, all of which are wholly-owned directly or indirectly by Mr. Zhang, held 4,978,923,436 Shares, 81,936,000 Shares, 106,288,000 Shares, 119,313,000 Shares and 27,756,000 Shares respectively, representing in aggregate 5,314,216,436 Shares or approximately 68.19% of the total issued share capital of the Company. Mr. Zhang was also interested in 15,000,000 Share Options to subscribe for 15,000,000 Shares (representing approximately 0.19% of the total issued share capital of the Company).

Save as disclosed above, as at the Latest Practicable Date, no other person had any interests or short positions in the Shares or underlying Shares of the Company as recorded in the register required to be kept by the Company under Section 336 of the SFO.

Save as disclosed above, as at the Latest Practicable Date, none of the Offeror, its sole director and their respective parties acting in concert, owned or controlled any Shares or any options, warrants, derivatives or securities convertible into Shares.

As at the Latest Practicable Date, Kim Eng and its respective group companies and directors did not have any beneficial interest in any Shares or any options, warrants, derivatives or securities convertible into Shares.

As at the Latest Practicable Date, no person had any arrangement of the kind referred to in Note 8 to Rule 22 of the Takeovers Code with the Offeror or with any party acting in concert with the Offeror.

As at the Latest Practicable Date, save for any Shares to be pledged by the Offeror in favour of China Minsheng Banking Corporation Ltd., Hong Kong Branch as facility agent in accordance with the terms of the loan documentation entered into in relation to the Proposal (as described in the section headed “8. Total Consideration and Financial Resources” in Part VII of this Scheme Document), there is no agreement, arrangement for or understanding for any transfer, charge or pledge of Shares pursuant to the Scheme to any other person.

As at the Latest Practicable Date, the Offeror and any party acting in concert with it had not borrowed or lent any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company.

**(c) Dealings in the relevant securities of the Company**

- (i) During the Relevant Period, none of the Offeror, its sole director nor the parties acting in concert with them had dealt for value in any Shares, convertible securities, warrants, options and derivatives in respect of the Shares.
- (ii) During the Relevant Period, China Life Insurance (Overseas) Co. Ltd. had dealt for value in Shares, convertible securities, warrants, options and derivatives in respect of the Shares as follows:

Trade date	Transaction	Number of Shares	Execution price per Share (HK\$)
9 July 2013	Bought	441,000	1.10
	Bought	2,693,000	1.11
	Bought	300,000	1.12
	Bought	1,000,000	1.13
	Bought	138,000	1.14

Trade date	Transaction	Number of Shares	Execution price per Share (HK\$)
10 July 2013	Bought	139,000	1.11
	Bought	3,244,000	1.12
11 July 2013	Bought	850,000	1.12
	Bought	3,250,000	1.13
	Bought	1,000,000	1.14
12 July 2013	Bought	59,000	1.13
	Bought	1,011,000	1.14
	Bought	2,637,000	1.15
15 July 2013	Bought	13,000	1.16
	Bought	2,837,000	1.17
16 July 2013	Bought	1,031,000	1.16
	Bought	3,096,000	1.17
	Bought	293,000	1.18
17 July 2013	Bought	925,000	1.17
	Bought	2,422,000	1.18
	Bought	2,000,000	1.19
18 July 2013	Bought	4,360,000	1.18
	Bought	1,200,000	1.19
19 July 2013	Bought	484,000	1.16
	Bought	1,654,000	1.17
	Bought	4,850,000	1.18
22 July 2013	Bought	280,000	1.10
	Bought	760,000	1.11
	Bought	4,393,000	1.12
	Bought	400,000	1.13
	Bought	340,000	1.14
	Bought	240,000	1.15
	Bought	330,000	1.16
23 July 2013	Bought	141,000	1.12
	Bought	1,281,000	1.13
	Bought	2,640,000	1.14
24 July 2013	Bought	307,000	1.13
	Bought	993,000	1.14
25 July 2013	Bought	2,280,000	1.13
	Bought	240,000	1.14
26 July 2013	Bought	77,000	1.12
	Bought	437,000	1.13
29 July 2013	Bought	227,000	1.10
	Bought	1,651,000	1.11
30 July 2013	Bought	295,000	1.09
	Bought	1,700,000	1.10
	Bought	400,000	1.11

Trade date	Transaction	Number of Shares	Execution price per Share (HK\$)
31 July 2013	Bought	500,000	1.09
	Bought	510,000	1.10
	Bought	821,000	1.11
	Bought	1,820,000	1.12
	Bought	1,349,000	1.13
1 August 2013	Bought	145,000	1.12
	Bought	1,855,000	1.13
2 August 2013	Bought	3,857,000	1.13
5 August 2013	Bought	5,160,000	1.12
	Bought	1,995,000	1.13
6 August 2013	Bought	640,000	1.13
	Bought	1,758,000	1.14
9 August 2013	Bought	218,000	1.18
	Bought	654,000	1.19
15 August 2013	Bought	2,000,000	1.19
16 August 2013	Bought	82,000	1.18
19 August 2013	Bought	574,000	1.18
20 August 2013	Bought	2,482,000	1.16
	Bought	2,470,000	1.17
21 August 2013	Bought	421,000	1.16
22 August 2013	Bought	40,000	1.15
	Bought	610,000	1.16
	Bought	440,000	1.17
23 August 2013	Bought	1,108,000	1.17
	Bought	1,027,000	1.18
26 August 2013	Bought	286,000	1.18
	Bought	592,000	1.19
27 August 2013	Bought	645,000	1.18
	Bought	79,000	1.19
	Bought	9,000	1.20
28 August 2013	Bought	1,155,000	1.18
	Bought	367,000	1.19
29 August 2013	Bought	116,000	1.17
	Bought	780,000	1.18
	Bought	802,000	1.19
	Bought	302,000	1.20
30 August 2013	Bought	290,000	1.16
	Bought	1,938,000	1.17
	Bought	557,000	1.18
	Bought	215,000	1.19
3 September 2013	Bought	50,000	1.16
	Bought	50,000	1.17
	Bought	450,000	1.18

Trade date	Transaction	Number of Shares	Execution price per Share (HK\$)
4 September 2013	Bought	30,000	1.17
	Bought	380,000	1.18
	Bought	550,000	1.19
5 September 2013	Bought	633,000	1.19
9 September 2013	Bought	103,000	1.18
	Bought	618,000	1.19
10 September 2013	Bought	17,000	1.18
	Bought	958,000	1.19
	Bought	525,000	1.20
11 September 2013	Bought	22,000	1.16
	Bought	68,000	1.17
	Bought	862,000	1.18
	Bought	773,000	1.19
	Bought	275,000	1.20
12 September 2013	Bought	103,000	1.15
	Bought	4,074,000	1.16
	Bought	80,000	1.17
13 September 2013	Bought	47,000	1.14
	Bought	1,311,000	1.15
	Bought	918,000	1.16
16 September 2013	Bought	452,000	1.15
	Bought	262,000	1.16
	Bought	212,000	1.17
17 September 2013	Bought	86,000	1.14
	Bought	708,000	1.15
	Bought	3,000	1.16
18 September 2013	Bought	200,000	1.13
	Bought	1,319,000	1.14
	Bought	637,000	1.15
	Bought	100,000	1.16
19 September 2013	Bought	1,050,000	1.14
	Bought	1,658,000	1.15
	Bought	630,000	1.16
23 September 2013	Bought	779,000	1.13
	Bought	560,000	1.14
	Bought	23,000	1.15
24 September 2013	Bought	1,169,000	1.12
	Bought	1,732,000	1.13
	Bought	216,000	1.14
25 September 2013	Bought	200,000	1.12
	Bought	3,359,000	1.13
26 September 2013	Bought	208,000	1.10
	Bought	791,000	1.11

Trade date	Transaction	Number of Shares	Execution price per Share (HK\$)
27 September 2013	Bought	389,000	1.11
3 October 2013	Bought	955,000	1.12
10 October 2013	Bought	757,000	1.14
	Bought	789,000	1.15
11 October 2013	Bought	2,301,000	1.16
17 October 2013	Bought	365,000	1.16
27 November 2013	Bought	650,000	1.60
	Bought	1,350,000	1.62
28 November 2013	Bought	85,000	1.61
	Bought	2,915,000	1.62
29 November 2013	Bought	1,674,000	1.60
	Bought	2,106,000	1.61
	Bought	370,000	1.62
2 December 2013	Bought	3,324,000	1.60
	Bought	6,476,000	1.61
	Bought	2,200,000	1.62
3 December 2013	Bought	3,319,000	1.62
	Bought	3,761,000	1.63
	Bought	9,462,000	1.64
	Bought	1,558,000	1.65
4 December 2013	Bought	1,703,000	1.63
	Bought	6,018,000	1.64
	Bought	2,279,000	1.65

(iii) During the Relevant Period, none of the Directors had any dealings in any Shares, warrants, options, derivatives and securities carrying conversion or subscription rights into Shares.

(iv) During the Offer Period and up to the Latest Practicable Date:

(A) no subsidiaries of the Company, pension funds of any member of the Group or any advisers to the Company as specified in class (2) of the definition of “associate” under the Takeovers Code (but excluding exempt principal traders) had any dealings in any Shares, warrants, options, derivatives and securities carrying conversion or subscription rights into Shares;

(B) no person who had an arrangement of the kind referred to in Note 8 to Rule 22 of the Takeovers Code with the Company or with any person who is an associate of the Company by virtue of classes (1), (2), (3) and (4) of the definition of “associate” under the Takeovers Code had any dealings in any Shares, warrants, options, derivatives and securities carrying conversion or subscription rights into Shares; and



- (C) no fund managers connected with the Company had any dealings in any Shares, warrants, options, derivatives and securities carrying conversion or subscription rights into Shares.

**(d) Interest in the Offeror**

As at the Latest Practicable Date, none of the Company and any of the Directors nor China Life Insurance (Overseas) Co. Ltd. had any interest in the shares, warrants, options, derivatives and securities carrying conversion or subscription rights into shares of the Offeror.

**(e) Dealings in the securities of the Offeror**

During the Relevant Period, none of the Company nor the Directors had any dealings in the shares, warrants, options, derivatives and securities carrying conversion or subscription rights into shares of the Offeror.

**(f) Other arrangements in relation to the Proposal**

As at the Latest Practicable Date:

- (i) no benefit (other than statutory compensation) was or would be given to any Director as compensation for his loss of office or otherwise in connection with the Proposal;
- (ii) there was no agreement, arrangement or understanding (including any compensation arrangement) between the Offeror or any parties acting in concert with it on one hand and any Directors, recent Directors, Shareholders or recent Shareholders on the other hand, having any connection with or was dependent upon the Proposal;
- (iii) there was no agreement or arrangement to which the Offeror is a party which relate to circumstances in which it may or may not invoke or seek to invoke a condition to the Scheme; and
- (iv) there was no arrangement (whether by way of option, indemnity or otherwise) in relation to shares of the Offeror or the Shares which might be material to the Proposal.

**(g) Other interests**

As at the Latest Practicable Date:

- (i) no Shares or any convertible securities, warrants, options or derivatives issued by the Company was owned or controlled by a subsidiary of the Company or by a pension fund (if any) of any member of the Group or by an adviser to the Company as specified in class (2) of the definition of “associate” under the Takeovers Code (but excluding exempt principal traders);
- (ii) there was no arrangement of the kind referred to in Note 8 to Rule 22 of the Takeovers Code with the Company or with any person who is an associate of the Company by virtue of classes (1), (2), (3) and (4) of the definition of “associate” under the Takeovers Code and had any interests in the Shares, convertible securities, warrants, options or derivatives of the Company;
- (iii) no Shares, convertible securities, warrants, options or derivatives of the Company was managed on a discretionary basis by any fund managers connected with the Company;
- (iv) there was no agreement or arrangement between any of the Directors and any other person which is conditional on or dependent upon the outcome of the Scheme or otherwise connected with the Scheme;
- (v) no material contracts have been entered into by the Offeror in which any Director has a material personal interest; and
- (vi) none of the Company and the Directors had borrowed or lent any relevant securities (as defined under Note 4 to Rule 22 of the Takeovers Code) of the Company.

**4. MATERIAL LITIGATION**

As at the Latest Practicable Date, neither the Company nor any of its subsidiaries was engaged in any litigation or arbitration of material importance and no litigation or claim of material importance was known to the Directors to be pending or threatened by or against the Company or any of its subsidiaries.

**5. MATERIAL CONTRACTS**

No contracts (not being contracts entered into in the ordinary course of business carried on or intended to be carried on by the Company or any of its subsidiaries) had been entered into by the Company or any of its subsidiaries within the two years before the commencement of the Offer Period, up to and including the Latest Practicable Date and were or might be material.

**6. SERVICE CONTRACTS**

Save as disclosed below, as at the Latest Practicable Date, none of the Directors had any service contract with the Company or any of its subsidiaries or associated companies in force which (a) (including both continuous and fixed term contracts) had been entered into or amended within six months preceding the Announcement Date; or (b) is a continuous contract with a notice period of 12 months or more; or (c) is a fixed term contract that has more than 12 months to run irrespective of the notice period:

Name of Director	Date of service contract	Term of service contract	Amount of remuneration
1. Mr. Ding Xiang Yang	9 September 2009 (as amended and effected on 1 September 2013)	no specific term	1. Annual salary:  RMB2.5 million  2. Year-end bonus:  (i) Up to RMB1.5 million (based on the Company's overall financial performance); and  (ii) Up to RMB1.0 million (based on individual performance)
2. Mr. Liu Ning	9 September 2009 (as amended and effected on 1 September 2013)	no specific term	1. Annual salary:  RMB2.5 million  2. Year-end bonus:  (i) Up to RMB1.5 million (based on the Company's overall financial performance); and  (ii) Up to RMB1.0 million (based on individual performance)

APPENDIX III	GENERAL INFORMATION ON THE GROUP AND THE OFFEROR
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Name of Director	Date of service contract	Term of service contract	Amount of remuneration
3. Mr. Xia Jing Hua	9 September 2009 (as amended and effected on 1 September 2013)	no specific term	1. Annual salary:  RMB1.0 million  2. Year-end bonus:  (i) Up to RMB1.5 million (based on the Company's overall financial performance); and  (ii) Up to RMB0.5 million (based on individual performance)
4. Mr. Yan Zhi Rong	9 September 2009 (as amended and effected on 1 September 2013)	no specific term	1. Annual salary:  RMB1.0 million  2. Year-end bonus:  (i) Up to RMB1.5 million (based on the Company's overall financial performance); and  (ii) Up to RMB0.5 million (based on individual performance)
5. Mr. Yu Xiu Yang	20 May 2011 (as amended and effected on 1 September 2013)	for a term of three years commencing on 20 May 2011	1. Annual salary:  RMB1.0 million  2. Year-end bonus:  (i) Up to RMB1.5 million (based on the Company's overall financial performance); and  (ii) Up to RMB0.5 million (based on individual performance)

## 7. MARKET PRICES

The table below shows the closing prices per Share on the Stock Exchange on (i) the Latest Practicable Date; (ii) the Last Trading Day; and (iii) the last trading day of each of the calendar months during the Relevant Period.

Date	Closing price
31 May 2013	HK\$1.18
28 June 2013	HK\$1.18
31 July 2013	HK\$1.12
30 August 2013	HK\$1.17
30 September 2013	HK\$1.11
Last Trading Day	HK\$1.24
31 October 2013	Trading suspended
29 November 2013	HK\$1.60
Latest Practicable Date	HK\$1.64

The highest and lowest closing prices per Share as quoted on the Stock Exchange during the Relevant Period were HK\$1.66 per Share on 5 December 2013, 6 December 2013 and 11 December 2013, and HK\$1.09 per Share on 30 July 2013.

## 8. CONSENTS AND QUALIFICATIONS OF EXPERTS

Name	Qualification
Kim Eng	A corporation licensed under the SFO to conduct Type 1 (dealing in securities), Type 4 (advising on securities) and Type 6 (advising on corporate finance) of regulated activities
Anglo Chinese	A corporation licensed under the SFO to conduct Type 1 (dealing in securities), Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 9 (asset management) of regulated activities and the independent financial adviser to the Independent Board Committee in connection with the Proposal
Jones Lang LaSalle Corporate Appraisal and Advisory Limited	Chartered professional surveyors and valuers
Commerce & Finance Law Offices	Legal advisers to the Company as to the laws of the PRC

The above experts have given and have not withdrawn their respective written consents to the issue of this Scheme Document with the inclusion of their letters, advices, reports and the references to their names in the form and context in which they respectively appear.

As at the Latest Practicable Date, the above experts did not have any shareholdings in the Company.

**9. MISCELLANEOUS**

- (a) The sole director of the Offeror is Mr. Zhang.
- (b) The registered office of the Offeror is situated at P.O. Box 957, Offshore Incorporations Centre, Road Town, Tortola, British Virgin Islands and the correspondence address of the Offeror in Hong Kong is Unit 6902-03, Level 69, International Commerce Centre, 1 Austin Road West, Kowloon, Hong Kong.
- (c) The registered office of Kim Eng is situated at Level 30 Three Pacific Place, 1 Queen's Road East, Hong Kong.
- (d) The registered office of the Company is situated at the offices of Codan Trust Company (Cayman) Limited at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands.
- (e) The principal place of business of the Company in Hong Kong is situated at Suites 2501-2504, 25th Floor, Two Exchange Square, 8 Connaught Place, Central, Hong Kong.
- (f) The secretary of the Company is Ms. Tai Wing Kwan, Catherine, who is a solicitor admitted in Hong Kong and England and Wales.
- (g) The principal share registrar of the Company is Codan Trust Company (Cayman) Limited at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands.
- (h) The branch share registrar and transfer office of the Company in Hong Kong is Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong.
- (i) The principal place of business of Anglo Chinese is at 40th Floor, Two Exchange Square, 8 Connaught Place, Central, Hong Kong.
- (j) This Scheme Document is prepared in both English and Chinese. In the event of inconsistency, the English text shall prevail.

## 10. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection at the principal place of business of the Company in Hong Kong at Suites 2501–2504, 25th Floor, Two Exchange Square, 8 Connaught Place, Central, Hong Kong from 9:30 a.m. to 5:00 p.m. (except Saturdays, Sundays and public holidays) and on the website of the Company at <http://www.gloriousphl.com.cn> and the website of the SFC at [www.sfc.hk](http://www.sfc.hk) during the period from the date of this Scheme Document until the earlier of (a) the Effective Date or the closing date of the Option Offer, whichever is later; and (b) the date on which the Scheme or the Option Offer lapses or is withdrawn, whichever is later:

- (a) the memorandum and articles of association of the Offeror;
- (b) the memorandum and articles of association of the Company;
- (c) the annual reports of the Company for the years ended 31 December 2010, 2011 and 2012 respectively and the interim report of the Company for the six months ended 30 June 2013;
- (d) the letter from the Board, the text of which is set out in Part IV of this Scheme Document;
- (e) the letter from the Independent Board Committee, the text of which is set out in Part V of this Scheme Document;
- (f) the letter from the Independent Financial Adviser, the text of which is set out in Part VI of this Scheme Document;
- (g) the letter, summary of valuations and valuation certificates relating to the property interests of the Group prepared by Jones Lang LaSalle Corporate Appraisal and Advisory Limited, the text of which is set out in Appendix II to this Scheme Document;
- (h) the PRC legal opinion dated 24 December 2013 issued by Commerce & Finance Law Offices in respect of the property interests of the Group;
- (i) the service contracts referred to in the paragraph headed “6. Service Contracts” in this Appendix;
- (j) the written consents issued by Kim Eng, the Independent Financial Adviser, Jones Lang LaSalle Corporate Appraisal and Advisory Limited and Commerce & Finance Law Offices referred to in the paragraph headed “8. Consents and Qualifications of Experts” in this Appendix; and
- (k) this Scheme Document.

IN THE GRAND COURT OF THE CAYMAN ISLANDS

CAUSE NO: FSD 149 OF 2013 (CQJ)

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IN THE MATTER OF

GLORIOUS PROPERTY HOLDINGS LIMITED

AND IN THE MATTER OF

SECTION 86 OF THE COMPANIES LAW (2013 REVISION) OF  
THE CAYMAN ISLANDS

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SCHEME OF ARRANGEMENT

between

GLORIOUS PROPERTY HOLDINGS LIMITED

and

THE HOLDERS OF SCHEME SHARES

(as hereinafter defined)

- (A) In this Scheme of Arrangement, unless inconsistent with the subject or context, the following expressions shall have the meanings respectively set out opposite them:

<b>"Business Day"</b>	a day other than a Saturday, Sunday or a public holiday in Hong Kong or the Cayman Islands
<b>"Cancellation Price"</b>	the cancellation price of HK\$1.80 per Scheme Share payable in cash by the Offeror to the Scheme Shareholders pursuant to the Scheme
<b>"Cayman Islands Grand Court"</b>	the Grand Court of the Cayman Islands
<b>"Companies Law"</b>	the Companies Law Cap. 22 (Law 3 of 1961) as consolidated and revised of the Cayman Islands



<b>“Company”</b>	Glorious Property Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the ordinary shares of which are currently listed on the Main Board of The Stock Exchange of Hong Kong Limited (stock code: 00845)
<b>“Effective Date”</b>	the date on which the Scheme, if approved and sanctioned by the Cayman Islands Grand Court, becomes effective in accordance with its terms and the Companies Law, being the date on which a copy of the Order of the Cayman Islands Grand Court sanctioning the Scheme is delivered to the Registrar of Companies in the Cayman Islands for registration pursuant to section 86(3) of the Companies Law, and which is expected to be Wednesday, 19 February 2014 (Cayman Islands time)
<b>“HK\$”</b>	Hong Kong dollars, the lawful currency of Hong Kong
<b>“Hong Kong”</b>	the Hong Kong Special Administrative Region of the People’s Republic of China
<b>“Latest Practicable Date”</b>	20 December 2013, being the latest practicable date for ascertaining certain information contained in the Scheme Document
<b>“Mr. Zhang”</b>	Mr. Zhang Zhi Rong, the ultimate controlling Shareholder of the Company, the sole ultimate beneficial shareholder of the Offeror, Market Victor Limited, Novel Ventures, Island Century Limited and Well Advantage Limited and the sole director of the Offeror
<b>“Offeror”</b>	Best Era International Limited, a company incorporated in the British Virgin Islands with limited liability, which is directly wholly-owned by Mr. Zhang and is the controlling Shareholder
<b>“Offeror Concert Parties”</b>	Market Victor Limited, Novel Ventures Limited, Island Century Limited and Well Advantage Limited, all of which are wholly-owned directly or indirectly by Mr. Zhang
<b>“Proposal”</b>	the proposal for the privatization of the Company by the Offeror by way of the Scheme

<b>“Record Date”</b>	Wednesday, 19 February 2014, or such other time and date as shall have been announced to holders of Shares, being the record date for the purpose of determining the entitlements of Scheme Shareholders under the Scheme
<b>“Record Time”</b>	4:30 p.m. (Hong Kong time) on the Record Date
<b>“Register”</b>	the principal or branch register of members of the Company (as the case may be)
<b>“Scheme”</b>	a scheme of arrangement under section 86 of the Companies Law involving the cancellation of all the Scheme Shares, and the subsequent issue of an equivalent number of new Shares to the Offeror
<b>“Scheme Document”</b>	this composite document, including each of the letters, statements, appendices and notices in it
<b>“Scheme Shares”</b>	Share(s) other than those held directly or indirectly by the Offeror and the Offeror Concert Parties as at the Record Time on the Record Date
<b>“Scheme Shareholder(s)”</b>	holder(s) of Scheme Share(s) as at the Record Time on the Record Date
<b>“Share(s)”</b>	ordinary share(s) of HK\$0.01 each in the share capital of the Company
<b>“Takeovers Code”</b>	the Hong Kong Code on Takeovers and Mergers

- (B) The Company was incorporated as an exempted company on 27 July 2007 in the Cayman Islands under the Companies Law.
- (C) The authorized share capital of the Company as at the Latest Practicable Date was HK\$380,000,000.00 divided into 38,000,000,000 Shares of par value HK\$0.01 each of which 7,792,645,623 Shares were issued and fully paid, with the remainder being unissued.
- (D) The Offeror has proposed the privatization of the Company by way of the Scheme.

The primary purpose of the Scheme is that all of the Scheme Shares should be cancelled and extinguished and that the Company should become wholly-owned by the Offeror and the Offeror Concert Parties.

1. As at the Latest Practicable Date, 5,314,216,436 Shares were legally and/or beneficially owned by the Offeror and the Offeror Concert Parties and registered as follows:

<b>Name</b>	<b>Registered holder of Shares</b>	<b>Number of Shares</b>
Offeror	HKSCC Nominees Limited	4,978,923,436 Shares
Market Victor Limited (Note)	HKSCC Nominees Limited	81,936,000 Shares
Novel Ventures Limited (Note)	HKSCC Nominees Limited	106,288,000 Shares
Island Century Limited (Note)	HKSCC Nominees Limited	119,313,000 Shares
Well Advantage Limited (Note)	HKSCC Nominees Limited	27,756,000 Shares

*Note:*

The Offeror, Market Victor Limited, Novel Ventures Limited, Island Century Limited and Well Advantage Limited are wholly-owned directly or indirectly by Mr. Zhang.

2. Each of the Offeror and the Offeror Concert Parties, being presumed to be acting in concert with the Offeror under the Takeovers Code, will procure that any Shares in respect of which they are beneficially interested will not be represented or voted at the meeting convened at the direction of the Cayman Islands Grand Court for the purpose of considering and, if thought fit, approving the Scheme.
3. The Offeror and the Offeror Concert Parties have undertaken to the Cayman Islands Grand Court to be bound by the Scheme, and to execute and do and procure to be executed and done all such documents, acts and things as may be necessary or desirable to be executed or done by each of them for the purpose of giving effect to this Scheme.

**THE SCHEME****PART I****Cancellation of the Scheme Shares**

1. On the Effective Date:
  - (a) the issued share capital of the Company shall be reduced by cancelling and extinguishing the Scheme Shares;
  - (b) subject to and forthwith upon such reduction of capital taking effect, the share capital of the Company will be increased to its former amount by issuing to the Offeror the same number of Shares as the number of Scheme Shares cancelled and extinguished; and
  - (c) the Company shall apply the credit arising in its books of account as a result of the capital reduction referred to in paragraph 1(a) above in paying up in full at par the new Shares issued to the Offeror, credited as fully paid.

**PART II****Consideration for the cancellation and extinguishment of the Scheme Shares**

2. In consideration of the cancellation and extinguishment of the Scheme Shares, the Offeror shall pay or cause to be paid to each Scheme Shareholder the Cancellation Price.

**PART III****General**

3.
  - (a) As soon as possible and in any event not later than seven (7) Business Days after the Effective Date, the Offeror shall send or cause to be sent to Scheme Shareholders cheques in respect of the sums payable to such Scheme Shareholders pursuant to Clause 2 of this Scheme.
  - (b) Unless otherwise indicated in writing to the branch share registrar of the Company in Hong Kong, being Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, all such cheques shall be sent by post in pre-paid envelopes addressed to such Scheme Shareholders at their respective addresses as appearing on the Register at the Record Time or, in the case of joint holders, at the address as appearing on the Register at the Record Time of the joint holder whose name then stands first in the Register in respect of the relevant joint holding.
  - (c) Cheques shall be posted at the risk of the addressee and neither the Offeror nor the Company shall be responsible for any loss or delay in the transmission of the same.

- (d) Each cheque shall be payable to the order of the person to whom, in accordance with the provisions of paragraph (b) of this Clause 3, the envelope containing the same is addressed and the encashment of any such cheque shall be a good discharge to the Offeror for the monies represented thereby.
  - (e) On or after the day being six calendar months after the posting of the cheque pursuant to paragraph (b) of this Clause 3, the Offeror shall have the right to cancel or countermand payment of any such cheque which has not been encashed or that has been returned uncashed and shall place all monies represented thereby in a deposit account of the Offeror with a licensed bank of Hong Kong selected by the Company. The Offeror shall hold such monies on trust for those entitled to it under the terms of this Scheme until the expiration of six years from the Effective Date and shall, prior to such date, make payments thereout of the sums payable pursuant to Clause 2 of this Scheme to persons who satisfy the Offeror that they are respectively entitled thereto and the cheques referred to in paragraph (b) of this Clause 3 of which they are payees have not been cashed. The Offeror shall exercise its absolute discretion in determining whether or not it is satisfied that any person is so entitled and a certificate of the Offeror to the effect that any particular person is so entitled or not so entitled, as the case may be, shall be conclusive and binding upon all persons claiming an interest in the relevant monies.
  - (f) On the expiration of six years from the Effective Date, the Offeror shall be released from any further obligation to make any payments under this Scheme.
  - (g) Paragraph (f) of this Clause 3 shall take effect subject to any prohibition or condition imposed by law.
  - (h) Upon cancellation of the Scheme Shares, the Register shall be updated to reflect such cancellation.
4. Each instrument of transfer and certificate existing at the Record Time in respect of a holding of any number of Scheme Shares shall on the Effective Date cease to be valid for any purpose as an instrument of transfer or a certificate for such Scheme Shares and every holder of such certificate shall be bound at the request of the Offeror to deliver up the same to the Offeror for the cancellation thereof.
  5. All mandates or relevant instructions to the Company in force at the Record Time relating to any of the Scheme Shares shall cease to be valid as effective mandates or instructions on the Effective Date.
  6. This Scheme shall become effective as soon as a copy of the order of the Cayman Islands Grand Court sanctioning this Scheme under Section 86 of the Companies Law has been registered by the Registrar of Companies in the Cayman Islands.
  7. Unless this Scheme shall have become effective on or before Friday, 21 March 2014 or such later date, if any, as the Company and the Offeror may agree, or as the Cayman Islands Grand Court, on application of the Company and/or the Offeror may allow, this Scheme shall lapse.

8. The Company and the Offeror may consent jointly for and on behalf of all concerned to any modification of or addition to this Scheme or to any condition that the Cayman Islands Grand Court may think fit to approve or impose.
9. All costs, charges and expenses of the advisers and counsels appointed by the Company, including the Independent Financial Adviser, will be borne by the Company, all costs, charges and expenses of the advisers and counsels appointed by Offeror will be borne by the Offeror, and other costs, charges and expenses of this Scheme will be shared between the Offeror and the Company equally.

24 December 2013

IN THE GRAND COURT OF THE CAYMAN ISLANDS  
FINANCIAL SERVICES DIVISION

Cause No. FSD 149 of 2013 (CQJ)

IN THE MATTER of sections 15 and 86 of the Companies Law (2013 Revision) (as amended)

AND IN THE MATTER of the Grand Court Rule 1995 Order 102

AND IN THE MATTER of Glorious Property Holdings Limited

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NOTICE OF COURT MEETING

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**NOTICE IS HEREBY GIVEN** that, by an order dated 19 December 2013 (the "**Order**") made in the above matter, the Grand Court of the Cayman Islands (the "**Court**") has directed a meeting (the "**Court Meeting**") to be convened of the Scheme Shareholders (as defined in the Scheme of Arrangement hereinafter mentioned) for the purpose of considering and, if thought fit, approving, with or without modification(s), a scheme of arrangement (the "**Scheme of Arrangement**") proposed to be made between Glorious Property Holdings Limited (the "**Company**") and the Scheme Shareholders and that the Court Meeting will be held at Grand Ballroom, 2/F., Hotel Nikko Hongkong, 72 Mody Road, Tsimshatsui East, Kowloon, Hong Kong on Friday, 17 January 2014 at 9:00 a.m. at which place and time all Scheme Shareholders are requested to attend.

A copy of the Scheme of Arrangement and a copy of an explanatory statement explaining the effect of the Scheme of Arrangement are incorporated in the composite scheme document of which this Notice forms part. A copy of the composite scheme document can also be obtained by the Scheme Shareholders from the Hong Kong branch share registrar of the Company, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong.

Scheme Shareholders may vote in person at the Court Meeting or they may appoint another person (who must be an individual), whether a member of the Company or not, to attend and vote in their stead. A **pink** form of proxy for use at the Court Meeting is enclosed with the composite scheme document dated 24 December 2013 despatched to members of the Company on 24 December 2013.

In the case of joint holders of a share, any one of such persons may vote at the Court Meeting, either personally or by proxy, in respect of such share as if he were solely entitled thereto. However, if more than one of such joint holders be present at the Court Meeting personally or by proxy, that one of the said persons so present being the most or, as the case may be, the more senior shall alone be entitled to vote in respect of the relevant joint holding. For this purpose, seniority shall be determined by reference to the order in which the names of the joint holders stand on the register of members of the Company in respect of such joint holding, the first named shareholder being the senior.

It is requested that forms appointing proxies be deposited at the branch share registrar of the Company in Hong Kong at Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 9:00 a.m. on Wednesday, 15 January 2014, or alternatively handed to the chairman of the Court Meeting at the Court Meeting.

By the Order, the Court has appointed Cheng Li Xiong, a director of the Company, or failing him, Ding Xiang Yang, also a director of the Company, or failing him any other person who is a director of the Company as at the date of the Court Meeting, to act as the chairman of the Court Meeting and has directed the chairman of the Court Meeting to report the results of the Court Meeting to the Court within 7 days of the Court Meeting.

The Scheme of Arrangement will be subject to a subsequent application seeking the sanction of the Court.

By Order of the Court  
**Glorious Property Holdings Limited**

Dated 24 December 2013

*Registered Office*  
Cricket Square  
Hutchins Drive  
P.O. Box 2681  
Grand Cayman  
KY1-1111  
Cayman Islands

*Principal Place of Business in Hong Kong*  
Suites 2501–2504, 25th Floor  
Two Exchange Square  
8 Connaught Place  
Central, Hong Kong





**Glorious Property Holdings Limited**  
**恒盛地產控股有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 00845)**

**NOTICE OF EXTRAORDINARY GENERAL MEETING**

**NOTICE IS HEREBY GIVEN** that an extraordinary general meeting of Glorious Property Holdings Limited (the “**Company**”) will be held at Grand Ballroom, 2/F., Hotel Nikko Hongkong, 72 Mody Road, Tsimshatsui East, Kowloon, Hong Kong on Friday, 17 January 2014 at 9:30 a.m. (or so soon thereafter as the meeting of the Scheme Shareholders (as defined in the Scheme of Arrangement hereinafter mentioned) convened at the direction of the Grand Court of the Cayman Islands for the same day and place shall have been concluded or adjourned), for the purpose of considering and, if thought fit, passing the following resolutions:

**SPECIAL RESOLUTION**

“**THAT:** for the purposes of giving effect to the scheme of arrangement dated 24 December 2013 (the “**Scheme of Arrangement**”) between the Company and the holders of Scheme Shares (as defined in the Scheme of Arrangement), on the Effective Date (as defined in the Scheme of Arrangement):

- (i) the issued share capital of the Company shall be reduced by cancelling and extinguishing the Scheme Shares (as defined in the Scheme of Arrangement); and
- (ii) the directors of the Company be and are hereby authorized to do all such acts and things considered by them to be necessary or desirable in connection with the implementation of the Scheme of Arrangement, including (without limitation) the giving of consent to any modification of or addition to, the Scheme of Arrangement, which the Grand Court of the Cayman Islands may see fit to impose.”

## ORDINARY RESOLUTION

- “THAT: (i) subject to and forthwith upon such reduction of share capital taking effect, the issued share capital of the Company shall be increased to its former amount by the allotment and issue of the same number of ordinary shares of HK\$0.01 each in the capital of the Company as is equal to the number of Scheme Shares cancelled and extinguished; and
- (ii) the Company shall apply the credit arising in its books of account as a result of such capital reduction in paying up in full at par the new ordinary shares of HK\$0.01 each in the capital of the Company issued as aforesaid, credited as fully paid, to Best Era International Limited.”

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

Hong Kong, 24 December 2013

*Registered Office*  
Cricket Square  
Hutchins Drive  
P.O. Box 2681  
Grand Cayman  
KY1-1111  
Cayman Islands

*Principal Place of Business in Hong Kong*  
Suites 2501–2504, 25th Floor  
Two Exchange Square  
8 Connaught Place  
Central, Hong Kong

*Notes:*

- (1) Any member of the Company entitled to attend and vote at the above meeting (or any adjournment thereof) is entitled to appoint one or more than one proxy to attend and vote on his/her behalf. A proxy need not be a member of the Company.
- (2) Where there are joint holders of share(s), any one of such persons may vote at the above meeting (or at any adjournment thereof), either personally or by proxy, in respect of such share(s) as if he/she were solely entitled thereto; but if more than one of such joint holders be present at the meeting personally or by proxy, that one of the said persons so present whose name stands first on the register of members of the Company in respect of such share(s) will alone be entitled to vote in respect thereof.
- (3) A **white** form of proxy for use at the extraordinary general meeting is enclosed with the Scheme Document containing the Scheme of Arrangement dated 24 December 2013 despatched to members of the Company.
- (4) In order to be valid, the **white** form of proxy, together with the power of attorney or other authority (if any) under which it is signed or a notarially certified copy thereof, must be deposited at Computershare Hong Kong Investor Services Limited, the Hong Kong branch share registrar of the Company, at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong, as soon as possible and in any event not less than 48 hours before the time for holding the extraordinary general meeting (or any adjournment thereof) at which the person named in the **white** form of proxy proposes to vote, failing which the form of proxy will not be valid. Completion and return of the form of proxy will not preclude a member from attending the extraordinary general meeting (or any adjournment thereof) and voting in person if he so wishes. In that event his form of proxy will be deemed to have been revoked.

- (5) The register of members of the Company will be closed on Tuesday, 14 January 2014, during which day no transfer of shares in the Company will be effected. In order to qualify for the right to attend and vote at the extraordinary general meeting, all transfers, accompanied by the relevant share certificates, must be lodged with the Hong Kong branch share registrar of the Company, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Monday, 13 January 2014.
- (6) The resolutions set out in this notice shall be decided by poll.

*The following is a sample of the Option Offer Letter being sent to the Optionholders in connection with the Option Offer.*



Kim Eng Securities (Hong Kong) Limited  
Financial Adviser to Best Era International Limited

24 December 2013

*To Optionholders*

Dear Sir or Madam,

**OPTION OFFER IN RELATION TO  
PROPOSED PRIVATIZATION OF  
GLORIOUS PROPERTY HOLDINGS LIMITED  
BY BEST ERA INTERNATIONAL LIMITED  
BY WAY OF A SCHEME OF ARRANGEMENT  
(UNDER SECTION 86 OF THE CAYMAN ISLANDS COMPANIES LAW)**

A scheme document (the “**Scheme Document**”) dated the same date as this letter issued jointly by Best Era International Limited (the “**Offeror**”) and Glorious Property Holdings Limited (the “**Company**”) is enclosed with this letter. Terms used but not defined in this letter shall have the same meanings as in the Scheme Document. This letter should be read in conjunction with the Scheme Document.

On 21 November 2013, the Offeror and the Company jointly announced that on 18 November 2013, the Offeror requested the Board to put forward a proposal to the Scheme Shareholders regarding a proposed privatization of the Company by way of a scheme of arrangement under Section 86 of the Cayman Islands Companies Law involving cancellation of all the Scheme Shares and allotment and issue of new Shares to the Offeror. As stated in the Announcement, as part of the Proposal, the Offeror will make a comparable cash offer to the Optionholders to cancel their outstanding Share Options, subject to the Scheme becoming effective.

This letter explains the actions you may take in relation to your outstanding Share Options. You are advised to refer to the Scheme Document when considering them.

Your attention is also drawn to the terms and conditions of the Share Option Scheme.

**TERMS OF THE OPTION OFFER**

On behalf of the Offeror, we are making an offer, which is conditional on the Scheme becoming effective, to you on the following terms.

Any outstanding Share Options, to the extent not exercised on or prior to the Latest Option Exercise Date, will lapse within fourteen (14) days after the Scheme becoming

effective. You may accept the Option Offer by lodging a completed form of acceptance in respect of the Option Offer ("**Form of Acceptance**") by the prescribed deadline and, if the Option Offer becomes unconditional, you will be entitled to receive a cash consideration of HK\$0.04 (the "**Option Offer Price**") for each Share Option.

The Option Offer Price represents the "see-through" price of the outstanding Share Option, being the amount calculated by deducting the exercise price per Share payable on exercise of the Share Option of HK\$1.76 per Share from the cash consideration in the amount of HK\$1.80 per Scheme Share.

The Option Offer is conditional upon the Scheme becoming effective. The Option Offer will become unconditional immediately upon the Scheme becoming effective and prior to the Company being de-listed from the Stock Exchange. The Conditions of the Proposal are set out in the section headed "Explanatory Statement – 2. Terms of the Proposal – Conditions of the Proposal" in the Scheme Document. In addition, all payments in respect of the Option Offer Price will be made by cheques in Hong Kong dollars. You may face delays or obstacles in changing Hong Kong dollars to other currency or cashing such cheques in certain locations or situations.

You are further advised to refer to the sections headed "Explanatory Statement – 16. Registration and payment" and "Explanatory Statement – 17. Overseas Shareholders and Optionholder(s)" in the Scheme Document.

#### **COURSES OF ACTION AVAILABLE TO OPTIONHOLDERS**

In summary, the choices available to you in respect of your outstanding Share Options are:

- (a) to the extent any of your outstanding Share Options is not exercised on or prior to the Latest Option Exercise Date, you may accept the Option Offer in accordance with its terms, as set out in this letter and in the Scheme Document and elect on the enclosed Form of Acceptance, by not later than 4:30 p.m. (Hong Kong time) on Wednesday, 5 March 2014 (or such later time and/or date as may be notified to you through announcement(s)), to receive the Option Offer Price if the Scheme becomes effective;
- (b) you may in accordance with the terms of the Share Option Scheme exercise all or any of your outstanding Share Options (to the extent not already exercised) to its full extent or to the extent specified in your notice of exercise of Share Options to the Company at any time after the date of this letter (being 24 December 2013) and up to the Latest Option Exercise Date. Any Shares issued as a result of the exercise of such outstanding Share Options as mentioned above will be subject to and eligible to participate in the Scheme. Please refer to the Scheme Document for details of the Proposal and the Scheme in this regard; or

- (c) do nothing, in which case, if the Scheme becomes effective, your unexercised outstanding Share Options will lapse automatically within fourteen (14) days after the Effective Date and you will receive neither the Option Offer Price nor the Cancellation Price.

Each outstanding Share Option you hold is independent and you should make a separate decision for each one.

For further details, please refer to the remaining sections of this letter, the Scheme Document and the terms of the Share Option Scheme.

#### **ACTIONS TO BE TAKEN**

In order to accept the Option Offer, you must complete and return the duly completed and executed Form of Acceptance so as to reach the Offeror, care of the Company at Suites 2501–2504, 25th Floor, Two Exchange Square, 8 Connaught Place, Central, Hong Kong, for the attention of the board of the Offeror and marked “Glorious Property – Option Offer” by no later than 4:30 p.m. (Hong Kong time) on Wednesday, 5 March 2014 (or such later time and/or date as may be notified to you through announcement(s)). If you do not complete a Form of Acceptance, subject to and conditional upon the Scheme becoming effective, your Share Options will lapse.

Before forwarding the Form of Acceptance to the board of the Offeror, please ensure that you have signed the Form of Acceptance and that your signature has been witnessed.

Assuming the Option Offer becomes unconditional on Wednesday, 19 February 2014 (Cayman Islands time), cheques for the Option Offer Price are expected to be despatched within 7 business days following the later of the Effective Date and the date of receipt of the duly completed Form of Acceptance by the Offeror.

No acknowledgment of receipt of any Form of Acceptance or other documents will be given.

#### **OUTSTANDING SHARE OPTIONS HELD AS AT THE LATEST PRACTICABLE DATE**

Information on the outstanding Share Options held by you as at the Latest Practicable Date is available from the company secretary of the Company. If there is any exercise of your outstanding Share Options after the Latest Practicable Date, you may accept the Option Offer only in respect of such outstanding Share Options which remain unexercised as at the Latest Option Exercise Date.

#### **LAPSED SHARE OPTIONS**

Please note that nothing in this letter or the Scheme Document serves to extend the life of a Share Option which lapses, will lapse, or has already lapsed, under the terms of the Share Option Scheme. You cannot exercise or accept the Option Offer in respect of a Share Option which has lapsed or will have lapsed within fourteen (14) days after the Effective Date.

**RECOMMENDATIONS OF THE INDEPENDENT BOARD COMMITTEE AND THE INDEPENDENT FINANCIAL ADVISER**

Your attention is drawn to the letter from the Independent Board Committee to the Shareholders and the Optionholders set out on pages 24 to 25 of the Scheme Document and the letter from the Independent Financial Adviser to the Independent Board Committee set out on pages 26 to 54 of the Scheme Document, which contain the recommendations of the Independent Board Committee and the Independent Financial Adviser, respectively, in relation to the Scheme and the Option Offer.

**INDEPENDENT FINANCIAL ADVICE**

The information provided in this letter is intended to give you factual details on which to base your decision as to the action you wish to take.

If you are in any doubt as to any aspect of this letter, the Scheme Document or as to the action to be taken, you should consult your licensed securities dealer, registered institution in securities, bank manager, solicitor, professional accountant or other professional adviser.

**DECLARATION**

By signing and returning the Form of Acceptance, you thereby:

- (a) confirm that each Share Option in respect of which you make an election is valid and subsisting, free from all liens, charges, mortgages and third party interests of any nature whatsoever and you acknowledge that any option certificate or documents in respect of such Share Option shall become void once that Share Option has been cancelled as a result of your acceptance of the Option Offer pursuant to your decisions shown on the Form of Acceptance;
- (b) confirm that the decisions which you have made on the Form of Acceptance cannot be withdrawn or altered;
- (c) authorize the Offeror, the Company and/or Kim Eng and/or such person or persons as any of them may direct to do all acts and things and to complete, amend and execute any document on your behalf as may be necessary or desirable to give effect to or in connection with the acceptance you have made on the Form of Acceptance, and you hereby undertake to execute any further assurance that may be required in respect of such acceptance;
- (d) undertake to confirm and ratify any action properly or lawfully taken on your behalf by any attorney appointed by or pursuant to this letter and the Form of Acceptance; and
- (e) confirm that you have read, understood and agreed to the terms and conditions of the Option Offer (including without limitation those set out in the Scheme Document, this letter and the Form of Acceptance), and that you have received the Scheme Document and this letter.

**GENERAL**

- (a) All communications, notices, Forms of Acceptance, cheques, certificates and other documents of any nature to be delivered by or sent to or from the Optionholder(s) will be delivered by or sent to or from them, or their designated agents, at their risk, and none of Kim Eng, the Offeror or the Company accepts any liability for any loss or any other liabilities whatsoever which may arise as a result.
- (b) The provisions set out in the Form of Acceptance form part of the terms of the Option Offer.
- (c) The Option Offer and all acceptances will be governed by and construed in accordance with the laws of Hong Kong.
- (d) Due execution of the Form of Acceptance in respect of the Option Offer will constitute an authority to the Offeror and/or Kim Eng and/or such person or persons as any of them may direct to complete and execute on behalf of the accepting Optionholder, the Form of Acceptance and any document and to do any other act that may be necessary or expedient for the purpose of cancelling, or vesting in the Offeror or such person(s) as the Offeror shall direct, all rights of the Optionholders in respect of the outstanding Share Options which are the subject of such acceptance.
- (e) The delivery of the Form of Acceptance, duly signed, may, if the Offeror determines it appropriate, be as effective as if it were duly completed and received notwithstanding that it is not completed or received strictly in accordance with the Form of Acceptance and this letter, including the date specified for receipt.
- (f) By completing the Form of Acceptance in respect of a particular outstanding Share Option, you irrevocably and at your own risk elect to authorise the Offeror and/or Kim Eng and/or their respective agent(s) to send to you (or to any other payee you specify in the Form of Acceptance), or procure the sending to you (or to any such payee) of, the cash to which you are entitled.

**RESPONSIBILITY STATEMENTS**

The directors of the Company jointly and severally accept full responsibility for the accuracy of the information contained in this letter (other than that relating to the Offeror and parties acting in concert with it) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this letter (other than those expressed by the Offeror) have been arrived at after due and careful consideration and there are no other facts not contained in this letter, the omission of which would make any statement in this letter misleading.



The sole director of the Offeror accepts full responsibility for the accuracy of the information contained in this letter (other than that relating to the Group) and confirms, having made all reasonable enquiries, that to the best of his knowledge, opinions expressed in this letter (other than those expressed by the Group) have been arrived at after due and careful consideration and there are no other facts not contained in this letter, the omission of which would make any statement in this letter misleading.

Yours faithfully,  
For and on behalf of  
**Kim Eng Securities (Hong Kong) Limited**  
**Wiley O'Yang**  
*Managing Director*