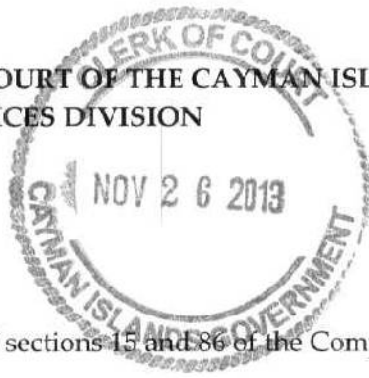


IN THE GRAND COURT OF THE CAYMAN ISLANDS
FINANCIAL SERVICES DIVISION



CAUSE NO. FSD 0149 OF 2013

IN THE MATTER of sections 15 and 86 of the Companies Law, (2013 Revision) (as amended)

AND IN THE MATTER of the Grand Court Rules 1995 Order 102

AND IN THE MATTER of **Glorious Property Holdings Limited**

PETITION



TO: The Grand Court of the Cayman Islands

THE PETITION of **Glorious Property Holdings Limited** shows as follows:

1. The object of this Petition is to seek:
 - (i) the sanction of the Court, pursuant to section 86 of the Companies Law (2013 Revision) (the "Companies Law"), to a proposed scheme of arrangement (the "Scheme of Arrangement") between the petitioner, **Glorious Property Holdings Limited** (the "Company") and the Scheme Shareholders as defined in the Scheme of Arrangement contained in a composite scheme document ("Scheme Document") a draft of which is attached as Exhibit "CLX-1" to the affirmation of CHENG Li Xiong; and
 - (ii) the confirmation of the Court, pursuant to section 15 of the Companies Law, of the intended reduction of the issued share capital ("Reduction of Capital") of the Company consequent upon the cancellation of the Scheme Shares (as defined in the Scheme of Arrangement) pursuant to the Scheme of Arrangement which is expected to be approved by a special resolution of the shareholders passed at an extraordinary general meeting of the Company immediately after the Court Meeting referred to herein.
2. The Company was incorporated as an exempted company on 27 July 2007 in the Cayman Islands under the Companies Law with registration number CT-192221.

The registered office of the Company is situated at the offices of Codan Trust Company (Cayman) Limited, Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands. The principal place of business of the Company is at Suites 2501 - 2504, 25/F, Two Exchange Square, 8 Connaught Place, Central, Hong Kong.

3. As at the date of this Petition, the Company has an authorised and issued share capital of HK\$380,000,000 divided into 38,000,000,000 ordinary shares of par value HK\$0.01 each (the "Shares"), 7,792,645,623 of which have been issued fully paid-up or credited as fully paid-up and the remainder are unissued.
4. The Shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange").
5. On the assumption that no outstanding Options (as defined in the Scheme Document) are exercised before the Record Date (as defined in the Scheme of Arrangement) and the assumption that there is no other change in shareholdings in the Company, the profile of the major shareholders of the Company ("Shareholders") on the Latest Practicable Date (as defined in the Scheme of Arrangement) is expected to be as follows:-

	As at the Latest Practicable Date	
Shareholders	Number of Shares	%
Best Era International Limited ("Offeror")	4,978,923,436	63.89
Concert Parties		
Market Victor Limited	81,936,000	1.05
Novel Ventures Limited	106,288,000	1.36
Island Century Limited	119,313,000	1.53
Well Advantage Limited	27,756,000	0.36
Subtotal	5,314,216,436	68.19
Scheme Shareholders	2,478,429,187	31.81
Total Shares in issue	7,792,645,623	100%

6. As an exempted company, the Company is subject to restrictions in its powers to trade in the Cayman Islands but is otherwise capable of exercising all the functions of a natural person of full capacity as provided by section 27(2) of the Companies Law.
7. The purpose of the Scheme of Arrangement is to privatise the Company so that Best Era International Limited together with persons acting in concert with it will own 100% of the Company. This will be achieved by the steps summarised in paragraph 8 below.
8. The principal features of the Scheme of Arrangement are:
 - (i) the Reduction of Capital by the cancellation and extinguishment of the Scheme Shares pursuant to the Scheme of Arrangement, in consideration of which the Scheme Shareholders will receive HK\$1.80 in cash for each Scheme Share (the "Cancellation Price");
 - (ii) subject to and simultaneously with the Reduction of Capital taking effect, the share capital of the Company being restored to its former amount by the issue to Best Era International Limited, credited as fully paid at par, the same number of Shares as the number of Scheme Shares cancelled and extinguished at the Record Date (as defined in the Scheme of Arrangement) (the "Restoration of Capital"); and
 - (iii) the credit arising in the books of account of the Company as a result of the Reduction of Capital resulting from the cancellation and extinguishment of the Scheme Shares pursuant to the Scheme of Arrangement being applied in paying up in full at par such number of Shares as is equal to the number of Scheme Shares cancelled at the Record Date.
9. The Cancellation Price is in excess of the relevant closing prices and the average closing prices of the Scheme Shares referred to in the explanatory statement in the Scheme Document. The directors of the Company ("Directors") believe, under the current market conditions and based on the past performance of the Scheme Shares since the listing of the Shares on the Stock Exchange and preceding the Latest Practicable Date, the Cancellation Price is in excess of the price which the Scheme Shareholders might receive for their Scheme Shares in the open market without the Scheme of Arrangement.
10. The Shares traded at a discount to their net asset value on 18 October 2013 (the "Last Trading Day"). The closing price of the Shares on the Last Trading Day of HK\$1.24 per Share represented a discount of approximately 58.0% to the unaudited consolidated net asset value attributable to the Shareholders per Share of approximately HK\$2.95 as at 30 June 2013. However, the Cancellation Price represents a discount of approximately 39.0% to such net asset value per Share as at 30 June 2013. The Directors considers that the depressed price of the Shares has had an adverse impact on the Company's

reputation with customers, and therefore on its business, and also on employee morale. The implementation of the Scheme would eliminate this adverse impact. The Scheme represents a cash exit opportunity for the Scheme Shareholders to realise their entire investment (without incurring any brokerage and other trading costs) at a substantial premium over the market price of the Shares. The Cancellation Price of HK\$1.80 represents a premium of approximately 52.5%, 53.8%, 56.5% and 55.2% over each of the 5-day, 10-day, 30-day and 60-day average closing prices of the Shares, respectively, up to and including the Last Trading Day. The Cancellation Price also represents a premium of approximately 2.3% over the exercise price per Share of HK\$1.76 under the Share Option Scheme. The Shares have suffered from low trading liquidity for a significant period of time. The average daily trading volume of the Shares for the past 12 months up to and including the Last Trading Day was approximately 8.8 million Shares per day, representing only approximately 0.11% and 0.36% of the issued Shares and Shares owned by the Scheme Shareholders as at the Last Trading Day, respectively. The low trading liquidity of the Shares may make it difficult for Shareholders to execute substantial on-market disposals without adversely affecting the price of the Shares. The Scheme of Arrangement provides the Scheme Shareholders with an attractive cash exit opportunity to realize their investment in the Company in cash (without incurring any brokerage and other trading costs) at a significant premium over the market price of the Shares without having to suffer any illiquidity discount. The Scheme of Arrangement, if successful, will eliminate the costs of compliance with the Listing Rules and other relevant regulations and other costs relating to maintaining a listing status in Hong Kong, thereby allowing the Company to focus its resources on its business operations.

11. The Company proposes to convene a court meeting in accordance with section 86 of the Companies Law to be held on or about 17 January 2014 (the "Court Meeting") at which the following resolution (with such amendments as may be approved at the Court Meeting) will be considered :

"THAT a scheme of arrangement (the "Scheme of Arrangement") dated [●] 2014 between the Company and the holders of the Scheme Shares (as defined in Scheme of Arrangement) in the form of the print thereof which has been produced to the meeting and, for the purpose of identification signed by the chairman of the meeting, or in such other form and on such terms and conditions or may be approved or imposed by the Grand Court of the Cayman Islands, be and is hereby approved."

Each of the capitalised terms referred to in the resolution above are defined in the composite scheme document (the "Composite Scheme Document") exhibited as exhibit "CLX-1" to the first affirmation of CHENG Li Xiong which will be sent to all Scheme Shareholders.

12. Article 6 of the Articles of Association of the Company provides as follows:

“The Company may from time to time by special resolution, subject to any confirmation or consent required by the Law, reduce its share capital or any capital redemption reserve or other undistributable reserve in any manner permitted by law.”

13. The Company intends to convene an extraordinary general meeting to take place immediately after the Court Meeting at which it is intended to submit a special resolution to confirm the Reduction of Capital pursuant to the Scheme of Arrangement and an ordinary resolution to approve the Restoration of Capital as follows:

SPECIAL RESOLUTION

1. **THAT** for the purposes of giving effect to the scheme of arrangement dated [•] (the “Scheme of Arrangement”) between the Company and the holders of Scheme Shares (as defined in the Scheme of Arrangement), on the Effective Date (as defined in the Scheme of Arrangement):
- (i) the issued share capital of the Company shall be reduced by cancelling and extinguishing the Scheme Shares (as defined in the Scheme of Arrangement); and
 - (ii) the directors of the Company be and are hereby authorized to do all such acts and things considered by them to be necessary or desirable in connection with the implementation of the Scheme of Arrangement, including (without limitation) the giving of consent to any modification of or addition to, the Scheme of Arrangement, which the Grand Court of the Cayman Islands may see fit to impose.

ORDINARY RESOLUTION

2. **THAT**
- (i) subject to and forthwith upon such reduction of share capital taking effect, the issued share capital of the Company shall be increased to its former amount by the allotment and issue of the same number of ordinary shares of HK\$0.01 each in the capital of the Company as is equal to the number of Scheme Shares cancelled and extinguished; and
 - (ii) the Company shall apply the credit arising in its books of account as a result of such capital reduction in paying up in full at par the new ordinary shares of HK\$0.01 each in the capital of the Company issued as aforesaid, credited as fully paid, to Best Era International Limited.
14. The Scheme of Arrangement and the Reduction of Capital will not involve any diminution of liability in respect of any unpaid share capital or the payment to any member of the Company of any paid up capital or alteration of the underlying assets, business operations, management or financial position of the Company and will have no effect on the creditors of the Company. It is to be noted that the Reduction of Capital

and the Restoration of Capital will occur simultaneously. The Company will continue to be able to pay its debts as they fall due in the ordinary course of business.

15. The form of Minute proposed to be registered is as follows:

*"The issued share capital of **Glorious Property Holdings Limited** was by virtue of a Special Resolution passed on [●] January 2014 and with the confirmation of an order of the Grand Court of the Cayman Islands dated [●] February 2014, reduced from HK\$[●] divided into [●] shares of par value HK\$0.01 each to HK\$[●] divided into [●] shares of par value HK\$0.01. (the "Reduction of Capital"). Simultaneously with the Reduction of Capital, the issued share capital of Glorious Property Holdings Limited was restored to HK\$[●] by allotting and issuing to Best Era International Limited, credited as fully paid at par, [●] shares of par value HK\$0.01 each.*

The authorised share capital of the Company, on the registration of this Minute, is HK\$380,000,000 divided into 38,000,000,000 ordinary shares of par value HK\$0.01 each."

16. Your petitioner, the Company therefore prays as follows:

- (i) That the Scheme of Arrangement of the Company to be approved at the Court Meeting to be convened at the direction of this Honourable Court may be sanctioned by this Honourable Court.
- (ii) That the Reduction of Capital may be confirmed and that the above mentioned minute may be approved by the Court.
- (iii) That the preparation of a list of creditors be dispensed with.
- (iv) That to this end, all necessary inquiries and directions may be made and given.
- (v) That such further or other order be made as this Honourable Court thinks fit.

NOTE: It is intended to serve this Petition on Glorious Property Holdings Limited at its registered office located at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands.

Dated 26 November 2013



CONYERS DILL & PEARMAN
Attorneys-at-Law for the Petitioner herein

Notice of Hearing

This Petition, having been presented to the Court on the day of 2013, will be heard at the Law Courts, George Town, Grand Cayman on the day of at a.m. or as soon thereafter as the Petition can be heard.

This Petition was filed by Conyers Dill & Pearman, Attorneys-at-Law for and on behalf of the Petitioner herein whose address for service is that of its said Attorneys-at-Law, Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands.