恒盛地產
GLORIOUS PROPERTY

恒盛地產控股有限公司
GLORIOUS PROPERTY HOLDINGS LIMITED
股份代號 STOCK CODE: 00845

THE Ultimacy OF Life
築•極致人生

2015
INTERIM REPORT
中期報告

Corporate Profile

Glorious Property Holdings Limited ("Glorious Property" or the "Company", together with its subsidiaries, the "Group", HKEx Stock Code: 00845) is a national property developer in China, focusing on the development and sales of large-scale and high quality properties in key economic cities of Shanghai Region, Yangtze River Delta, Pan Bohai Rim and Northeast China. At present, the Group has 28 projects in 12 cities including Beijing, Tianjin, Shanghai, Wuxi, Suzhou, Nanjing, Nantong, Hefei, Harbin, Changchun, Shenyang and Dalian.

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Corporate Information

BOARD OF DIRECTORS

Executive Directors

Mr. Cheng Li Xiong *(Chairman)*
Mr. Ding Xiang Yang *(Vice Chairman and Chief Executive Officer)*
Mr. Xia Jing Hua *(Chief Financial Officer)*
Mr. Yan Zhi Rong

Independent Non-Executive Directors

Prof. Liu Tao
Mr. Wo Rui Fang
Mr. Han Ping

AUDIT COMMITTEE

Prof. Liu Tao *(Chairman)*
Mr. Wo Rui Fang
Mr. Han Ping

REMUNERATION COMMITTEE

Mr. Wo Rui Fang *(Chairman)*
Mr. Cheng Li Xiong
Prof. Liu Tao

NOMINATION COMMITTEE

Mr. Cheng Li Xiong *(Chairman)*
Mr. Wo Rui Fang
Mr. Han Ping

CORPORATE GOVERNANCE COMMITTEE

Mr. Ding Xiang Yang *(Chairman)*
Mr. Cheng Li Xiong
Mr. Xia Jing Hua

FINANCE COMMITTEE

Mr. Cheng Li Xiong
Mr. Ding Xiang Yang
Mr. Xia Jing Hua

COMPANY SECRETARY

Mr. Cheng Ka Hang, Francis

AUDITOR

PricewaterhouseCoopers

LEGAL ADVISERS

Paul Hastings
Commerce and Finance Law Offices
Conyers Dill & Pearman

PRINCIPAL BANKERS

China Construction Bank
Bank of China
China Minsheng Banking Corp., Ltd.
Bank of Shanghai

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Shanghai, China

PRINCIPAL SHARE REGISTRAR

Codan Trust Company (Cayman) Limited
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KY1-1111, Cayman Islands

Corporate Information

HONG KONG SHARE REGISTRAR

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CONTACT

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CHOICE OF LANGUAGE OR MEANS OF RECEIPT OF CORPORATE INFORMATION

This interim report is now available in printed form and on the website of the Company. If shareholders who have received or chosen to receive this interim report by electronic means and

1. wish to receive a printed copy; or

2. for any reason have difficulty in receiving or gaining access to this report on the Company's website,

they may obtain a printed copy free of charge by sending a request to the Company's Hong Kong Share Registrar by email at gloriousphl.ecom@computershare.com.hk or by post to 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong.

For shareholders who wish to change their choice of language or means of receipt of the Company's future corporate communications, free of charge, they could at any time notify the Company's Hong Kong Share Registrar by email or by post.

WEBSITE

http://www.gloriousphl.com.cn

STOCK CODE

00845

Chairman's Statement

BUSINESS REVIEW

In the first half of 2015, investment in the development of the property industry nationwide increased by 4.6% year-on-year. The sales amount and area of commodity properties sold grew by 10% and 3.9% year-on-year respectively. The GFA of newly-commenced construction, however, decreased by 15.8% as compared to the same period of last year, and significantly reduced the pressure arising from high inventory level in the industry. As impacted by multiple polices including the reduced bank interest rate and the required reserve ratio and loosened pension fund policies, the overall property market got back on track, and the trend of differentiation of property prices became more prominent. The price rise in first-tier cities was significant whereas a steady development remained in second-tier cities, while property prices in third-tier and fourth-tier markets still declined. Given the market changes, the Group introduced corresponding measures to steadily lift up the sales, and thus accelerated the destocking process and cash inflow.

Results of the First Half of the Year

During the period, the Group recorded a loss attributable to the owners of the Company of RMB996.6 million, which increased by 350.3% year-on-year from RMB221.3 million in the same period of last year. The basic loss per share amounted to RMB0.13, as compared to RMB0.03 for the same period of last year. During the period, the revenue was RMB342.2 million, representing a year-on-year decrease of 85.4%. The equity attributable to the owners of the Company decreased by 6.4% to RMB14,457.3 million.

Property Sales

During the first half of 2015, the Group achieved contracted property sales of RMB2,130.0 million, representing a year-on-year increase of 11.5%. The contracted GFA sold amounted to 123,088 sq.m., representing a year-on-year decrease of 1.2%. The average selling price was RMB15,535 per sq.m.. During the period, the Group realised property sales for 23 projects in 11 cities in China. The property sales from the Shanghai Region, Yangtze River Delta, Pan Bohai Rim and Northeast China accounted for 45.9%, 42.8%, 6.3% and 5.0% of the total property sales, respectively.

Land Bank

In response to the low property prices and high land prices in China, as well as pressure arising from the liquidity risk of property development investment, the Group adhered to its principle of steady investment with no additional land investment during the period.

As at 30 June 2015, the Group had a total land bank of 14.4 million sq.m.. The high-quality land bank was allocated in 12 cities within four major regions in China with an average land cost of RMB1,346 per sq.m..

Professional Development

During the period, the Group took the initiative to enhance its workflow, efficiency and workforce structure, and thus further promoted its management effectiveness. Meanwhile, teamwork was enhanced by training and communicating with management staff on-the-spot, facilitating the implementation of various management measures formulated at the beginning of the year.

Financial Resources

During the period, the Group actively explored multiple financing channels in order to fulfill the funding needs in its business operation. The Group's new borrowings amounted to RMB2,033.4 million during the period. As at 30 June 2015, the Group had RMB1,031.3 million of cash in hand and an unutilised banking facilities of RMB18,000 million. The gearing ratio was 152.7%.

Chairman's Statement

BUSINESS PROSPECT

In 2015, as the property market has witnessed a rebounding trend with regional market differences, the development of property market has been full of opportunities and challenges, which has in turned caused significant pressure on the liquidity of the Group. In view of these, the Group advocated three key focuses:

Facilitation of Robust Project Development in Key Regions

Based on the existing distribution of land, the Group will actively facilitate the robust development of key projects in first-tier and second-tier cities, including Shanghai, Beijing, Nanjing and Hefei. Further, the Group will actively focus on the market needs and seek breakthroughs in project innovation and design in order to effectively enhance the development cycle of products and sales, and accelerate cash inflow.

The Overall Target of Strengthening Cost Control

Upholding a cost-saving strategy for the projects in the second half of the year, the Group will further lower the total debt, optimise debt structure, adjust the project management model, enhance the system for controlling construction costs and adopt effective measures for destocking inventory.

Actively Adjust the Operational Direction for Sustainable Development

As the era of high growth and profit in the property industry has come to an end, the Group will avoid areas with intense competition and excessive production capacity based on the present resources available. The Group will adhere to industries with vigorous government support, further exploring the feasibility of expanding into property development for the elderly, culture, tourism and logistics etc., which will lay a solid foundation for the Group's sustainable development.

ACKNOWLEDGEMENT

Finally, on behalf of the Board, I would like to extend my gratitude to all our shareholders for their support and trust. I would also like to express my deepest gratitude to the Board, the management team and all our staff for their dedication and hard work.

Cheng Li Xiong
Chairman
Hong Kong, 31 August 2015

Management Discussion and Analysis

HALF-YEAR HIGHLIGHTS

- During the first half of 2015, the Group recorded a revenue of RMB342.4 million, representing a year-on-year ("YoY") decrease of 85.4%, and the delivered gross floor area ("GFA") was 43,647 sq.m..

- During the first half of 2015, the Group recorded a loss attributable to the owners of the Company of RMB996.6 million, which was 350.3% higher than the loss attributable to the owners of the Company for the same period in 2014.

- During the first half of 2015, the Group achieved contracted property sales of RMB2,130.0 million and the GFA sold was 123,088 sq.m..

- As at 30 June 2015, the Group had a total land bank of 14.4 million sq.m., with Shanghai Region, Yangtze River Delta, Pan Bohai Rim and Northeast China accounting for 11.6%, 52.1%, 27.0% and 9.3% of the total land bank, respectively. The average land cost was RMB1,346 per sq.m..

MARKET REVIEW

Given the loose monetary policies and the fortified macroeconomic stimulation, transaction volume of the property market experienced an upturn in the first half of 2015, and investment in real estate development in China increased by 4.6% year-on-year. GFA sold and the sales amount for commodity properties increased by 3.9% and 10%, respectively as compared to the same period of last year. Property prices of the first-tier and second-tier cities rebounded after the previous decline, whilst third-tier and fourth-tier cities encountered soft demand due to the high inventory level, and therefore the subdue property prices in 2014 persisted in those cities. Although the newly commenced GFA decreased by 15.8% year-on-year given the relatively high inventory level in general, development investment still declined as usual, resulting in a drag on the pace of market growth. The adjustment pace of the property market was led by the conversion of the overall supply and demand pattern, while policy support will bring positive impacts on the property market to a certain extent.

During the period, the Group paid close attention to market changes, accelerated the destocking process and the turnover rate for existing projects and lowered total liabilities, optimising its debt structure and improving the strained situation of cash flow. In respect of the imbalanced development across regional markets, regional structure adjustment was expedited. Development and sales of projects in key regions were guaranteed to ensure that cash flow management was robust. Meanwhile, the Group optimised its management system to strengthen its operational execution.

For the first six months of 2015, revenue recognised of the Group decreased as compared to the same period of last year, and overall property sales amount remained at a low level although sales amount reported growth, both of which were not in line with the market trend. This was mainly attributable to the uneven schedule of launching new projects and project completions during the year leading to the structurally excessive and cyclical shortfall in supply, as well as the prolonged construction period experienced by certain property projects. The Group will improve its asset operation management, closely monitor the construction progress and speed up sales for quicker cash inflow.

BUSINESS REVIEW

Property Development

I. Revenue

The Group recorded a consolidated revenue of RMB342.4 million in the first half of 2015, representing a decrease of 85.4% compared to RMB2,345.9 million recorded in the first half of 2014. The delivered GFA decreased to 43,647 sq.m. in the first half of 2015 from 170,097 sq.m. in the first half of 2014, representing a decrease of 74.3%.

The Group did not have projects that were newly completed and delivered during the six months ended 30 June 2015 such that the revenue recognised during this period was only attributable to the sales of remaining units of those projects that were completed in prior years, thus resulting in a significant decrease of approximately 85.4% in the recognised revenue as compared to the same period in 2014.

Because the Group's projects that contributed revenue for the current period were widely spread, while over 80% of the recognised revenue for the same period in 2014 were attributable to those higher priced properties in Shanghai Region, the booked average selling price decreased by 43.1% from RMB13,792 per sq.m. in the first half of 2014 to RMB7,846 per sq.m. in the first half of 2015.

Projects sold and delivered during the six months ended 30 June 2015 included:

Projects sold and delivered	City	2015 Revenue (RMB'000)	2015 GFA sold and delivered (sq.m.)	2015 Average selling price recognised (RMB/sq.m.)	2014 Revenue (RMB'000)	2014 GFA sold and delivered (sq.m.)	2014 Average selling price recognised (RMB/sq.m.)
Sunshine Venice	Shanghai	**25,515**	**7,255**	**3,517**	1,982	574	3,453
Shanghai Bay	Shanghai	**84,391**	**1,472**	**57,331**	157,863	3,004	52,551
Shanghai City Glorious	Shanghai	**4,199**	**233**	**18,021**	1,791,493	113,758	15,748
Royal Lakefront	Shanghai	**–**	**–**	**N/A**	27,908	7,855	3,553
Sunshine Bordeaux	Beijing	**19,428**	**3,249**	**5,980**	1,084	142	7,634
Glorious Artstyle Townhouse	Beijing	**28,022**	**2,589**	**10,823**	38,162	3,806	10,027
Tianjin Royal Bay Seaside	Tianjin	**9,648**	**1,763**	**5,472**	20,294	3,713	5,466
No.1 City Promotion	Wuxi	**18,575**	**3,496**	**5,313**	5,285	852	6,203
Nantong Glorious Chateau	Nantong	**–**	**–**	**N/A**	1,240	225	5,511
Nantong Villa Glorious	Nantong	**24,726**	**4,398**	**5,622**	33,017	4,604	7,171
Nantong Royal Bay	Nantong	**33,532**	**4,723**	**7,100**	60,325	5,414	11,142
Hefei Villa Glorious	Hefei	**7,723**	**832**	**9,282**	39,248	4,205	9,334
Hefei Royal Garden	Hefei	**899**	**355**	**2,532**	1,097	218	5,032
Sunny Town	Shenyang	**5,981**	**725**	**8,250**	20,495	2,037	10,061

Projects sold and delivered	City	2015 Revenue (RMB'000)	2015 GFA sold and delivered (sq.m.)	2015 Average selling price recognised (RMB/sq.m.)	2014 Revenue (RMB'000)	2014 GFA sold and delivered (sq.m.)	2014 Average selling price recognised (RMB/sq.m.)
Harbin Villa Glorious	Harbin	**43,413**	**5,597**	**7,756**	58,136	7,793	7,460
Harbin Royal Garden	Harbin	**20,032**	**3,626**	**5,525**	48,021	5,106	9,405
Changchun Villa Glorious (East)	Changchun	**4,277**	**1,048**	**4,081**	7,622	1,679	4,540
Dalian Villa Glorious	Dalian	**12,083**	**2,286**	**5,286**	32,644	5,112	6,386
Total		**342,444**	**43,647**	**7,846**	2,345,916	170,097	13,792

II. Property Sales

During the first half of 2015, the Group recorded contracted property sales of RMB2,130.0 million, representing a YOY increase of 11.5%; while the contracted GFA sold was 123,088 sq.m., representing a YOY decrease of 1.2%.

During the period, the Group's property sales were mainly contributed by projects in Shanghai Region and Yangtze River Delta, amounting to RMB1,889.8 million of property sales, representing an aggregate of 88.7% of the Group's total property sales. Other projects located in Pan Bohai Rim and Northeast China contributed property sales of RMB240.2 million, representing an aggregate of 11.3% of the Group's total property sales.

Property sales and GFA sold during the six months ended 30 June 2015:

Region	Property sales (RMB'000)			GFA sold (sq.m.)		
	2015	2014	Change (%)	**2015**	2014	Change (%)
Shanghai Region	**978,743**	1,180,575	-17.1%	**33,472**	40,355	-17.1%
Yangtze River Delta	**911,091**	535,055	70.3%	**60,137**	53,426	12.6%
Pan Bohai Rim	**133,400**	46,574	186.4%	**12,966**	5,652	129.4%
Northeast China	**106,766**	148,820	-28.3%	**16,513**	25,109	34.2%
Total	**2,130,000**	1,911,024	11.5%	**123,088**	124,542	-1.2%

Management Discussion and Analysis

III. Construction and Development

During the first half of 2015, a total GFA of approximately 352,000 sq.m. was completed. The new construction area of the Group amounted to approximately 245,000 sq.m. during the first half of the year. The Group expects that the new construction area for the year 2015 will exceed 890,000 sq.m.. As at 30 June 2015, the Group had projects with a total area under construction of 2.8 million sq.m..

IV. Land Bank

As at 30 June 2015, the total land bank of the Group was 14.4 million sq.m., which was sufficient to meet its development needs over the next five years. The average land cost was RMB1,346 per sq.m..

The land bank of the Group was evenly distributed over first-, second- and third-tier cities, of which 21.4% was in first-tier cities and 78.6% was in second- and third-tier cities.

Overview of land bank as at 30 June 2015:

Project		City	Location	Use	Land bank (sq.m.)	Average land cost (RMB per sq.m.)	Interests attributable to the Group
Shanghai Region							
1	Shanghai Bay	Shanghai	Xuhui District	Residential, hotel, serviced apartment, office and commercial	709,802	611	100%
2	Sunshine Venice	Shanghai	Putuo District	Residential, hotel and commercial	41,757	554	100%
3	Royal Lakefront	Shanghai	Fengxian District	Residential and commercial	137,551	1,870	100%
4	Shanghai City Glorious	Shanghai	Baoshan District	Residential and commercial	494,582	923	100%
5	Caohejing Project	Shanghai	Xuhui District	Office, hotel and commercial	121,300	9,703	100%
6	Zhongcao Xincun Project	Shanghai	Xuhui District	Serviced apartment and commercial	91,000	9,703	100%
7	Glorious Xinyamingdi	Shanghai	Fengxian District	Residential	81,760	15,228	100%
Subtotal					1,677,752	2,668	
Yangtze River Delta							
8	Nantong Glorious Chateau	Nantong	New District, Rugao Port Zone	Residential and commercial	4,144,373	322	100%
9	Nantong Royal Garden	Nantong	Rugao Town	Residential and commercial	388,859	1,282	100%
10	Nantong Glorious Plaza	Nantong	New District	Hotel, office and commercial	297,486	348	100%

Project		City	Location	Use	Land bank (sq.m.)	Average land cost (RMB per sq.m.)	Interests attributable to the Group
11	Nantong Royal Bay	Nantong	Chongchuan District	Residential, office and commercial	418,082	4,719	100%
12	No.1 City Promotion	Wuxi	Wuxi New District	Residential, hotel and commercial	238,094	679	100%
13	Classical Life	Suzhou	Changshu New District	Residential and commercial	10,052	1,446	100%
14	Hefei Bashangjie Project	Hefei	Yaohai District	Residential, hotel, office and commercial	1,252,177	881	100%
15	Hefei Royal Garden	Hefei	Luyang District	Residential, hotel and commercial	111,793	1,207	100%
16	Nanjing Royal Bay	Nanjing	Gulou District	Residential and commercial	663,913	6,013	60%
Subtotal					7,524,829	1,238	
Pan Bohai Rim							
17	Sunshine Holiday	Tianjin	Hedong District East	Residential, hotel and commercial	72,281	799	100%
18	Tianjin Royal Bay Seaside	Tianjin	Dagang District	Residential, hotel and commercial	841,727	1,396	100%
19	Tianjin Royal Bay Lakeside	Tianjin	Tuanbohu District	Residential and commercial	1,567,303	1,225	70%
20	Royal Mansion	Beijing	Haidian District	Residential and commercial	90,406	3,395	100%
21	Sunshine Bordeaux	Beijing	Daxing District	Residential and commercial	1,320,752	493	100%
Subtotal					3,892,469	1,056	
Northeast China							
22	Harbin Villa Glorious	Harbin	Qunli New District	Residential and commercial	27,453	979	100%
23	Sunny Town	Shenyang	Yuhong District	Residential and commercial	120,023	1,133	100%
24	Changchun Villa Glorious (East)	Changchun	New and High-tech District	Residential and commercial	6,059	868	100%
25	Changchun Villa Glorious (West)	Changchun	New and High-tech District	Residential and commercial	845,088	1,004	100%
26	Dalian Plot No. 200	Dalian	Jinzhou New District	Residential and commercial	344,000	1,497	70%
Subtotal					1,342,623	1,141	
Total					14,437,673	1,346	

V. Commercial Properties

The Group will steadily foster the development of its commercial properties. As at 30 June 2015, approximately 288,000 sq.m. of commercial properties were completed by the Group, and around 921,000 sq.m. of commercial property projects were still under construction.

Retail commercial properties, high-end office buildings and high-end hotels accounted for 61.6%, 20.7% and 17.7% of the total commercial properties of the Group, respectively. The Group plans to possess most of the premium commercial properties in the long run to secure stable rental return.

Outlook for the Second Half of 2015

The China economy stepped into a stage of new norms and economic growth has continued to slacken. Over a certain period of time, pressure from the economic downturn is expected to intensify. Notwithstanding the 10-year development of commodity properties, there is still room for development in first-tier and key second-tier cities, which boast strong capacity of drawing in population and economic attainment, as well as steady transaction volume with some slight rebound. Commercial properties' activities, on the other hand, are gradually reaching saturation in those cities. The Group expects that the diversification in the trend of cities across different regions in the nation and across different districts in a city will become more distinct in the second half of the year, and the general market will gradually achieve steady growth.

The Group will continue to closely monitor market changes and proactively refine its sales and pricing strategies according to the market conditions. It will adopt specific measures to speed up the sales of inventory and cash inflows. Meanwhile, it will accelerate the development pace and strive to swiftly destock saleable resources in order to enhance its competitiveness in the market.

The Group will continue to adhere to its principle of steady development and endeavor to improve the development of existing projects so as to increase the asset turnover rate. Meanwhile, the Group strives to improve the debt structure, adjust the projects' management system in respect of management models and construction cost in order to enhance the profitability of the Group.

The Group will adhere to the adoption of prudent financial policy to control the debt and gearing ratio at a reasonable level so as to effectively avoid financial risks. It will accelerate the disposal of low-return assets to further enhance the Group's asset quality. Moreover, it will strive to balance the cost and benefit of using debt financing and aim to sustain steady growth by lowering the level of borrowings with available funds from multi-channel property sales. The Group will enhance its cash management, industrial structure and financial structure in order to ensure a prudent and safe financial condition of the Group.

FINANCIAL REVIEW

The Group recorded a consolidated revenue of RMB342.4 million in the first half of 2015, which decreased by 85.4% as compared to the same period in 2014. For the six months ended 30 June 2015, the Group recorded a loss attributable to the owners of the Company of RMB996.6 million, which is 350.3% higher than the loss attributable to the owners of the Company of RMB221.3 million for the corresponding period in 2014.

Results for the six months ended 30 June 2015 are as follows:

	Six months ended 30 June	
RMB'000	**2015 (unaudited)**	2014 (unaudited)
Revenue	**342,444**	2,345,916
Cost of sales	**(962,763)**	(2,113,311)
Gross (loss)/profit	**(620,319)**	232,605
Other income	**49,690**	54,922
Other (losses)/gains, net	**(73,733)**	(28,860)
Selling and marketing expenses	**(36,076)**	(70,011)
Administrative expenses	**(235,186)**	(187,853)
Finance costs	**(158,820)**	(6,631)
Share of profit of an associate	**72**	1,507
Share of loss of a joint venture	**(3,978)**	(5,704)
Loss before income tax	**(1,078,350)**	(10,025)
Income tax credits/(expenses)	**10,738**	(212,915)
Loss for the period	**(1,067,612)**	(222,940)
Loss attributable to:		
– the owners of the Company	**(996,620)**	(221,339)
– non-controlling interests	**(70,992)**	(1,601)
	(1,067,612)	(222,940)

Management Discussion and Analysis

Revenue

For the six months ended 30 June 2015, the Group recorded a consolidated revenue of RMB342.4 million, representing a decrease of 85.4% compared to RMB2,345.9 million in the first half of 2014. The GFA of properties delivered by the Group decreased from 170,097 sq.m. in the first half of 2014 to 43,647 sq.m. in the current period. As the Group did not have projects that were newly completed and delivered during the six months ended 30 June 2015 such that the revenue recognised during this period was only attributable to the sales of remaining units of those projects that were completed in prior years, thus resulting in a significant decrease in the recognised revenue as compared to the same period in 2014. In addition, because the Group's projects that contributed revenue for the current period were widely spread, while over 80% of the recognised revenue for the same period in 2014 were attributable to those higher priced properties in Shanghai Region, the booked average selling price decreased by 43.1% from RMB13,792 per sq.m. in the first half of 2014 to RMB7,846 per sq.m. in the first half of 2015.

Cost of Sales

The cost of sales for the six months ended 30 June 2015 was RMB962.8 million, representing a decrease of 54.4% as compared to RMB2,113.3 million from the corresponding period in 2014. The cost of sales for the current period included a provision for impairment of certain property development projects which amounted to RMB624.1 million (six months ended 30 June 2014: RMB317.1 million). The provision for impairment was made to certain of the Group's property projects that had experienced prolonged construction period, during which the Group continued to incur construction costs and finance costs, causing the total project costs to exceed the realisable value of those projects.

Excluding the provision for impairment, the Group's average cost of sales for the first half of 2015 was RMB7,758 per sq.m., which was 26.5% lower than that of RMB10,559 per sq.m. for the corresponding period in 2014.

Components of the consolidated cost of sales are as follows:

	Six months ended 30 June			
	2015		2014	
	RMB'000	**RMB/sq.m.**	RMB'000	RMB/sq.m.
Construction costs	**189,235**	**4,336**	975,700	5,736
Land costs	**96,947**	**2,221**	433,415	2,548
Capitalised interests	**35,767**	**819**	256,759	1,509
Business taxes and other levies	**16,694**	**382**	130,378	766
Sub-total	**338,643**	**7,758**	1,796,252	10,559
Provision for impairment of properties under development and completed properties held for sale	**624,120**	**N/A**	317,059	N/A
Total	**962,763**		2,113,311	

The average cost of sales for the first half of 2015 was lower than the corresponding period in 2014 because the properties sold and delivered in the first half of 2015 spread over different cities and locations as compared to a highly skewed distribution of property sold and delivered in Shanghai Region for the first half of 2014.

Gross Profit

The Group recorded a consolidated gross loss of RMB620.3 million for the six months ended 30 June 2015, while it previously recorded a gross profit of RMB232.6 million for the corresponding period in 2014. The Group's gross margin for the current period was negative 181.1%, as compared to 9.9% for the corresponding period in 2014. The consolidated gross loss and negative gross margin for the current period was largely attributable to the significantly lower revenue recognised and the lower profit margin for the properties sold and delivered, as well as due to the provision for impairment of the Group's properties of RMB624.1 million for the first half of 2015, which was 96.8% higher than RMB317.1 million for the same period in 2014. Excluding the effect of the provision for impairment, the Group recorded consolidated gross profit of RMB3.8 million and a gross profit margin of 1.1% for the first half of 2015, which decreased significantly as compared to the first half of 2014's gross profit of RMB549.7 million and gross profit margin of 23.4%, mainly due to the significantly lower revenue and the generally lower profit margin of the property sold and delivered in the first half of 2015.

Other Income

Other income for the six months ended 30 June 2015 was RMB49.7 million, representing a decrease of 9.5% from RMB54.9 million for the corresponding period in 2014. Other income mainly includes interest income and rental income.

Other (Losses)/Gains, Net

Other (losses)/gains, net for the six months ended 30 June 2015 was a net other loss of RMB73.7 million, which was 155.5% higher than RMB28.9 million for the corresponding period in 2014. The net other loss for the current period primarily comprised the fair value loss of the Group's investment properties of RMB87.9 million (six months ended 30 June 2014: fair value gain of RMB12.3 million) and net exchange loss of RMB0.7 million (six months ended 30 June 2014: net exchange loss of RMB41.2 million) mainly arising from the retranslation of the Company's US dollar senior notes due 2015 and 2018 respectively.

Selling and Marketing Expenses

Selling and marketing expenses for the six months ended 30 June 2015 was RMB36.1 million, representing a decrease of 48.5% as compared to RMB70.0 million during the corresponding period in 2014. The decrease in selling and marketing expenses was primarily due to less number of new project launches and less general marketing activities during the period under review.

Administrative Expenses

Administrative expenses for the six months ended 30 June 2015 were RMB235.2 million, which was 25.2% higher than RMB187.9 million for the corresponding period in 2014.

Finance Costs

Gross finance costs for the six months ended 30 June 2015 were RMB1,502.5 million, which was 22.1% higher than RMB1,230.7 million for the corresponding period in 2014. The higher gross finance costs for the first half of 2015 was due to the increase in both of the Group's total borrowings and cost of borrowings as compared to the first half of 2014. For the six months ended 30 June 2015, finance costs of RMB1,343.7 million (six months ended 30 June 2014: RMB1,224.1 million) have been capitalised, leaving RMB158.8 million (six months ended 30 June 2014: RMB6.6 million) charged directly to the condensed consolidated statement of comprehensive income.

Loss Before Income Tax

The Group recorded a loss before income tax of RMB1,078.4 million for the six months ended 30 June 2015, as compared to a loss before income tax of RMB10.0 million for the corresponding period in 2014. The Group's recorded a substantial increase in the loss before income tax for the current period as compared to the same period in 2014 mainly due to the significantly decreased revenue and gross profit margin, as well as the significantly higher provision for impairment made to the Group's properties, and the fair value loss for investment properties for the current period.

Income Tax Credits/(Expenses)

The Group recorded tax credits of RMB10.7 million for the six months ended 30 June 2015, as compared to tax expenses of RMB212.9 million for the corresponding period in 2014.

Loss Attributable to the Owners of the Company

The Group recorded a loss attributable to the owners of the Company of RMB996.6 million for the six months ended 30 June 2015, as compared to RMB222.9 million for the corresponding period in 2014. The Group's recorded a substantial increase in the loss attributable to the owners of the Company for the first half of 2015 as compared to the same period in 2014 mainly due to the significantly decreased revenue and gross profit margin, as well as the significantly higher provision for impairment made to the Group's properties, and the fair value loss for investment properties for the current period.

Current Assets and Liabilities

As at 30 June 2015, the Group held total current assets of approximately RMB40,226.4 million (31 December 2014: RMB39,544.7 million), comprising mainly properties under development, trade and other receivables and prepayments and completed properties held for sale. Properties under development increased slightly by 4.6% from RMB22,560.7 million as at 31 December 2014 to RMB23,608.1 million as at 30 June 2015. Trade and other receivables and prepayments increased slightly by 1.0% from RMB8,014.8 million as at 31 December 2014 to RMB8,097.5 million as at 30 June 2015. Trade and other receivables and prepayments comprised prepayments for land premium for which the relevant land use right certificates were yet to be obtained and prepayment for construction costs. Completed properties held for sale decreased slightly by 2.1% from RMB5,051.1 million as at 31 December 2014 to RMB4,943.9 million as at 30 June 2015. The lower balance of completed properties held for sale was mainly due to the Group's continuous effort to sell the remaining units of existing projects in the current period.

Total current liabilities as at 30 June 2015 amounted to RMB35,916.5 million, compared with RMB28,578.2 million as at 31 December 2014. The increase in current liabilities were mainly due to (1) the reclassification of certain non-current borrowings with aggregate principal amount of approximately RMB7,433.3 million to become current borrowings as at 30 June 2015 as a result of the Group breaching certain clauses of the related facility agreements; and (2) the increase in current borrowings as the Group had more borrowings which are due for repayment within one year according to the loan agreements. Please refer to note 2(i) of the consolidated financial information for the details about the aforementioned reclassification of the borrowings.

As at 30 June 2015, the current ratio (calculated as the total current assets divided by the total current liabilities) was 1.1 (31 December 2014: 1.4). The lower current ratio as at 30 June 2015 mainly resulted from the significantly increased current borrowings as mentioned in the preceding paragraph.

Liquidity and Financial Resources

During the first half of 2015, the Group funded its property development projects principally from proceeds from the pre-sales of properties and bank loans. As at 30 June 2015, the Group had cash and bank balances of RMB1,031.3 million (31 December 2014: RMB1,365.7 million).

As at 30 June 2015, the Group's total borrowings amounted to RMB23,112.9 million, representing an increase of 3.8% compared to RMB22,270.0 million as at 31 December 2014. As at 30 June 2015, the Group's borrowings comprised the following:

RMB'000	**30 June 2015 (unaudited)**	31 December 2014 (audited)
Bank borrowings	**18,387,210**	17,976,744
Senior Notes due 2015 [(1)]	**1,835,700**	1,835,700
Senior Notes due 2018 [(1)]	**2,447,600**	2,447,600
Other borrowings	**518,861**	213,200
Sub-total	**23,189,371**	22,473,244
Adjusted by: unamortised loan arrangement fees and accrued interests	**(76,486)**	(203,244)
Total borrowings	**23,112,885**	22,270,000

Note:

(1) Please refer to note 8 to the condensed consolidated interim financial information for the definitions of Senior Notes due 2015 and Senior Notes due 2018.

The maturities of the Group's borrowings as at 30 June 2015 were as follows:

RMB'000	**30 June 2015 (unaudited)**	31 December 2014 (audited)
Within 1 year	**21,820,971**	15,673,876
After 1 year and within 2 years	**1,212,114**	6,536,124
After 2 years and within 5 years	**37,500**	30,000
After 5 years	**42,300**	30,000
Total borrowings	**23,112,885**	22,270,000

As at 30 June 2015, the Group had total banking facilities of RMB36,387 million, consisting of used banking facilities of RMB18,387 million and unused banking facilities of RMB18,000 million.

Gearing Ratio

The Group monitors its capital on the basis of the gearing ratio and short-term debt 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 as at 30 June 2015 and 31 December 2014 were as follows:

RMB'000	**30 June 2015 (unaudited)**	31 December 2014 (audited)
Total borrowings	**23,112,885**	22,270,000
Less: cash and bank balances	**(1,031,319)**	(1,365,658)
Net debt	**22,081,566**	20,904,342
Total equity attributable to the owners of the Company	**14,457,272**	15,453,892
Gearing ratio	**152.7%**	135.3%

The gearing ratio as at 30 June 2015 was higher than that for 31 December 2014 as a result of the increase in the Group's net debt and the decrease in the Group's equity attributable to the owners of the Company as a result of the loss recorded for the current period. The increase in the Group's borrowings was to finance its operating activities, mainly including the payments for construction costs and other operating expenses. In addition, as there was limited new launch of the Group's property projects in the current period, cash inflows generated from property sales were not significant.

Short-term debt ratio is calculated as current borrowings divided by total borrowings. As at 30 June 2015, the Group's short-term debt ratio was 94.4% (31 December 2014: 70.4%). The higher short-term debt ratio was mainly due to the significantly increased current borrowings as a result of the reasons as set out in the section "Current Assets and Liabilities" above.

Foreign Exchange Risk

The Group's property development projects are all located in the PRC and all the related transactions are settled in RMB. The Company and certain of the investment holding companies within the Group operating in Hong Kong have recognised assets and liabilities in currencies other than RMB, mainly including the US$300.0 million Senior Notes due 2015 and the US$400.0 million Senior Notes due 2018. Apart from the aforementioned liabilities that may cause the Group to be exposed to a higher level of foreign exchange risk, there are no other assets and liabilities that will expose the Group to significant foreign exchange risk.

The Group currently does not have a foreign currency hedging policy. The Group manages its foreign currency risk by closely monitoring the movement of the foreign currency rates and will consider hedging significant foreign currency exposure should the need arises.

Interest Rate Risk

The Group holds interest bearing assets including cash at bank and certain bank deposits, loan to a joint venture and certain other receivables. Majority of these balances are at fixed rates and expose the Group to fair value interest rate risk.

The Group's interest rate risk mainly arises from its borrowings. Borrowings at variable rates expose the Group to cash flow interest-rate risk. Borrowings issued at fixed rates expose 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.

Pledge of Assets

As at 30 June 2015, the Group had pledged certain of its subsidiaries' shares, construction in progress, investment properties, properties under development, completed properties held for sale and non-current assets classified as held for sale to secure its borrowings.

Financial Guarantees

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

Pursuant to the terms of the guarantees, upon a default in mortgage payments by these purchasers, the Group is responsible for repaying to the banks the outstanding mortgage principal, together with accrued interest and any penalty owed by the defaulting purchasers, and the Group is entitled to take over the legal title and possession of the related properties. The guarantee period starts from the date of the grant of the respective mortgage. As at 30 June 2015, the amount of outstanding guarantees for mortgages was RMB7,255.0 million (31 December 2014: RMB7,194.3 million).

Capital Commitments

As at 30 June 2015, the Group had capital commitments as follows:

RMB'000	**30 June 2015 (unaudited)**	31 December 2014 (audited)
Land use rights	**483,719**	870,884
Property development expenditures	**4,907,876**	5,264,409
Construction materials	**31,454**	31,818
	5,423,049	6,167,311

Employees and Remuneration Policy

As at 30 June 2015, the Group had a total of 907 employees. Total remuneration expenses and other employees' benefits costs for the six months ended 30 June 2015 amounted to RMB81.4 million. The Group has adopted a system of determining the remuneration of employees based on the performance of employees. Apart from a basic salary, outstanding employees may be granted with annual bonuses. In addition, the Group has adopted share option schemes (details of which are described in the section headed "Share Option Schemes" of this interim report) to attract and retain high caliber talents to serve the Group. In terms of employee training, the Group provides different training programmes for employees to develop their expertise and knowledge.

Corporate Governance

COMPLIANCE WITH CORPORATE GOVERNANCE CODE

The Company had complied with the code provisions of the Corporate Governance Code as set out in Appendix 14 to the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited (the "Hong Kong Stock Exchange") during the six months ended 30 June 2015, save for the deviation from the code provision E.1.2 which stipulates that the chairman of the board should attend the annual general meeting. The chairman (the "Chairman") of the board of directors (the "Board") of the Company did not attend the annual general meeting of the Company held on 29 May 2015 (the "AGM") due to other business engagements. Mr. Ding Xiang Yang, the vice chairman and the chief executive officer of the Company, chaired the AGM on behalf of the Chairman of the Board and was available to answer questions.

RE-COMPLIANCE WITH RULES 3.10, 3.10A, 3.21 AND 3.25 OF THE LISTING RULES

Reference is made to the announcement of the Company dated 7 May 2015 in respect of the resignation of Mr. Liu Shun Fai as an independent non-executive director of the Company (the "Director"), the chairman and a member of the audit committee of the Company (the "Audit Committee") and a member of the remuneration committee of the Company (the "Remuneration Committee") with effect from 30 May 2015 due to his other business commitment.

For the period from 30 May 2015 to 16 September 2015, the Company only had two independent non-executive Directors and two Audit Committee members, which fell below the minimum number requirement and that at least one of the independent non-executive directors must have appropriate professional qualifications or accounting or related financial management expertise to meet the requirements under Rules 3.10, 3.10A and 3.21 of the Listing Rules. Moreover, the composition of the Remuneration Committee did not meet the requirement under Rule 3.25 of the Listing Rules.

In view of the aforesaid non-compliance with the Listing Rules, Professor Liu Tao ("Prof. Liu Tao") has been appointed as an independent non-executive Director, the chairman and a member of the Audit Committee and a member of the Remuneration Committee with effect from 17 September 2015. Following the appointment of Prof. Liu Tao, the number of independent non-executive Directors of the Company and the members of the Audit Committee have complied with the minimum number requirement of independent non-executive Directors and members of the Audit Committee under Rules 3.10(1), 3.10A and 3.21 of the Listing Rules respectively and the qualification requirements under Rules 3.10(2) and 3.21 of the Listing Rules. The composition of the Remuneration Committee has also met the requirement under Rule 3.25 of the Listing Rules.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Listing Rules as its own code of conduct regarding securities transactions by the Directors. All Directors have confirmed, following specific enquiries made by the Company, that they had complied with the required standard set out in the Model Code during the six months ended 30 June 2015.

CHANGES OF DIRECTORS' INFORMATION PURSUANT TO RULE 13.51B(1) OF THE LISTING RULES

Change of Independent Non-Executive Director and Changes in Composition of Audit Committee and Remuneration Committee

1. Mr. Liu Shun Fai resigned as an independent non-executive Director, the chairman and a member of the Audit Committee and a member of the Remuneration Committee of the Company with effect from 30 May 2015; and

2. Prof. Liu Tao has been appointed as an independent non-executive Director, the chairman and a member of the Audit Committee and a member of the Remuneration Committee of the Company with effect from 17 September 2015.

For details of the aforesaid changes, please refer to the announcements of the Company dated 7 May 2015 and 16 September 2015, respectively.

AUDIT COMMITTEE

The Audit Committee was established on 9 September 2009 with written terms of reference. Currently, the Audit Committee comprises three independent non-executive Directors (the "INED(s)", namely, Prof. Liu Tao (chairman of the Audit Committee), Mr. Wo Rui Fang and Mr. Han Ping. The main duties of the Audit Committee are, among others, as follows:

1. to be primarily responsible for making recommendations to the Board on the appointment, reappointment and removal of external auditor, and to approve remuneration and terms of engagement of external auditor, and any questions of resignation or dismissal of external auditor;

2. to consider the plan for each year's audit submitted by the external auditor and discuss the same at a meeting if necessary;

3. to monitor the integrity of the Company's financial statements and annual reports and accounts, half-yearly reports and, if prepared for publication, quarterly reports, and to review significant financial reporting judgments contained in them;

4. to review the Company's financial controls, internal control and risk management systems;

5. to consider major investigation findings on internal control matters as delegated by the Board or on the Audit Committee's own initiative, as well as management's response to these findings; and

6. to ensure co-ordination between the internal and external auditor, and to ensure that the internal audit function is adequately resourced and has appropriate standing within the Company, and to review and monitor its effectiveness.

The terms of reference of the Audit Committee are available on the websites of the Hong Kong Stock Exchange at www.hkexnews.hk and the Company at www.gloriousphl.com.cn.

The Audit Committee has reviewed with management the unaudited consolidated results of the Group for the six months ended 30 June 2015 and took the view that the Company was in full compliance with all applicable accounting standards and regulations and has made adequate disclosure.

REMUNERATION COMMITTEE

The Remuneration Committee was established on 9 September 2009 with written terms of reference. Currently, the Remuneration Committee comprises two INEDs, namely, Mr. Wo Rui Fang (chairman of the Remuneration Committee) and Prof. Liu Tao and one executive Director, namely Mr. Cheng Li Xiong. The main duties of the Remuneration Committee are, among others, as follows:

1. to assess, review and make recommendations once a year or as and when required, to the Board in respect of the remuneration packages and overall benefits for the Directors;

2. to make recommendations to the Board in relation to all consultancy agreements and service contracts or any variations, renewals or modifications thereof, entered into between the Company and the Directors or any associate company of any of them;

3. to make recommendations to the Board on the Company's remuneration policy and structure for all Directors' and senior management's remuneration and on the establishment of a formal and transparent procedure for developing remuneration policy;

4. to review and approve the management's remuneration proposals with reference to the Board's corporate goals and objectives;

5. to consider salaries paid by comparable companies, time commitment and responsibilities and employment conditions elsewhere in the Group; and

6. to conform any requirement, direction, and regulation that may from time to time be prescribed by the Board or contained in the constitution of the Company or imposed by the Listing Rules or any applicable law.

The terms of reference of the Remuneration Committee are available on the websites of the Hong Kong Stock Exchange at www.hkexnews.hk and the Company at www.gloriousphl.com.cn.

NOMINATION COMMITTEE

The nomination committee of the Company (the "Nomination Committee") was established on 1 April 2012 with written terms of reference. On 29 August 2013, the Board approved and adopted the board diversity policy and revised terms of reference of the Nomination Committee, which are in line with the Listing Rules relating to the board diversity effective from 1 September 2013. Currently, the Nomination Committee comprises one executive Director, namely Mr. Cheng Li Xiong (chairman of the Nomination Committee) and two INEDs, namely, Mr. Wo Rui Fang and Mr. Han Ping. The main duties of the Nomination Committee are, among others, as follows:

1. to review the structure, size, composition and diversity (including the skills, knowledge and experience) of the Board at least annually and make recommendations on any proposed changes to the Board to complement the Company's corporate strategy;

2. to review the balance between executive and non-executive Directors (including INEDs) on the Board;

3. to review the board diversity policy and the measurable objectives that the Board has adopted for implementing this policy, and monitor the progress on achieving the objectives and make the relevant disclosure in the corporate governance report;

4. to assess the independence of INEDs;

5. to make recommendations to the Board on the appointment or re-appointment of Directors and succession planning for Directors, in particular the chairman and the chief executive; and

6. to determine the policy, procedures and criteria for the nomination of Directors.

The terms of reference of the Nomination Committee are available on the websites of the Hong Kong Stock Exchange at www.hkexnews.hk and the Company at www.gloriousphl.com.cn.

BOARD DIVERSITY POLICY

On 29 August 2013, the Company adopted a board diversity policy (the "Policy") setting out the approach to achieve and maintain diversity on the Board in order to enhance the effectiveness of the Board.

Pursuant to the Policy, the Company seeks to achieve board diversity through the consideration of a number of factors, including but not limited to the talents, skills, knowledge, age, industry experience, race, gender and other qualities. These differences will be considered in determining the optimum composition of the Board. All appointments of the members of the Board will also be based on meritocracy while taking into account diversity.

The Nomination Committee will review and assess annually all measurable objectives for implementing diversity on the Board and recommend them to the Board for adoption. In reviewing and assessing the composition of the Board, the Nomination Committee will consider the benefits of all aspects of diversity, including but not limited to, those described above.

The Nomination Committee will report annually, in the corporate governance report of the Company's annual report, a summary of the Policy, the measurable objectives that the Board has adopted for implementing the Policy, and the progress made towards achieving these objectives.

The Nomination Committee will review the Policy, as appropriate, to ensure the effectiveness of the Policy and also recommend any proposed changes to the Board for approval.

Each of the Board members possesses different skills, knowledge and experience, including land and property development, construction and management, corporate operational and strategic management, financial strategies and asset management, project budgeting management and construction design of project. The Board is characterised by significant diversity in terms of skills, knowledge, age and industry experience, etc.

CORPORATE GOVERNANCE COMMITTEE

The corporate governance committee of the Company (the "CG Committee") was established on 1 April 2012 with written terms of reference. Currently, the CG Committee comprises three executive Directors, namely, Mr. Ding Xiang Yang (chairman of the CG Committee), Mr. Cheng Li Xiong and Mr. Xia Jing Hua. The main duties of the CG Committee are, among others, as follows:

1. to develop and review the Company's policies and practices on corporate governance and make recommendations to the Board;

2. to review and monitor the training and continuous professional development of Directors and senior management;

3. to review and monitor the Company's policies and practices on compliance with legal and regulatory requirements;

4. to develop, review and monitor the code of conduct and compliance manual (if any) applicable to employees and Directors; and

5. to review the Company's compliance with all the applicable provisions in the Corporate Governance Code and the disclosure in the Corporate Governance Report.

The terms of reference of the CG Committee are available on the website of the Company at www.gloriousphl.com.cn.

FINANCE COMMITTEE

The Board established a finance committee (the "Finance Committee") in April 2010 with delegated authority to review and approve certain financial matters of the Group. Currently, the Finance Committee comprises Mr. Cheng Li Xiong (chairman of the Board), Mr. Ding Xiang Yang (vice chairman and chief executive officer) and Mr. Xia Jing Hua (chief financial officer), and its primary duties include the determination and approval of the investment of surplus funds, approval of any investment acquisition and disposal of the Group each of an amount not exceeding HK$1 billion, arrangement of banking facilities and approval of guarantees and indemnities each of an amount not exceeding HK$1 billion, opening and operation of bank accounts, handling or execution of share repurchase exercises of the Company, and allotment and issuance of the ordinary shares of the Company pursuant to the pre-IPO share option scheme and the share option scheme (details of which are described in the section headed "Share Option Schemes" of this interim report).

Disclosure of Interests

DIRECTORS' INTERESTS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30 June 2015, the Directors and the chief executive of the Company had the following interests in the shares, underlying shares and debentures of the Company or any of its associated corporations (the "Associated Corporations") (within the meaning of Part XV of the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong (the "SFO")) which (a) were recorded in the register required to be kept under section 352 of the SFO; or (b) were required to be notified to the Company and the Hong Kong Stock Exchange pursuant to the Model Code:

Company

	Number of ordinary shares			
Name of Director	Personal interests[1]	Corporate interests	Total	Approximate % of shareholding[2]
Mr. Cheng Li Xiong	15,500,000[3]	–	15,500,000	0.20
Mr. Ding Xiang Yang	15,000,000	–	15,000,000	0.19
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 represents interests held by the relevant Director as beneficial owner in share options granted to the Directors under the pre-IPO share option scheme of the Company to subscribe for shares in the Company.

(2) The percentage has been compiled based on the total number of ordinary shares of the Company in issue as at 30 June 2015 (i.e. 7,792,645,623 ordinary shares).

(3) Ms. Wu Yi Wen is the beneficial owner of 500,000 ordinary shares of the Company and is the spouse of Mr. Cheng Li Xiong, the Chairman and the executive Director of the Company. By virtue of the SFO, Mr. Cheng is deemed to be interested in the said shares. Mr. Cheng is also interested in options to subscribe for 15,000,000 shares of the Company.

All of the interests disclosed above represent long positions in the shares of the Company.

Apart from the aforesaid, as at 30 June 2015, the Company had not been notified of any interests or short positions in the shares, underlying shares or debentures of the Company or any of its Associated Corporations which had been entered in the register kept by the Company pursuant to section 352 of the SFO or which were notified to the Company and the Hong Kong Stock Exchange pursuant to the Model Code.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

As at 30 June 2015, the number of outstanding options granted by the Company to the Directors to subscribe for shares of the Company, as recorded in the register required to be kept under section 352 of the SFO or which were otherwise notified to the Company and the Hong Kong Stock Exchange pursuant to the Model Code, is set out in the section headed "Share Option Schemes" of this interim report.

Disclosure of Interests

Apart from the aforesaid, at no time during the six months ended 30 June 2015 was the Company or its holding company or subsidiaries, a party to any arrangement to enable the Directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN THE SHARE CAPITAL OF THE COMPANY

As at 30 June 2015, the interests of substantial shareholder (other than the Directors or the chief executive of the Company) in the shares or underlying shares of the Company which were required to be recorded in the register required to be kept by the Company under section 336 of the SFO were as follows:

Name of Substantial Shareholder	Capacity in which ordinary shares were held	Number of ordinary shares	Long position/ Short position/ Lending pool	Approximate % of shareholding[4]
Mr. Zhang Zhi Rong	Interests in controlled corporations[3]/ Beneficial owner	5,329,216,436	Long position	68.39
Best Era International Limited[1]	Beneficial owner	4,978,923,436	Long position	63.89
China Life Insurance (Group) Company[2]	Interests in controlled corporations	778,914,000	Long position	10.00
China Life Insurance (Overseas) Co. Ltd.[2]	Beneficial owner	778,914,000	Long position	10.00

Notes:

(1) Best Era International Limited is owned as to 100% by Mr. Zhang Zhi Rong, who is a sole director of Best Era International Limited.

(2) China Life Insurance (Overseas) Co. Ltd. is owned as to 100% by China Life Insurance (Group) Company.

(3) As at 30 June 2015, Best Era International Limited, 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 Zhi Rong, 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 68.20% of the issued share capital of the Company. Mr. Zhang Zhi Rong is also interested in options to subscribe for 15,000,000 shares (representing approximately 0.19% of the total issued share capital of the Company).

(4) The percentage has been compiled based on the total number of ordinary shares of the Company in issue as at 30 June 2015 (i.e. 7,792,645,623 ordinary shares).

Apart from the aforesaid, as at 30 June 2015, the Company was not aware of any persons (other than the Directors or the chief executive of the Company) who had any interests or short positions in the shares or underlying shares of the Company which were required to be recorded in the register required to be kept by the Company under section 336 of the SFO.

Other Information

SHARE OPTION SCHEMES

Pursuant to the resolutions 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") and 84,000,000 share options had been granted to its Directors and employees which are exercisable for a ten-year period from the grant date. No further options will be offered or granted by the Company pursuant to the Pre-IPO Share Option Scheme. The purpose of the Pre-IPO Share Option Scheme is to give the participants an opportunity to acquire a personal stake in the Company and help motivate such participants and retain the participants whose contributions are important to the long term growth and profitability of the Group. As at 30 June 2015, the total number of shares in respect of the outstanding options granted under the Pre-IPO Share Option Scheme was 69,000,000 shares, which is equivalent to approximately 0.89% of the total issued share capital of the Company.

Pursuant to the resolutions in writing passed by all the shareholders of the Company on 9 September 2009, the Company also approved and adopted a share option scheme for the purpose of enabling the Group to grant options to selected participants as incentives or rewards for their contribution to the Group (the "Share Option Scheme"). During the six months ended 30 June 2015, no share options had been granted under the Share Option Scheme.

The following table discloses details of the Company's outstanding share options held by the Directors and certain employees of the Company under the Pre-IPO Share Option Scheme and its movement during the six months ended 30 June 2015:

	Number of underlying shares comprised in share options								
	Date of grant	Balance as at 01/01/2015	Granted during the period	Exercised during the period	Cancelled during the period	Lapsed during the period	Balance as at 30/06/2015	Exercise price per share HK$	Exercise period
Category 1:									
Directors									
Mr. Cheng Li Xiong	09/09/2009	15,000,000	–	–	–	–	15,000,000	1.76	Note
Mr. Ding Xiang Yang	09/09/2009	15,000,000	–	–	–	–	15,000,000	1.76	Note
Mr. Xia Jing Hua	09/09/2009	5,000,000	–	–	–	–	5,000,000	1.76	Note
Mr. Yan Zhi Rong	09/09/2009	5,000,000	–	–	–	–	5,000,000	1.76	Note
		40,000,000	–	–	–	–	40,000,000		
Category 2:									
Other employees (in aggregate)	09/09/2009	29,000,000	–	–	–	–	29,000,000	1.76	Note
Total:		69,000,000	–	–	–	–	69,000,000		

Other Information

Note:

Each of the grantees to whom the options have been granted under the Pre-IPO Share Option Scheme is entitled to exercise:

(i) up to 20% of the shares that are subject to the options granted to the relevant grantee (rounded down to the nearest whole number of shares) at any time during the period commencing on 2 October 2009 (the "Listing Date") and ending on the first anniversary of the Listing Date;

(ii) up to 40% of the shares that are subject to the options granted to the relevant grantee less the number of shares in respect of which the options have been exercised by the grantee (rounded down to the nearest whole number of shares) at any time during the period commencing on the expiry of the first anniversary of the Listing Date and ending on the second anniversary of the Listing Date;

(iii) up to 60% of the shares that are subject to the options granted to the relevant grantee less the number of shares in respect of which the options have been exercised by the grantee (rounded down to the nearest whole number of shares) at any time during the period commencing on the expiry of the second anniversary of the Listing Date and ending on the third anniversary of the Listing Date;

(iv) up to 80% of the shares that are subject to the options granted to the relevant grantee less the number of shares in respect of which the options have been exercised by the grantee (rounded down to the nearest whole number of shares) at any time during the period commencing on the expiry of the third anniversary of the Listing Date and ending on the fourth anniversary of the Listing Date; and

(v) such number of shares subject to the options granted to the relevant grantee less the number of shares in respect of which the options have been exercised by the grantee (rounded down to the nearest whole number of shares) at any time during the period commencing on the expiry of the fourth anniversary of the Listing Date and ending on 8 September 2019.

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

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities during the six months ended 30 June 2015.

INTERIM DIVIDEND

The Board has resolved not to declare the payment of an interim dividend for the six months ended 30 June 2015 (Six months ended 30 June 2014: Nil).

Condensed Consolidated Balance Sheet

As at 30 June 2015

RMB'000	Note	30 June 2015 (unaudited)	31 December 2014 (audited)
Non-current assets			
Property, plant and equipment		**1,883,711**	1,798,175
Investment properties	5	**10,952,556**	10,685,010
Intangible assets		**1,800**	1,800
Investment in an associate		**2,880**	2,808
Investment in a joint venture		**–**	3,794
Loan to a joint venture	17	**1,310,574**	1,422,370
Deferred income tax assets		**520,228**	466,670
		14,671,749	14,380,627
Current assets			
Properties under development		**23,608,055**	22,560,732
Completed properties held for sale		**4,943,873**	5,051,105
Trade and other receivables and prepayments	6	**8,097,463**	8,014,779
Prepaid taxes		**343,271**	324,939
Restricted cash		**826,389**	916,411
Cash and cash equivalents		**204,930**	449,247
		38,023,981	37,317,213
Non-current assets classified as held for sale		**2,202,463**	2,227,522
		40,226,444	39,544,735
Total assets		**54,898,193**	53,925,362
Current liabilities			
Advanced proceeds received from customers		**4,799,034**	3,724,250
Trade and other payables	9	**4,975,192**	4,787,417
Income tax payable		**4,320,311**	4,391,753
Borrowings	8	**21,820,971**	15,673,876
Obligations under finance lease		**966**	933
		35,916,474	28,578,229
Net current assets		**4,309,970**	10,966,506
Total assets less current liabilities		**18,981,719**	25,347,133

The notes on pages 80 to 96 form an integral part of this condensed consolidated interim financial information.

Condensed Consolidated Balance Sheet

As at 30 June 2015

RMB'000	Note	**30 June 2015 (unaudited)**	31 December 2014 (audited)
Non-current liabilities			
Borrowings	8	**1,291,914**	6,596,124
Deferred income tax liabilities		**2,177,225**	2,170,854
Obligations under finance lease		**17,927**	17,890
		3,487,066	8,784,868
Net assets		**15,494,653**	16,562,265
Equity			
Capital and reserves attributable to the owners of the Company			
Share capital	7	**68,745**	68,745
Share premium	7	**7,822,982**	7,822,982
Reserves		**6,565,545**	7,562,165
		14,457,272	15,453,892
Non-controlling interests		**1,037,381**	1,108,373
Total equity		**15,494,653**	16,562,265

The notes on pages 80 to 96 form an integral part of this condensed consolidated interim financial information.

Condensed Consolidated Statement of Comprehensive Income

For the six months ended 30 June 2015

		Six months ended 30 June	
RMB'000	Note	**2015 (unaudited)**	2014 (unaudited)
Revenue	4	**342,444**	2,345,916
Cost of sales	12	**(962,763)**	(2,113,311)
Gross (loss)/profit		**(620,319)**	232,605
Other income	10	**49,690**	54,922
Other (losses)/gains, net	11	**(73,733)**	(28,860)
Selling and marketing expenses	12	**(36,076)**	(70,011)
Administrative expenses	12	**(235,186)**	(187,853)
Finance costs	13	**(158,820)**	(6,631)
Share of profit of an associate		**72**	1,507
Share of loss of a joint venture		**(3,978)**	(5,704)
Loss before income tax		**(1,078,350)**	(10,025)
Income tax credit/(expenses)	14	**10,738**	(212,915)
Loss for the period		**(1,067,612)**	(222,940)
Loss attributable to:			
– the owners of the Company		**(996,620)**	(221,339)
– non-controlling interests		**(70,992)**	(1,601)
		(1,067,612)	(222,940)
Other comprehensive income		**—**	—
Total comprehensive loss for the period		**(1,067,612)**	(222,940)
Total comprehensive loss for the period attributable to:			
– the owners of the Company		**(996,620)**	(221,339)
– non-controlling interests		**(70,992)**	(1,601)
		(1,067,612)	(222,940)
Loss per share for loss attributable to the owners of the Company (expressed in RMB per share)			
– Basic	15	**(0.13)**	(0.03)
– Diluted	15	**(0.13)**	(0.03)
Dividend	16	**—**	—

The notes on pages 80 to 96 form an integral part of this condensed consolidated interim financial information.

Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2015

RMB'000	Six months ended 30 June 2015 Attributable to the owners of the Company (unaudited)									
	Share capital	Share premium	Merger reserve	Statutory reserves	Other reserve	Employee share-based compensation reserve	Retained earnings	Total	Non-controlling interests	Total equity
Balance at 1 January 2015	**68,745**	**7,822,982**	**(770,477)**	**313,721**	**264,317**	**201,795**	**7,552,809**	**15,453,892**	**1,108,373**	**16,562,265**
Total comprehensive loss for the period	–	–	–	–	–	–	(996,620)	(996,620)	(70,992)	(1,067,612)
Balance at 30 June 2015	**68,745**	**7,822,982**	**(770,477)**	**313,721**	**264,317**	**201,795**	**6,556,189**	**14,457,272**	**1,037,381**	**15,494,653**

RMB'000	Six months ended 30 June 2014 Attributable to the owners of the Company (unaudited)									
	Share capital	Share premium	Merger reserve	Statutory reserves	Other reserve	Employee share-based compensation reserve	Retained earnings	Total	Non-controlling interests	Total equity
Balance at 1 January 2014	68,745	7,822,982	(770,477)	307,317	264,317	201,795	10,555,202	18,449,881	1,287,191	19,737,072
Total comprehensive loss for the period	–	–	–	–	–	–	(221,339)	(221,339)	(1,601)	(222,940)
Balance at 30 June 2014	68,745	7,822,982	(770,477)	307,317	264,317	201,795	10,333,863	18,228,542	1,285,590	19,514,132

The notes on pages 80 to 96 form an integral part of this condensed consolidated interim financial information.

Condensed Consolidated Statement of Cash Flows

For the six months ended 30 June 2015

RMB'000	Six months ended 30 June **2015 (unaudited)**	 2014 (unaudited)
Cash flows from operating activities		
Cash generated from/(used in) operations	**372,751**	(1,788,741)
Income tax paid	**(126,223)**	(90,965)
Interest paid	**(1,050,122)**	(1,140,505)
Net cash used in operating activities	**(803,594)**	(3,020,211)
Cash flows from investing activities		
Purchases of property, plant and equipment	**(94,324)**	(251,232)
Payments for the construction of investment properties	**(355,467)**	(315,022)
Additions in non-current assets classified as held for sale	**(3,258)**	—
Proceeds from disposals of non-current assets classified as held for sale	**42,573**	—
Proceeds from disposals of property, plant and equipment	**430**	134
Interest received	**54,252**	19,698
Net cash used in investing activities	**(355,794)**	(546,422)
Cash flows from financing activities		
Proceeds from borrowings	**2,033,372**	8,383,583
Repayment of borrowings	**(1,590,196)**	(6,362,212)
Advances from third parties	**276,661**	115,200
Repayment to third parties	**(3,000)**	—
Changes in restricted cash	**198,233**	363,345
Net cash generated from financing activities	**915,070**	2,499,916
Net decrease in cash and cash equivalents	**(244,318)**	(1,066,717)
Cash and cash equivalents at beginning of the period	**449,247**	1,547,289
Exchange gains/(losses) on cash and bank balances	**1**	(9)
Cash and cash equivalents at end of the period	**204,930**	480,563

The notes on pages 80 to 96 form an integral part of this condensed consolidated interim financial information.

Notes to the Condensed Consolidated Interim Financial Information

For the six months ended 30 June 2015

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.

This condensed consolidated interim financial information is presented in thousands of units of Renminbi (RMB'000), unless otherwise stated. This condensed consolidated interim financial information has been approved for issue by the Board on 31 August 2015.

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

2 BASIS OF PREPARATION

This condensed consolidated interim financial information for the six months ended 30 June 2015 has been prepared in accordance with Hong Kong Accounting Standard 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 2014, which have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the HKICPA.

(i) Going concern basis

For the six months ended 30 June 2015, the Group reported a net loss attributable to the owners of the Company of RMB996,620,000 (six months ended 30 June 2014: RMB221,339,000) and net operating cash outflow of RMB803,594,000 (six months ended 30 June 2014: RMB3,020,211,000). Total borrowings increased from RMB22,270,000,000 as at 31 December 2014 to RMB23,112,885,000 as at 30 June 2015. Cash and cash equivalents reduced from RMB449,247,000 as at 31 December 2014 to RMB204,930,000 as at 30 June 2015.

As at 30 June 2015, certain borrowings whose principal repayment amounts of RMB1,691,992,000 and interest payable amounts of RMB124,163,000 relating to borrowings with total principal amounts of RMB5,403,800,000, were overdue. As a result, principal balance of RMB625,700,000, representing the non-current portion of these principal balances, has been reclassified as current borrowings as at 30 June 2015.

As stipulated in the relevant loans and financing agreements in respect of certain other borrowings of the Group ("Other Borrowings") with outstanding principal amounting to RMB8,663,300,000, comprising amounts with contractual repayment dates within the next twelve months, in one to two years and in two to five years of approximately RMB1,855,700,000, RMB2,460,000,000 and RMB4,347,600,000 respectively, failure to repay any borrowings and/or their relevant interest leading to default on the Group's borrowings or giving rise to an event of default of the Group's borrowings may result in cross-default of these borrowings. As a result of the above cross-default events, the carrying amount of the latter balances of these Other Borrowings of RMB2,460,000,000 and RMB4,347,600,000, totalling RMB6,807,600,000, have also been reclassified as current liabilities as at 30 June 2015.

2 BASIS OF PREPARATION (Continued)

(i) Going concern basis (Continued)

In addition, subsequent to 30 June 2015, the Group did not repay certain principal and interest payments in accordance with the scheduled repayment dates of the respective agreements, which amounted to RMB1,094,600,000 and RMB95,720,000, respectively, relating to borrowings with principal balances totalling RMB5,068,000,000, comprising current and non-current borrowings of RMB5,003,000,000 and RMB65,000,000 respectively as at 30 June 2015.

Except for the repayment of loan principal of RMB80,700,000 and interest of RMB600,000, the Group has yet to subsequently settle the aforementioned overdue principal and interest repayment amounts as at 30 June 2015. Management is in active negotiation with these lenders to revise the repayment schedules for those overdue loan principals and interests, and is therefore confident that the lenders of the borrowings will not enforce their rights of immediate repayment.

The deteriorating performance of the Group in terms of operating loss and cash flow, the decrease in cash and cash equivalents and the significant amount of borrowings due for repayment within one year as at 30 June 2015, together with the aforementioned default in borrowings as a result of either delay in repayment of principal and interests or breaches of covenants giving rise to cross-default terms indicate the existence of material uncertainties which may cast significant doubt about the Group's ability to continue as a going concern.

In view of such circumstances, the directors of the Company have given careful consideration to the future liquidity and performance of the Group and its available sources of financing in assessing whether the Group will have sufficient financial resources to continue as a going concern. Certain measures have been taken to mitigate the liquidity pressure and to improve its financial position which include, but are not limited to, the following:

(i) In March 2015, the Group entered into an agreement with a PRC financial institution which agreed to increase the uncommitted lending limit to the Group from approximately RMB2,000,000,000 to approximately RMB4,000,000,000, under which additional loan can be drawn upon further approval by the financial institution;

(ii) The Group has been actively negotiating with a number of commercial banks for renewal and extension of bank loans and credit facilities;

(iii) In addition, the Group is also negotiating with various financial institutions and identifying various options for financing the Group's working capital and commitments in the foreseeable future;

(iv) The Group has started to realise the value of certain of the properties previously classified as investment properties. As a result of such plan, investment properties amounting to RMB2,202,463,000 (31 December 2014: RMB2,227,522,000) have been reclassified as "non-current assets classified as held for sale" as at 30 June 2015 and during the six months ended 30 June 2015, the Group has received sales proceeds of RMB42,573,000 from the sales of some of these investment properties. Management is committed to the sale and targets to sell most if not all of these assets in year 2015 in order to generate cash flows to help meeting the Group's financial obligations;

2 BASIS OF PREPARATION (Continued)

(i) Going concern basis (Continued)

(v) The Group has accelerated the pre-sales and sales of its properties under development and completed properties. The Group recorded property sales of RMB2,130,000,000 during the six months ended 30 June 2015, which was 11.5% higher than the corresponding period in 2014. Apart from selling the remaining units of those existing projects, the Group expects to launch properties of more than 150,000 sq.m. from certain projects in the first- and second-tier cities upon obtaining the pre-sales permits from September 2015. It is expected that significant amounts of cash flow from property sales will be available to the Group;

(vi) The Group has put in measures to speed up the collection of sales proceeds including both the initial down payments as well as the mortgage payments for the property sales. During the six months ended 30 June 2015, the Group collected sales proceeds of approximately RMB2,157,000,000 from the customers for property sales; and

(vii) The Group will take active measures to control administrative costs through various channels including human resources optimisation and management remuneration adjustment and containment of capital expenditures.

The directors have reviewed the Group's cash flow projections prepared by management covering a period of not less than twelve months from 30 June 2015. They are of the opinion that, taking into account the above-mentioned plans and measures, the Group will have sufficient working capital to finance its operations and to meet its financial obligations as and when they fall due within twelve months from 30 June 2015. Accordingly, the directors are satisfied that it is appropriate to prepare the consolidated financial information on a going concern basis.

Notwithstanding the above, significant uncertainties exist as to whether management of the Company will be able to achieve its plans and measures as described above. Whether the Group will be able to continue as a going concern would depend upon the Group's ability to generate adequate financing and operating cash flows through the following:

(i) Successful negotiations with the lenders for the renewal of or extension for repayments of existing current and other borrowings upon maturity;

(ii) Obtaining additional new sources of financing as and when needed;

(iii) Successful implementation of the plan to sell certain of its properties which were previously classified as investment properties to generate cash flows;

(iv) Successful implementation of its operational plans described above to accelerate its pre-sales and sales of its properties under development and completed properties and collection of outstanding sales proceeds; and to control costs and contain capital expenditure so as to generate adequate cash flows; and

2 BASIS OF PREPARATION (Continued)

(i) Going concern basis (Continued)

(v) Successfully maintaining relationship with the Group's existing lenders and to strictly comply with the terms and obligations under the facility agreements so as to ensure that there will be no default in the future and that no action will be taken by those lenders to demand immediate repayment in respect of defaults in the past.

Should the Group fail to achieve the above-mentioned plans and measures, it might not be able to continue operate as a going concern, and adjustments would have to be made to write down the carrying value of the Group's assets to the recoverable amounts, to provide for any further liabilities which might arise, and to reclassify non-current assets and non-current liabilities as current assets and current liabilities, respectively. The effects of these adjustments have not been reflected in these consolidated financial information.

The preparation of this condensed consolidated interim 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 2014, 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 2014 as included in the Company's annual report for the year ended 31 December 2014.

The following new standards, amendments to standards and interpretation are mandatory for the Group's financial year beginning on 1 January 2015:

- Amendments to HKAS 19 — Defined Benefit Plans: Employee Contributions
- Annual Improvements 2010–2012 — Amendments to a number of HKFRSs Cycle
- Annual Improvements 2011–2013 — Amendments to a number of HKFRSs 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.

Taxes on income in the six months ended 30 June 2015 are accrued using the tax rate that would be applicable to expected total annual earnings.

Notes to the Condensed Consolidated Interim Financial Information

For the six months ended 30 June 2015

4 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 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. "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, other than those stated below, to the Executive Directors is measured in a manner consistent with that in the condensed consolidated interim 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 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 condensed consolidated statement of comprehensive income.

RMB'000	Shanghai Region	Yangtze River Delta (excluding Shanghai)	Pan Bohai Rim	Northeast China	Others	Total
Six months ended 30 June 2015 (unaudited)						
Total revenue	114,104	85,456	57,099	85,785	—	342,444
Inter-segment revenue	—	—	—	—	—	—
Revenue (from external customers)	114,104	85,456	57,099	85,785	—	342,444
Segment results	(40,847)	(36,647)	(42,202)	(89,708)	(24,553)	(233,957)
Depreciation	(3,571)	(1,049)	(1,533)	(1,169)	(462)	(7,784)
Fair value changes of investment properties	14,465	(43,150)	1,870	(61,106)	—	(87,921)
Provision for impairment of properties under development and completed properties held for sale	(1,031)	(294,717)	(326,267)	(2,105)	—	(624,120)
Interest income	33,216	867	55	113	1	34,252
Finance costs	(96,605)	(10,212)	(656)	(2,894)	(48,453)	(158,820)
Income tax (expenses)/credits	(2,987)	9,421	5,874	(1,570)	—	10,738

4 SEGMENT INFORMATION (Continued)

RMB'000	Shanghai Region	Yangtze River Delta (excluding Shanghai)	Pan Bohai Rim	Northeast China	Others	Total
Six months ended 30 June 2014 (unaudited)						
Total revenue	1,979,246	140,212	59,539	166,919	—	2,345,916
Inter-segment revenue	—	—	—	—	—	—
Revenue (from external customers)	1,979,246	140,212	59,539	166,919	—	2,345,916
Segment results	501,366	(79,275)	(33,178)	(49,517)	(68,675)	270,721
Depreciation and amortisation	(4,625)	(1,450)	(1,607)	(1,247)	(982)	(9,911)
Fair value changes of investment properties	55,910	(14,144)	3,144	(32,570)	—	12,340
Provision for impairment of properties under development and completed properties held for sale	(919)	(121,056)	(131,899)	(63,185)	—	(317,059)
Interest income	20,862	15,377	3,853	306	117	40,515
Finance costs	(2,926)	(545)	(3,160)	—	—	(6,631)
Income tax (expenses)/credits	(245,103)	9,426	7,014	16,203	(455)	(212,915)

RMB'000	**Shanghai Region**	**Yangtze River Delta (excluding Shanghai)**	**Pan Bohai Rim**	**Northeast China**	**Others**	**Elimination**	**Total**
As at 30 June 2015 (unaudited)							
Total segment assets	**37,648,513**	**25,182,149**	**6,543,545**	**6,345,352**	**8,134,457**	**(35,673,228)**	**48,180,788**
Total segment assets include:							
Investment in an associate	**2,880**	**—**	**—**	**—**	**—**	**—**	**2,880**
Investment in a joint venture	**—**	**—**	**—**	**—**	**—**	**—**	**—**
Non-current assets classified as held for sale	**1,606,385**	**—**	**156,817**	**439,261**	**—**	**—**	**2,202,463**
Deferred income tax assets							**520,228**
Other unallocated corporate assets							**6,197,177**
Total assets							**54,898,193**

Notes to the Condensed Consolidated Interim Financial Information

For the six months ended 30 June 2015

4 SEGMENT INFORMATION (Continued)

RMB'000	Shanghai Region	Yangtze River Delta (excluding Shanghai)	Pan Bohai Rim	Northeast China	Others	Elimination	Total
As at 31 December 2014 (audited)							
Total segment assets	36,786,974	25,299,724	6,552,595	6,390,017	8,135,383	(35,270,602)	47,894,091
Total segment assets include:							
Investment in an associate	2,808	—	—	—	—	—	2,808
Investment in a joint venture	3,794	—	—	—	—	—	3,794
Non-current assets classified as held for sale	1,613,632	—	174,990	438,900	—	—	2,227,522
Deferred income tax assets							466,670
Other unallocated corporate assets							5,564,601
Total assets							53,925,362

RMB'000	**Six months ended 30 June** **2015 (unaudited)**	2014 (unaudited)
Segment results	**(233,957)**	270,721
Fair value changes of investment properties	**(87,921)**	12,340
Provision for impairment of properties under development and completed properties held for sale	**(624,120)**	(317,059)
Depreciation and amortisation	**(7,784)**	(9,911)
Operating loss	**(953,782)**	(43,909)
Interest income	**34,252**	40,515
Finance costs	**(158,820)**	(6,631)
Loss before income tax	**(1,078,350)**	(10,025)
Additions to:		
Property, plant and equipment	**94,324**	251,231
Investment properties	**355,467**	315,022
	449,791	566,253

5 INVESTMENT PROPERTIES

RMB'000	Six months ended 30 June **2015 (unaudited)**	 2014 (unaudited)
At beginning of the period	**10,685,010**	12,278,106
Additions	**355,467**	315,022
Fair value changes (included in "Other (losses)/gains, net") (note 11)	**(87,921)**	12,340
At end of the period	**10,952,556**	12,605,468

The fair value measurement information for these investment properties in accordance with HKFRS 13 are given below.

	Fair value measurements at 30 June 2015		
RMB'000	**Quoted prices in active markets for identical assets (Level 1)**	**Significant other observable inputs (Level 2)**	**Significant unobservable inputs (Level 3)**
Recurring fair value measurements **Investment properties**	**—**	**—**	**10,952,556**

	Fair value measurements at 31 December 2014		
RMB'000	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Recurring fair value measurements **Investment properties**	—	—	10,685,010

6 TRADE AND OTHER RECEIVABLES AND PREPAYMENTS

RMB'000	**30 June 2015 (unaudited)**	31 December 2014 (audited)
Trade receivables due from third parties (a)	**378,834**	384,896
Other receivables due from third parties (b)	**801,111**	879,388
Prepayments for construction costs:	**1,965,649**	1,879,532
Related parties (note 17(b))	**1,218,996**	1,183,271
Third parties	**746,653**	696,261
Prepayments for land premium	**4,699,971**	4,699,971
Prepaid business taxes and other taxes	**251,898**	170,992
	8,097,463	8,014,779

(a) Trade receivables mainly arose 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:

RMB'000	**30 June 2015 (unaudited)**	31 December 2014 (audited)
Within 6 months	**2,872**	15,485
Between 7 and 12 months	**1,572**	4,179
Between 13 months and 3 years	**374,390**	365,232
	378,834	384,896

As at 30 June 2015, trade receivables of RMB378,834,000 (31 December 2014: RMB384,896,000) were overdue but not impaired, including an amount due from a local government authority of RMB341,548,000 (31 December 2014: RMB341,548,000) upon recognising the revenue relating to certain relocation and resettlement housing. The remaining trade receivables that are past due but not impaired relate to certain customers. 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 recoverable.

6 TRADE AND OTHER RECEIVABLES AND PREPAYMENTS (Continued)

(b)

RMB'000	**30 June 2015 (unaudited)**	31 December 2014 (audited)
Other receivables due from third parties	**1,710,434**	1,788,711
Less: provision for impairment of other receivables	**(909,323)**	(909,323)
Other receivables due from third parties, net	**801,111**	879,388

As at 31 December 2014 and 30 June 2015, included in other receivables were several balances due from different third parties with a total amount of RMB866,103,000, which were either aged more than 1 or 2 years or past due, unsecured and non-performing. A full provision for impairment had been made as a result of the management's assessment on the recoverability of these balances.

As at 31 December 2014 and 30 June 2015, included in other receivables was an amount due from a third party of RMB143,220,000, which was aged less than 12 months and secured. A sale and purchase agreement had been entered into such that the balance will be disposed to a third party at a consideration of RMB100,000,000. Consequently, a provision of impairment of RMB43,220,000 was made.

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.

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 2014, 30 June 2014, 1 January 2015 and 30 June 2015	38,000,000,000	380,000			
Issued and fully paid:					
Ordinary shares of HK$0.01 each at 1 January 2014, 30 June 2014, 1 January 2015 and 30 June 2015	7,792,645,623	77,926	68,745	7,822,982	7,891,727

Notes to the Condensed Consolidated Interim Financial Information

For the six months ended 30 June 2015

8 BORROWINGS

RMB'000	**30 June 2015 (unaudited)**	31 December 2014 (audited)
Borrowings included in non-current liabilities:		
Bank borrowings — secured (d)	**1,281,522**	6,596,124
Other borrowings — unsecured (c)	**10,392**	—
	1,291,914	6,596,124
Borrowings included in current liabilities:		
Bank borrowings — secured (d)	**16,922,678**	11,074,398
Senior Notes due 2015 — secured (a)	**1,872,232**	1,869,404
Senior Notes due 2018 — secured (b), (d)	**2,517,593**	2,516,874
Other borrowings — unsecured (c)	**233,388**	125,800
Other borrowings — secured	**275,080**	87,400
	21,820,971	15,673,876
Total borrowings	**23,112,885**	22,270,000

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

RMB'000	**30 June 2015 (unaudited)**	31 December 2014 (audited)
Amounts of borrowings that are repayable:		
Within 1 year (d)	**21,820,971**	15,673,876
After 1 and within 2 years	**1,212,114**	6,536,124
After 2 and within 5 years	**37,500**	30,000
After 5 years	**42,300**	30,000
	23,112,885	22,270,000

(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$292,806,000. 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.

8 BORROWINGS (Continued)

(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 2015, short-term borrowings from third parties of RMB197,802,000 (31 December 2014: RMB125,800,000) are unsecured, interest-bearing and are repayable within one year from the date of drawdown. The remaining balances of RMB35,586,000 (31 December 2014: Nil) are interest-free.

As at 30 June 2015, long term borrowings from third parties of RMB10,392,000 were unsecured and interest-bearing. No such long term borrowings exists as at 31 December 2014.

(d) As a result of the matters described in note 2(i), borrowings with aggregate principal amount of approximately RMB7,433,300,000 have been reclassified as current borrowings as at 30 June 2015.

9 TRADE AND OTHER PAYABLES

RMB'000	**30 June 2015 (unaudited)**	31 December 2014 (audited)
Trade payables (a):	**3,303,473**	3,378,620
Related parties (note 17(b))	**13,884**	19,820
Third parties	**3,289,589**	3,358,800
Other payables due to third parties (b):	**1,501,981**	1,232,399
Acquisition consideration payable	**310,000**	310,000
Other payables and accrued expenses	**1,191,981**	922,399
Other taxes payable	**169,738**	176,398
	4,975,192	4,787,417

Notes to the Condensed Consolidated Interim Financial Information
For the six months ended 30 June 2015

9 TRADE AND OTHER PAYABLES (Continued)

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

RMB'000	**30 June 2015 (unaudited)**	31 December 2014 (audited)
Within 6 months	**2,264,117**	2,599,516
Between 7 and 12 months	**56,727**	107,486
Between 13 months and 5 years	**982,629**	671,618
	3,303,473	3,378,620

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

10 OTHER INCOME

	Six months ended 30 June	
RMB'000	**2015 (unaudited)**	2014 (unaudited)
Interest income	**34,252**	40,515
Rental income	**14,684**	13,501
Others	**754**	906
	49,690	54,922

11 OTHER (LOSSES)/GAINS, NET

	Six months ended 30 June	
RMB'000	**2015 (unaudited)**	2014 (unaudited)
Fair value changes of investment properties	**(87,921)**	12,340
Exchange losses, net	**(68)**	(41,200)
Gain on disposals of non-current assets classified as held for sale	**14,256**	—
	(73,733)	(28,860)

12 EXPENSES BY NATURE

Loss before income tax is stated after charging the following:

	Six months ended 30 June	
RMB'000	**2015 (unaudited)**	2014 (unaudited)
Auditors' remuneration	**5,748**	5,895
Advertising costs	**6,508**	20,662
Business taxes and other levies	**16,694**	130,378
Costs of properties sold	**321,949**	1,665,874
Provision for impairment of properties under development and completed properties held for sale	**624,120**	317,059
Depreciation	**7,784**	9,911
Staff costs — excluding directors' emoluments	**75,130**	74,989
Rental expenses	**17,350**	23,322

13 FINANCE COSTS

	Six months ended 30 June	
RMB'000	**2015 (unaudited)**	2014 (unaudited)
Interest expenses:		
Bank borrowings	**1,183,164**	931,692
Senior Notes due 2015	**124,023**	123,424
Senior Notes due 2018	**165,382**	164,745
Others	**29,967**	10,821
Total interest expenses	**1,502,536**	1,230,682
Less: interest capitalised on qualifying assets	**(1,343,716)**	(1,224,051)
	158,820	6,631

Notes to the Condensed Consolidated Interim Financial Information
For the six months ended 30 June 2015

14 INCOME TAX (CREDITS)/EXPENSES

RMB'000	Six months ended 30 June **2015 (unaudited)**	 2014 (unaudited)
Current income tax:		
PRC corporate income tax	**(5,420)**	146,470
PRC land appreciation tax	**41,869**	101,240
	36,449	247,710
Deferred income tax:		
Origination and reversal of temporary differences	**(47,187)**	(34,795)
	(47,187)	(34,795)
	(10,738)	212,915

15 LOSS PER SHARE

(a) Basic
Basic loss per share is calculated by dividing the loss attributable to the owners of the Company by the weighted average number of ordinary shares in issue during the period.

	Six months ended 30 June **2015 (unaudited)**	 2014 (unaudited)
Loss attributable to the owners of the Company (RMB'000)	**(996,620)**	(221,339)
Weighted average number of ordinary shares in issue (thousands)	**7,792,646**	7,792,646

(b) Diluted
Diluted loss per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. For each of the six months ended 30 June 2014 and 2015, the Company's share options had no dilutive effect, as the relevant exercise price was higher than the average market price of the Company's shares for the period when the options are outstanding.

16 DIVIDEND

The Board has resolved not to declare the payment of an interim dividend for the six months ended 30 June 2015 (six months ended 30 June 2014: Nil).

17 RELATED PARTY TRANSACTIONS

As at 30 June 2015, Best Era International Limited, Market Victor Limited, Novel Ventures Limited, Island Century Limited and Well Advantage Limited held, in aggregate, 68.20% of the issued share capital of the Company. These five companies are all wholly-owned directly or indirectly by Mr. Zhang Zhi Rong, The remaining 31.8% of the Company's 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

RMB'000	Six months ended 30 June **2015 (unaudited)**	 2014 (unaudited)
Purchase of construction services from:		
Shanghai Ditong Construction (Group) Co., Ltd. ("Shanghai Ditong"), a company controlled by a close family member of the ultimate controlling party	**285,618**	648,037
Purchase of property design services from an associate	**14,365**	7,143

(b) Balances with related parties

As at 30 June 2015 and 31 December 2014, the Group had the following significant balances with related parties:

RMB'000	**30 June 2015 (unaudited)**	31 December 2014 (audited)
Balances included in current assets:		
Prepayments to related companies for construction costs or purchase of services included in "Prepayments"		
Shanghai Ditong	**1,216,706**	1,180,981
Other related companies	**2,290**	2,290
	1,218,996	1,183,271
Balance included in non-current assets:		
Loan to a joint venture	**1,310,574**	1,422,370
Balances included in current liabilities:		
Trading balances with other related companies included in "Trade payables"	**13,884**	19,820

The loan to a joint venture is unsecured, has no fixed terms of repayment and bears interest that is agreed with the joint venture partner by making references to the latest benchmark lending rate published by the People's Bank of China. As at 30 June 2015, the annual interest rate is 13%. The carrying value of the loan to a joint venture approximates its fair value.

Except for the aforementioned terms for the loan to a joint venture, as at 30 June 2015 and 31 December 2014, 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.

17 RELATED PARTY TRANSACTIONS (Continued)

(c) Key management compensation

	Six months ended 30 June	
RMB'000	**2015 (unaudited)**	2014 (unaudited)
Salaries and other short-term employee benefits	**6,750**	8,009
	6,750	8,009

18 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 retain the legal title and take over possession of the related properties. The Group's guarantee period starts from the dates of grant of the mortgages. As at 30 June 2015, the amount of outstanding guarantees for mortgages were approximately RMB7,255,022,000 (31 December 2014: RMB7,194,310,000).

The Directors consider that the likelihood of default in payments by purchasers is minimal and as the Group is entitled to retain the ownership of the properties, the valuation of which is significantly higher than the guaranteed amounts, the financial guarantees measured at fair value is immaterial.

19 CAPITAL COMMITMENTS

As at 30 June 2015, the Group had capital commitments as follows:

RMB'000	**30 June 2015 (unaudited)**	31 December 2014 (audited)
Contracted but not provided for:		
Land use rights	**483,719**	870,884
Property development expenditures:	**4,907,876**	5,264,609
Shanghai Ditong	**2,639,237**	2,960,581
Third parties	**2,268,639**	2,304,028
Construction materials	**31,454**	31,818
	5,423,049	6,167,311

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