

雅居樂地產控股有限公司
AGILE PROPERTY HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)
Stock code : 3383



Annual Report 2007

15年
Anniversary

遠見、心建、Develop our future with
vision and enthusiasm 共建未來



Corporate Profile

Agile Property Holdings Limited is one of the most capable China property developers developing large-scale residential projects, hotels, shopping malls and grade A commercial buildings. The Group currently owns 51 property projects in 20 cities, such as Guangzhou, Zhongshan, Foshan, Enping, Heyuan, Huizhou, Shanghai, Nanjing, Chengdu, Xi'an, Chongqing, Shenyang and Hainan. The Group has a land bank with a total gross floor area of over 28.43 million sq.m.

The Group is listed on the Main Board of The Stock Exchange of Hong Kong Limited on 15 December 2005 (stock code: 3383). The Company's shares are included as constituent stocks in Morgan Stanley China Index, Hang Seng Composite Index and Hang Seng Freefloat Composite Index.



Contents

2	Business Structure
4	Milestone 2007
6	Honors and Awards
8	Chairman's Statement
16	Projects at a Glance
56	Property Management
60	Management Discussion and Analysis
70	Investor Relations
76	Corporate Citizen
81	Directors' Profile
83	Senior Management's Profile
85	Corporate Governance Report
93	Report of the Directors
105	Financial Section
163	Glossary of Terms
165	Corporate Information
166	Information for Shareholders

Agile

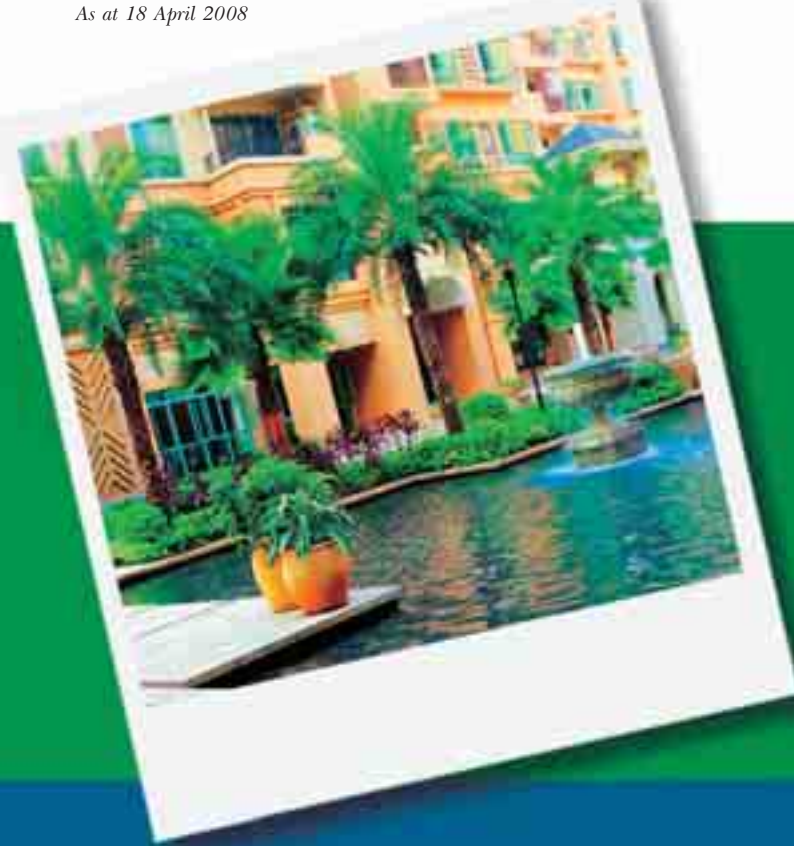
Partner

Society



Business Structure

As at 18 April 2008



Property Development

- Pearl River Delta Region - Guangzhou, Zhongshan, Foshan, Panyu, Zengcheng, Huadu, Conghua, Nanhai, Sanshui, Shunde, Enping (total: 41 projects)
- Eastern Guangdong - Heyuan, Huizhou (total: 2 projects)
- Yangtze River Delta Region - Nanjing, Shanghai (total: 3 projects)
- Western China - Chengdu, Xi'an, Chongqing (total: 3 projects)
- Hainan Province - Hainan
- Northeast China - Shenyang

Hotel Management

Guangzhou Agile Hotel

Foshan Agile Hotel



Decoration Services

Zhongshan Fashion Decoration Co., Ltd.



Property Management

Hong Kong Agile Property Management Services Limited
Zhongshan Agile Property Management Services Co., Ltd.
Guangzhou Agile Property Management Services Co., Ltd.
Guangzhou Huadu Agile Property Management Services Co., Ltd.
Foshan Nanhai Agile Property Management Services Co., Ltd.



Milestone 2007

Feb

- Acquired two pieces of land in Haizhu District and Liwan District in Guangzhou City at a consideration of RMB 490 million.
- Grand Garden project of Zhongshan was awarded the first class prize for green property management in Zhongshan.
- Acquired the land use rights of twelve land sites in Qingshuiwan, Lingshui Li Autonomous County in Hainan Province, and intended to develop those plots of land into a hotel, residential, commercial and large-scale resort project. The project has a GFA of approximately 2.96 million sq.m..

Mar

- Officially penetrated into Shanghai's market by acquiring a project which was located on northwestern side of Nanjing Road Pedestrian Street, Shanghai. The project will be developed into a 5 star plus hotel and a high-end shopping mall.
- Nanjing Agile Garden commenced the construction.
- Acquired the land use right of a piece of land in Daliang District, Shunde, Foshan City. The land, situated in the city centre of Shunde, enjoys an excellent geographical position with shopping centres, hospital, school and sufficient ancillary facilities nearby.
- The construction of municipal roads of Hainan Qingshuiwan Project officially commenced.
- Agile Garden managed by our Zhongshan property management company was awarded "National Model Community" by the Ministry of Commerce.

Apr

- Successfully acquired a land site on Binjiang Road, Nan'an District in the downtown of Chongqing City. The site area of the land site is approximately 320,000 sq.m. and the GFA is approximately 490,000 sq.m.
- Successfully acquired a commercial integrated project in Xiqiao, Foshan. It will be developed into a mega commercial and trading mall with commercial, shopping, leisure, entertainment, conference and exhibition facilities.
- Awarded "6 th (2006) Twenty Property Enterprises with Top Credit Ratings in Guangdong" by the Guangdong branch of ICBC, the Guangdong branch of BOC, the South China branch of People's Daily and other authority institutions.
- Agile Garden Sanshui in Foshan City held a grand foundation laying ceremony. The GFA of Agile Garden Sanshui is approximately 480,000 sq.m..

May

- Nanhai Majestic Garden, which was managed by Foshan Nanhai Agile Property Management Services Co., Ltd., was granted "Property Management Model Community of Foshan City in 2007".

Jun

- Distributed a final dividend of HK 7.0 cents per share for the year 2006.



2007 Annual General Meeting

- The Dachong Project of Zhongshan donated a "Loving Education Fund" to the Zhongshan branch of Red Cross Society of China.

Jul

- "Shanghai Agile International Plaza" in Shanghai formally commenced the construction.
- Agile Garden Dachong was officially put up for sale.
- "Norway Forest 2007" of Agile Garden Guangzhou was officially put up for sale with sales of about RMB 400 million from 500 units in a single day.



At the ribbon-cutting ceremony of Agile Garden Dachong, attended the senior management of the Group and other leaders of Zhongshan governmental departments.

- Agile Garden Heyuan was opened for sale, the first tranche with total sales of over RMB200 million, making the record sales in the Heyuan property market.

Aug

- Agile Garden Xi'an formally commenced the construction.
- The sale of a new phase of Agile Garden Conghua broke the record of property unit price, sales in a single day and the number of suits sold in the Conghua property market again.
- The soft opening of Guangzhou Agile Hotel officially commenced.
- A group of international hotel management companies were arranged to visit the site of Hainan Qingshuiwan Project by Morgan Stanley.
- The Group acquired the land use rights of a site along the Metro Line in Zengcheng, Guangzhou and Wuiguishan, Zhongshan through auction and listing.

Milestone 2007

Sep

- The Group announced its 2007 interim results. During the period under review, our turnover and gross profit amounted to RMB 3,196 million and RMB 1,132 million. The Board declared an interim dividend of HK 5.5 cents per share for the interim period of 2007.
- Acquired a piece of land in Enping.



Announcement of interim results 2007

- Acquired a land site in Qinhuai District, Nanjing City again. The GEA is approximately 60,000 sq.m.
- Egret Lake Huizhou was opened for sale. It resulted in a dramatic consumer response.
- Guangzhou Agile Hotel celebrated its grand opening.
- Agile was granted the "Caring Company" logo by the Hong Kong Council of Social Service again. The logo was given to the recognition of the Group's outstanding achievement in fulfilling corporate citizenship throughout a the past year.



Agile was awarded the "Caring Company" logo by the Hong Kong Council of Social Service

Oct

- Agile Garden Foshan was opened for sale with its sales of over RMB500 million in a single day breaking the record in the Foshan property market.



Foshan Agile Garden

Dec

- Agile Garden Chengdu was officially put up for sale with accumulated sales of over RMB400 million in a single day.
- Acquired the land use rights of four residential land sites in Huadu District. The aggregate site area and GFA of the project are approximately 283,000 sq.m. and approximately 529,000 sq.m. respectively.
- A grand opening ceremony of Agile Garden Sanshui was held.



At the ribbon-cutting ceremony of Agile Garden Sanshui

Nov

- The Group held the "Agile Property 15th Anniversary Media Conference" at Guangzhou Agile Hotel and publicly announced its new corporate concept "Develop our future with vision and enthusiasm."



Agile Property 15th Anniversary Media Conference

- The Century was officially put up for sale with the first phase of villas sold out.
- Agile Garden Foshan was selected as one of the Eight Human Settlements in Foshan.

Honors and Awards

May

The Second PRC Outstanding Enterprise Achievement Award in 2007 – Capital China Outstanding Real Estate and Property Management Enterprise

Awarding Institution:
Capital Magazine

August

Global Human Settlements Model Community in 2007

Awarding Institutions:
Friends of the United Nations/U.S. Green Building Council/Society for Urban Development Studies, Chinese Academy of Social Science/China City Construction & Development Exhibition/Population, Resources and Environment Committee, Political Consultative Office of Shenzhen Municipal

Silver Prize in the Categories of “Cover Picture/Design” and “Written Text,” Bronze Prize in the Category of “Interior Design” and Honors Award in the Category of “Chairman’s Statement” by 2006 Annual Report

Awarding Institution:
International ARC



September

Top Companies for Leaders in Greater China

Awarding Institutions:
HEWITT/RBL Group/
FORTUNE Magazine

October

China Blue Chip Property Developer 2007

Awarding Institutions:
The Economic Observer/Sinotrust Adfaith
Management Consulting Inc.

November

“Caring Company” 2007/2008

Awarding Institution:
Hong Kong Council of Social Service

Significant Improvement Award in “Best Corporate Governance Disclosure Awards 2007”

Awarding Institution:
HKICPA



Chairman's Statement



*Agile is committed
to become the most
capable China property
developer*

Dear Shareholders,

I am pleased to present the annual results of Agile Property Holdings Limited for the year ended 31 December 2007. During the year, the Group's business attained sustainable rapid growth and recorded outstanding performance, which further enhanced our brand influence nationwide, laying the solid foundation for the Group to become the most capable property developer in China.

The year 2007 was the fifteenth anniversary of the Group's property development business and marked an important milestone of Agile's business development. During the year, Agile implemented the strategy of regional diversification and successfully extended its presence in 20 cities across six major regions in China, namely Pearl River Delta Region, Eastern Guangdong, Yangtze River Delta Region, Western China, Hainan and Northeast China. Currently Agile has a total of 51 projects.

Leveraging on the vision of "Develop our future with vision and enthusiasm", the Group continues to reinforce its leading position in the property industry with a healthy, steady and long-term sustainable development.

Chairman's Statement

Results

During the year under review, all operations of Group have grown at a stable pace and posted satisfactory results with its meticulous project management capacities. The Group recorded remarkable growth in turnover and profit as compared to that of last financial year. Turnover and gross profit amounted to approximately RMB10.31 billion and RMB5.21 billion, representing an increase of 54.5% and 82.3% respectively. Profit attributable to shareholders increased by 69.3% over last year to RMB2.10 billion. Net assets per share was RMB2.4 and return on equity was 23.3%.

The Board proposed to declare a final dividend of 2007 of HK15.3 cents per share. Together with the distributed interim dividend of HK5.5 cents per share, total dividend for the year amounted to HK20.8 cents per share, representing an increase of 73.3% as compared to that of HK 12 cents per share in 2006.

In 2007, the Group's business scale further expanded. Apart from the existing 14 projects, 8 new projects in such areas as Chengdu, Foshan, Huizhou and Heyuan were launched. Total completed GFA was approximately 1.53 million sq.m., and GFA for recognized sales was 1.41 million sq.m.

During the year, Agile was awarded "Capital China Outstanding Real Estate and Property Management Enterprise" by the "Capital" magazine. Furthermore, the Company was ranked one of the "Top Companies for Leaders in Greater China" by "HEWITT", "RBL Group" and "Fortune" magazine. These accolades and awards have further recognized the Group's ever-growing comprehensive capacity in business development and reflected the concerted recognitions of the Group's integrated values from the community.

Market Review

The overall economy in China continued to enjoy a robust and steady growth in 2007, with further increment of per capita income. During the year under review, gross national product in PRC amounted to RMB24.7 trillion, representing an increase of 11.4% when compared with last year. The acceleration of urbanisation narrowed the economic gaps between urban and rural areas; the living standards of Chinese people kept improving, with per capita annual income of cities reached RMB13,786, representing growth of 12.2% as compared with last year. The continuous increase of people's spending power and improvement of people's livelihood will further stimulate the demand and in turn accelerate the growth of China property industry.

In an attempt to maintaining sustainable healthy and stable growth for the property market, the Central Government implemented a series of macroeconomic measures. These policies have shown its effectiveness in certain cities with overheating property market and restrained speculations effectively, bringing the property price back to right track. In the long run, the healthy competitions in property market can be maintained, which will create a favorable business environment for property companies. As one of the most capable property developers, Agile was hardly affected by these macroeconomic adjustment policies in short term, and these policies are in fact beneficial to the expansion of large and capable developers like Agile.

Chairman's Statement

Land Bank

The Group implemented development strategies systematically by consolidating the development of its business in Guangdong Province while maintaining prudent expansion outside Guangdong. Following its successful acquisitions of projects in Nanjing, Chengdu and Xian in 2006, the Group acquired premium land sites in Shanghai, Hainan, Chongqing, Shenyang and Nanjing in 2007, realizing its fundamental buildup of leading position covering such strategically regions as Pearl River Delta Region, Eastern Guangdong, Yangtze River Delta Region, Western China, Hainan Province and Northeast China.

Property Management

Property management, as the basis of after-sale service and brand image elevation, has always been paid the Group's high level of attention to. Our property management companies have been devoted to offering harmonious ambiance in the community, comprehensive services and the best ancillary facilities. It, therefore, won accolades from our occupants and the public. In order to enhance the security control in the community, the Group continued to strengthen its security management by setting up security offices and "Two Layers' Computerized Security and Reporting Center". During the year under review, Zhongshan Agile Property Management Services Co., Ltd was awarded "Youth Civilized Unit" in Zhongshan City; La Cite Greenville won "Overall Awards for Global Human Settlements Model Community in 2007"; Nanhai Majestic Garden was granted "Property Management Model Community of Foshan City in 2007" and the honors of "Green Model Unit of Nanhai of Foshan City".

The numerous awards won by Agile demonstrated the top professional property management service in the community has earned widespread recognitions from the community.

Hotel Business

During the year, the Group started its hotel business. Guangzhou Agile Hotel and Foshan Agile Hotel commenced its operation in October 2007 and April 2008 respectively.

Situated at Guangzhou Agile Garden, Guangzhou Agile Hotel was renovated at of 5-star hotel standard. The hotel owns 126 rooms and suites, ballrooms and conference rooms for 20 to 450 people, riverside international gourmet restaurants, star-gazing pubs and a 20,000 sq.m. luxurious mid-level club house with wide variety of facilities.



Guangzhou Agile Hotel



Foshan Agile Hotel



Shanghai Agile International Plaza

Chairman's Statement

Situated at Nanhai Majestic Garden, Foshan Agile Hotel was renovated at four-star hotel standard. The hotel owns 205 rooms, Chinese and Western restaurants, red wine house, ballroom, multi-media conference room, business center, and two large sky gardens with lush subtropical landscape.

Financial Position

Agile continued to preserved with its prudent financial strategies. Capitalising on the environment of capital market, the Group adopts a flexible fund strategy to enhance its debt structure and reduce financing risk. In June 2007, the Group signed an agreement with a group of 16 international and domestic banks in connection with a 3-year dual currency revolving credit facility equivalent to US\$200 million. The success of re-financing exercise proved that the Group was able to use different financial instruments to raise funds from the capital for supporting its long-term development.

The Group will continue to adopt judicious financial strategies by strengthening cost control and integrated budgeting so as to further consolidate its financial status.

Corporate Governance and Investor Relations

Since its listing, Agile keeps on mastery its good relationship with our shareholders and investors through various means of communication aiming to maintain a high degree of transparency and quality management in corporate governance disclosure in the foundation of winery the support by our shareholders.

During the year, the Group was again well recognized by investors with seasoned management team and excellent corporate governance. The Group was granted the "Significant Improvement Award" in "Best Corporate Governance Disclosure Awards 2007" by the Hong Kong Institute of Certified Public Accountants. Our 2006 Annual Report has also been awarded Silver prizes in the "Cover Picture/Design" as well as the "Written Text" categories, Bronze prize in the "Interior Design" category, and the Honors Award in "Chairman's Statement" category, by the International Annual Report Committee.

Social Responsibilities and Consciousness of Obligations

We strongly believe that a quality enterprise of integrity should have its commitments in fulfilling social responsibilities and obligations. Benefited from favourable economic environment, in the meantime, we always devote to be a good corporate citizen.

During the year of 2007 the group was not only the full year sponsor for Sowers Action and title sponsor for its "Walk to Guangzhou". But it has also funded the "6-Hour Children Famine" program organized by World Vision. Our Volunteers took an active role to participate in the activities. The Group launched a number of works in China including subsidizing tree planting in Wuguishan for contributing to our natural environment devastated by hill fire. The "Red Cross Donation Box – Agile Property" has also been an ongoing charitable activity of the Group. The Group set up "Agile Property Scholarship and Study Subsidy" for ten universities throughout China, such as Tsinghua University, Tongji University, Tianjin University, Harbin Institute of Technology, aiming at subsidising students, who are excellent both in studies and conduct yet poverty-stricken, to complete their studies. In December 2007, Agile was conferred by the Hong Kong Council of Social Service the "Caring Company" Logo in recognition of the Group's contributions to social service.

Chairman's Statement

Professional Management

Agile possess a team of talented and dedicated staff members led by a professional team of senior executives who strive together for developing its existing business and exploring new projects.

The management team of the Company introduced continuously world class management concepts while focusing on enhancing ability of execution, optimising internal control system, increasing transparency and accountability of the Company. We strongly believe that talent is an important asset of an enterprise. Our trust on staff members can be transformed into power. The close interrelationship between two parties helps us establish the Company with quality management and strengthen our management of business, giving a clear message to investors that we would make continuous progress in managing our business.

Prospects

China property market will maintain a sustainable healthy and stable growth after the Central Government implemented a series of macro-economic measures, aiming to cool down the overheated property sector. China property industry has shown a new facet and the market principle of "Survival of the Best" will provide favorable operating environment for large property developers with extensive geographic coverage, quality products and comprehensive after-sale services. In addition, the continuous increase of people's spending power and improvement of people's livelihood will further stimulate the demand and in turn accelerate the growth of China property industry.

In 2008, Agile has 33 projects available for sale, including 11 new projects in Nanjing, Hainan, Xian, Liwan and Guangzhou with a total saleable area of 4.27 million sq.m.

While focusing on property development, the Group will also participate in investment property for enriching the product portfolio of the Group and maintaining stable cash flow as a while. Over 1 million sq.m. of the existing land bank are investment property. Apart from the Grade A commercial building in Zhujiang New City, hotel business is also our core business of property investment with a contemplated portfolio of 12 hotels located in various cities including Guangzhou, Foshan, Huizhou, Shanghai, Chengdu and Hainan. The Group has signed management agreement with JW Marriott Hotel, a world-class hotel management group, for Shanghai Agile International Plaza, with an aim to enhance the quality of our hotel management service as well as to nurturing and training talents in hospitality industry for the Group.

Agile will grow enthusiastically at a healthy pace by leveraging on its high caliber professionals, well-established brand image and sound financial management. In addition to consolidating existing business of property development, the Group will continue to optimise property management services by upgrading service quality of existing properties and further improving the standards of the Group's property management in order to address the management works of Grade A commercial buildings, hotels and shopping malls to be completed in coming years.

Meanwhile, leveraging on various financing channels, high standard of corporate governance and acute market insight, the Group will continue to increase its competitiveness, strictly execute the development plan and strengthen brand building in regions where new projects are located in order to underpin solid foundation for the new page of Agile.

Chairman's Statement

We believe that China property development has shown a new facet and the market principle of “survival of the best” will bring the Group invaluable development opportunities. We trust that the success of a company is not confined to reaching certain financial indexes only, but also combining the undertaking of environmental protection, social responsibilities and obligations.

On the basis of good quality and cost control, so as to ensure our profitability and market shares, Agile is committed to become the most capable China property developer with meticulous project management capability, comprehensive range of products and services, flexible yet prudent financial management, stringent corporate governance standards, strong vigilance on social responsibility and environmental protection. The Group will also participate and expand its property development business for generating stable income in the future and continue to bring fruitful returns to our shareholders and customers.

Acknowledgement

Thanks to the enormous support of our shareholders and loyalty and concerted efforts of all staff members, Agile has been growing at a healthy pace. On behalf of the Board, I would like to express my heartfelt gratitude to them. Meanwhile, the Board expresses its particular thanks to our business partners and customers for their concerns and supports to the development of Agile.

CHEN Zhuo Lin

Chairman

Hong Kong, 18 April 2008





Agile

Partner

Society



Projects at a Glance (as at 18 April 2008)

Pearl River Delta

No. of Projects : 41 projects
(13,469,908 sq.m.)

Guangzhou	— 6 projects	(411,498 sq.m.)	Huadu	— 3 projects	(687,959 sq.m.)
Zhongshan	— 17 projects	(6,502,676 sq.m.)	Conghua	— 1 project	(261,038 sq.m.)
Foshan	— 1 project	(336,246 sq.m.)	Nanhai	— 3 projects	(212,895 sq.m.)
Panyu	— 6 projects	(2,048,744 sq.m.)	Sanshui	— 1 project	(462,495 sq.m.)
Zengcheng	— 1 project	(111,030 sq.m.)	Shunde	— 1 project	(488,543 sq.m.)
			Enping	— 1 project	(1,946,784 sq.m.)

Eastern Guangdong

No. of Projects : 2 projects
(4,753,462 sq.m.)

Heyuan	— 1 project	(2,638,102 sq.m.)
Huizhou	— 1 project	(2,115,360 sq.m.)

Yangtze River Delta Region

No. of Projects : 3 projects
(518,554 sq.m.)

Nanjing	— 2 projects	(425,224 sq.m.)
Shanghai	— 1 project	(93,330 sq.m.)

Western China

No. of Projects : 3 projects
(2,303,063 sq.m.)

Chengdu	— 1 project	(1,577,379 sq.m.)
Xi'an	— 1 project	(234,500 sq.m.)
Chongqing	— 1 project	(491,184 sq.m.)



Hainan Province

No. of Project : 1 project
(7,306,687 sq.m.)

Hainan	— 1 project	(7,306,687 sq.m.)
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Northeast China

No. of Project : 1 project
(76,020 sq.m.)

Shenyang	— 1 project	(76,020 sq.m.)
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Total Land Bank
28,427,694 sq.m.

Projects at a glance Land Bank of the Group (As at 18 April 2008)

Project number	Project Name	City	Location	Project Types	Land Cost (RMB/sq.m.)	Total site area (sq.m.)	Interest attributable to the Company
Pearl River Delta Region							
1	Agile Garden Guangzhou	Panyu	City outskirts	Residential & Ancillary facilities/Hotel	259.00	1,518,417	98%
2	Jiangbei Estate	Panyu	City outskirts	Residential & Ancillary facilities	259.00	624,701	98%
3	Jiacheng Mansion, Panyu	Panyu	City Centre	Residential & Ancillary facilities	3,650.00	4,070	98%
4	Hongxi Huating	Panyu	City Centre	Residential & Ancillary facilities	3,619.32	55,999	100%
5	Panyu Southern District Qingxin Road Project	Panyu	City Centre	Residential & Ancillary facilities	5,409.00	86,355	100%
6	Panyu Shilou Town Project	Panyu	City outskirts	Residential & Ancillary facilities	2,960.00	14,388	100%
7	South Lagoon Guangzhou	Guangzhou	City Centre	Residential & Ancillary facilities	357.27	304,422	100%
8	Royal Hillside Villa	Guangzhou	City Centre	Residential & Ancillary facilities	361.00	122,742	98%
9	Royal Hillside Villa No. 3 Land	Guangzhou	City Centre	Residential & Ancillary facilities	361.00	39,384	100%
10	Lishang International Mansion, Guangzhou (Guangzhou Liwan Project)	Guangzhou	City Centre	Residential & Ancillary facilities	5,700.00	7,836	100%
11	Guangzhou Haizhu Project	Guangzhou	City Centre	Residential & Ancillary facilities	5,700.00	4,642	100%
12	Zhuzijiang New City B1-7 Project	Guangzhou	City Centre	Commercial & Office	3,674.00	6,805	100%
13	Guangzhou Zengcheng Project	Zengcheng	City Centre	Residential & Ancillary facilities	1,791.00	44,672	100%
14	Huadu Majestic Garden	Huadu	City Centre	Residential & Ancillary facilities	345.00	154,081	98%
15	No. 2 Huadu Project (Furong Town)	Huadu	City Centre	Residential & Ancillary facilities	375.00	52,600	98%
16	Huadu No.107 National Road Project	Huadu	City Centre	Residential & Ancillary facilities	1,740.00	225,122	100%
17	Conghua Agile Binjiang Garden	Conghua	City with high growth potential	Residential & Ancillary facilities	282.00	303,358	100%
18	La Cite Greenville	Zhongshan	City outskirts	Residential & Ancillary facilities	170.00	1,970,275	100%
19	La Nobleu	Zhongshan	City outskirts	Residential & Ancillary facilities	170.00	542,169	100%
20	Metro Agile Zhongshan	Zhongshan	City outskirts	Residential & Ancillary facilities	137.00	660,057	100%
21	Metropolis	Zhongshan	City outskirts	Commercial & Office	325.00	72,421	100%
22	Majestic Garden	Zhongshan	City Centre	Residential & Ancillary facilities	564.97	143,377	100%
23	Grand Garden	Zhongshan	City Centre	Residential & Ancillary facilities	250.07	96,374	100%
24	Star Palace	Zhongshan	City Centre	Residential & Ancillary facilities	277.69	112,155	100%
25	The Riverside	Zhongshan	City Centre	Residential & Ancillary facilities	738.73	102,226	100%
26	The Century (Qijiang Land)	Zhongshan	City Centre	Residential & Ancillary facilities	478.50	492,475	100%
27	Agile Garden Dachong	Zhongshan	City outskirts	Residential & Ancillary facilities	366.00	122,000	100%
28	No.1 Ever Creator Project	Zhongshan	City outskirts	Residential & Ancillary facilities	65.00	587,289	100%
29	The Landmark, Phase II	Zhongshan	City Centre	Residential & Ancillary facilities	562.00	15,968	100%
30	Minzhong Town Project	Zhongshan	City outskirts	Residential & Ancillary facilities	260.00	63,450	100%
31	Zhongshan Western District Bo'ai Road Project	Zhongshan	City Centre	Residential & Ancillary facilities	600.00	539,244	100%
32	Kuchong Project	Zhongshan	City Centre	Residential & Ancillary facilities	2,052.00	37,648	100%
33A	Wuguishan Project A (Guinan Land)	Zhongshan	City outskirts	Residential & Ancillary facilities	419.40	400,737	100%
34	Nanhai Majestic Garden	Nanhai	City outskirts	Residential & Ancillary facilities	510.00	601,230	100%
35	Nanhai Majestic Metropolis	Nanhai	City outskirts	Residential & Ancillary facilities/Hotel	325.00	48,949	100%
36	Nanhai Xiqiao Commercial Project	Nanhai	City outskirts	Residential & Ancillary facilities/Commercial & Office	1,400.00	52,950	100%
37	Agile Garden Foshan	Foshan	City Centre	Residential & Ancillary facilities	2,200.00	184,373	100%
38	Agile Garden Sanshui	Sanshui	City with high growth potential	Residential & Ancillary facilities	317.00	266,652	100%
39	Shunde Daliang Project	Shunde	City Centre	Residential & Ancillary facilities	962.00	212,410	100%
40	Enping Qinghu Resort Project	Enping	City with high growth potential	Residential & Ancillary facilities	120.00	973,392	100%
Sub-total						11,867,415	
Eastern Guangdong							
41	Agile Garden Heyuan	Heyuan	City with high growth potential	Residential & Ancillary facilities/Commercial & Office/Hotel	267.00	1,364,741	100%
42	Egret Lake Huizhou	Huizhou	City outskirts	Residential & Ancillary facilities/Commercial & Office/Hotel	325.00	2,000,000	99.5%
Sub-total						3,364,741	
Yangtze River Delta Region							
43	Agile Garden Nanjing	Nanjing	City Centre	Residential & Ancillary facilities	4,165.00	141,178	100%
44	No.2 Nanjing Qinhuai Project	Nanjing	City Centre	Residential & Ancillary facilities/Commercial & Office	11,744.97	59,900	80%
45	Shanghai Agile International Plaza	Shanghai	City Centre	Commercial & Office/Hotel	15,285.00	13,192	100%
Sub-total						214,270	
Western China							
46	Agile Garden Chengdu	Chengdu	City outskirts	Residential & Ancillary facilities/Commercial & Office	1,163.00	1,338,960	100%
47	Agile Garden Xi'an	Xian	City outskirts	Residential & Ancillary facilities	450.00	90,644	100%
48	Chongqing Nan'an District Project	Chongqing	City outskirts	Residential & Ancillary facilities	880.00	321,073	100%
Sub-total						1,750,677	
Hainan Province							
49A	Hainan Qingshuiwan Project A	Hainan	City with high growth potential	Residential & Ancillary facilities/Commercial & Office/Hotel	340.00	4,496,348	100%
Northeast China							
50	Shenyang Puhe New City Project	Shenyang	City outskirts	Residential & Ancillary facilities	723.00	38,010	100%
Total (As at 31 December 2007)						21,731,461	
Newly acquired Land from 1 January 2008 to 18 April 2008							
Pearl River Delta Region							
33B	Wuguishan Project B	Zhongshan	City outskirts	Residential & Ancillary facilities	1,106.00	34,083	100%
51	Zhangjiabian Land	Zhongshan	City outskirts	Residential & Ancillary facilities	800.00	164,539	100%
Sub-total						198,622	
Hainan Province							
49B	Hainan Qingshuiwan Project B	Hainan	City with high growth potential	Residential & Ancillary facilities/Commercial & Office/Hotel	207	2,897,927	100%
Grand-total						24,828,010	

Notes:

¹ Total GFA = Completed before 2007 + Completed in 2007 + Estimated to be completed in 2008 + Estimated to be completed in 2009 + Estimated to be completed in 2010 or later.

² Land bank GFA = A = B ; A = Completed (A1) + Under development (A2) + Not yet developed (A3); B = Residential & ancillary facilities (B1) + Hotel (B2) + Commercial office (B3).

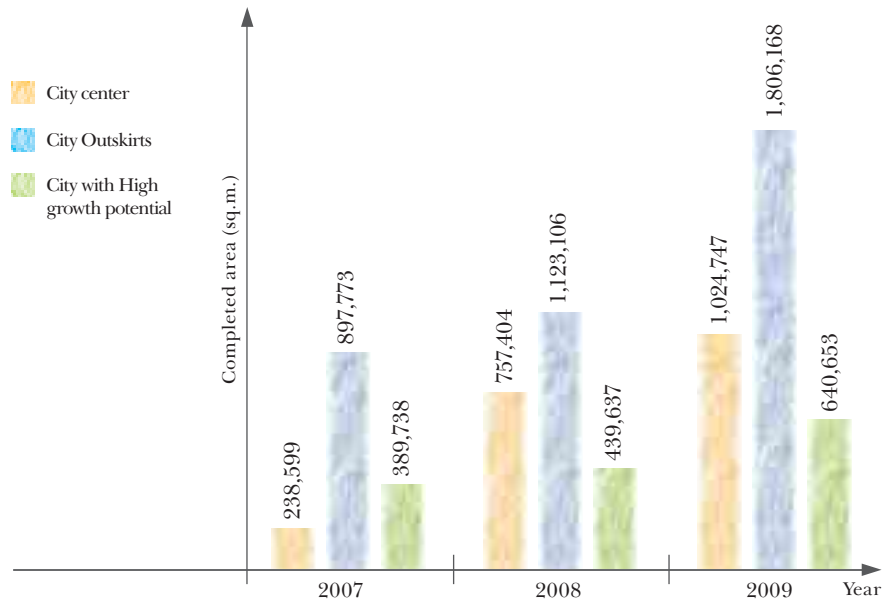
Projects at a glance

Address	Total GFA (sq.m)			
	Total GFA ¹ (Sq.m)	Completed before 2007	Completed in 2007	Estimated to be completed in 2008
Nanda Road, Nancun Town, Panyu District, Guangzhou	1,846,814	820,314	123,417	144,562
Caotang Village, Nanda Road, Nancun Town, Panyu District, Guangzhou	791,638	-	-	-
Dabei Road, Beicheng District, Shiqiao Street, Panyu District, Guangzhou	10,410	-	-	-
West of Guangmingbei Road & South of Donghuan Road, Shiqiao Town, Panyu District, Guangzhou	127,096	-	-	50,723
Qingxin Road, South Zone, Central Area, Panyu District, Guangzhou	157,507	-	-	-
Chigang Village, Shilou Town, Panyu District, Guangzhou	26,000	-	-	-
No.998, Tonghe Road, Baiyun District, Guangzhou	274,951	260,348	14,603	-
No.1168, Tonghe Road, Baiyun District, Guangzhou	198,940	34,891	16,379	34,549
Tonghe Road, Baiyun District, Guangzhou	78,768	-	-	-
No.97-137, Wen Changnan Road, Liwan District, Guangzhou	54,864	-	-	54,864
East of Red-Cross Hospital, Tong Fuzhong Road, Haizhu District, Guangzhou	24,834	-	-	-
B Zone, Zhujiang New City, Guangzhou	88,466	-	-	-
Ynagxi Shanggao City, Qingfeng Village, Licheng Street, Guangzhou	111,030	-	-	-
No.108, Tiangui Road, Huadu District, Guangzhou	248,949	59,113	112,597	77,239
Furong Xinzhuang Village, Huadu District, Guangzhou	78,899	-	-	-
No.107 National Road, Huadu District, Guangzhou	528,922	-	-	-
Yanjiang Nanlu, Jiangpu Street, Conghua City, Guangzhou	486,920	25,405	214,057	135,145
Changjiang Resort & Development Zone, Zhongshan	2,084,093	833,321	262,423	143,716
Changjiang Resort & Development Zone, Zhongshan	542,169	91,528	32,403	60,628
Sanxiang Town, Zhongshan	1,078,151	379,177	166,238	150,892
Wenchang Road, Sanxiang Town, Zhongshan	107,601	107,601	-	-
Junction of Bo'ai Road and Qiguan Road, East District, Zhongshan	236,926	236,926	-	-
Junction of Bo'ai Road and Xingzhong Road, East District, Zhongshan	150,357	147,142	3,215	-
Junction of Bo'ai Road and Chenggui Road, East District, Zhongshan	176,226	176,226	-	-
Henghai Road, Zhongshan	72,645	72,645	-	-
Junction of Bo'ai Road and Qijiang River, Guangzhou	754,469	-	59,875	211,697
Nanwen Village, Dayong Town, Zhongshan	187,303	-	66,913	120,390
Quanyan and Yagang Administration Zone, Sanxiang Town, Zhongshan	880,934	-	-	-
Junction of Bo'ai Road and Qiguan West Road, Guangzhou	31,936	-	-	-
Xinsheng Village, Minzhong Town, Zhongshan	95,175	-	-	-
Junction of Bo'ai Road and Qiguan West Road, Guangzhou	1,448,000	-	-	-
Xingwen Road, East District, Zhongshan	82,826	-	-	-
Nancun Village, Wuguishan Town, Zhongshan	601,105	-	-	44,102
Suiyan Road, Nanhai District, Foshan	736,429	560,966	168,437	7,026
Suiyan Road, Nanhai District, Foshan	63,373	63,373	-	-
Xiqiao Town, Nanhai District	133,657	-	-	10,000
Junction of Lvjing Road and Wenhua Road, Chancheng District, Foshan	363,515	-	31,930	138,331
East of Xi'nan Guanghai Road, Sanshui District, Foshan	481,608	-	35,549	46,048
No.18, Nan Zone, Daliang, Shunde District, Foshan	488,543	-	-	-
Qing Nanjiao Reservoir, Qinghu Resort Zone, Enping	1,946,784	-	-	-
	17,878,833	3,868,976	1,308,036	1,429,912
Middle Part, Huangsha Road, Heyuan	2,729,481	-	140,132	133,306
Jiaodong Reservoir, Ruhu Town, Huicheng District, Huizhou	2,128,222	-	23,692	122,093
	4,857,703	-	163,824	255,399
No. 33 Longpan Nan Road, Nanjing	365,624	-	-	190,001
Mendong Chang Ledu, Qinhuai District, Nanjing	59,600	-	-	-
No. 559, Tibetan Zhong Road, Huangpu District, Shanghai	93,330	-	-	-
	518,554	-	-	190,001
Tianping Village, Hanpoling, Wan'an Town, Shuangliu County, Chengdu	1,606,751	-	54,250	314,106
East of Donghuan Road, Guodu Industrial Zone, Chang'an District, Xi'an	234,500	-	-	-
Binjiang Road, Nan'an District, Chongqing	491,184	-	-	5,591
	2,332,435	-	54,250	319,697
Qingshuiwan, Lingshui li Minority Atonomous County, Hainan Province	2,959,796	-	-	125,138
Puhe Road, Puhe New City, Shenyang	76,020	-	-	-
	28,623,341	3,868,976	1,526,110	2,320,147
Nancun Village, Wuguishan Town, Zhongshan	51,125	-	-	-
Zhang Jianbian Administration, Torch Development Zone, Zhongshan	246,808	-	-	-
	297,933	-	-	-
Quingshui Wan, Lingshui li Minority Atonomous County, Hainan Province	4,346,891	-	-	-
	33,268,165	3,868,976	1,526,110	2,320,147

2007-2009 Property Development Ratio of the Group

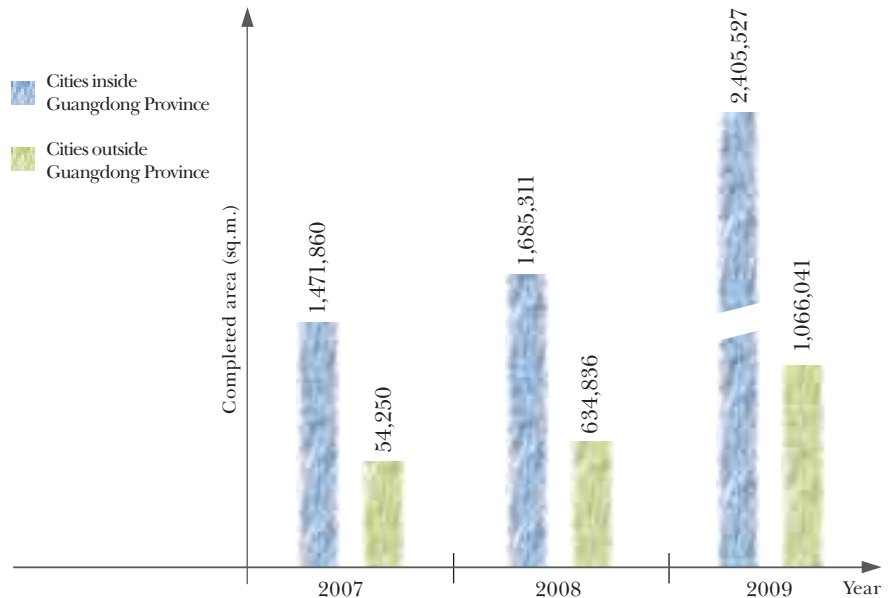
I. Classified by Location

Year	2007	2008	2009
Estimated Completed Area (sq.m.)	1,526,110	2,320,147	3,471,568



II. Classified by Cities Inside/Outside Guangdong Province

Year	2007	2008	2009
Estimated Completed Area (sq.m.)	1,526,110	2,320,147	3,471,568



Estimated to be completed in 2009	Estimated to be completed in 2010 or later	Estimated Quarter of overall completion
240,266	518,255	2nd Quarter, 2011
42,980	748,658	4th Quarter, 2013
-	10,410	2nd Quarter, 2010
76,373	-	4th Quarter, 2009
55,367	104,140	4th Quarter, 2010
-	26,000	2nd Quarter, 2010
-	-	4th Quarter, 2006
113,121	-	4th Quarter, 2009
-	78,768	4th Quarter, 2010
-	-	2nd Quarter, 2008
24,834	-	3rd Quarter, 2009
-	88,466	4th Quarter, 2010
62,050	48,980	1st Quarter, 2010
-	-	4th Quarter, 2008
-	78,899	1st Quarter, 2010
74,200	454,722	4th Quarter, 2012
112,313	-	4th Quarter, 2009
133,527	711,106	4th Quarter, 2011
169,658	187,952	4th Quarter, 2011
175,659	206,185	4th Quarter, 2010
-	-	4th Quarter, 2006
-	-	4th Quarter, 2002
-	-	2nd Quarter, 2007
-	-	4th Quarter, 2006
-	-	4th Quarter, 2005
31,576	451,321	4th Quarter, 2012
-	-	4th Quarter, 2008
-	880,934	4th Quarter, 2014
-	31,936	1st Quarter, 2010
-	95,175	4th Quarter, 2010
-	1,448,000	4th Quarter, 2017
42,000	40,826	2nd Quarter, 2010
106,703	450,300	4th Quarter, 2012
-	-	4th Quarter, 2008
-	-	4th Quarter, 2005
-	123,657	4th Quarter, 2010
193,254	-	4th Quarter, 2009
162,929	237,082	4th Quarter, 2011
126,559	361,984	4th Quarter, 2011
-	1,946,784	4th Quarter, 2020
1,941,369	9,330,540	
130,864	2,325,179	4th Quarter, 2020
333,294	1,649,143	4th Quarter, 2016
464,158	3,974,322	
102,083	73,540	4th Quarter, 2010
32,000	27,600	2nd Quarter, 2010
93,330	-	4th Quarter, 2009
227,413	101,140	
195,696	1,042,699	4th Quarter, 2013
139,664	94,836	4th Quarter, 2010
192,701	292,892	4th Quarter, 2011
528,061	1,430,427	
234,547	2,600,111	4th Quarter, 2017
76,020	-	2nd Quarter, 2009
3,471,568	17,436,540	
-	51,125	2nd Quarter, 2012
-	246,808	4th Quarter, 2010
-	297,933	
-	4,346,891	4th Quarter, 2017
3,471,568	22,081,364	

Land bank GFA (sq. m.)

Total GFA ²	Development Stage			Planning		
	Completed ^{A1}	Under ^{A2} Development	Not yet developed ^{A3}	Residence & Ancillary ^{B1} facilities	Hotel ^{B2}	Commerce and office ^{B3}
936,093	33,010	138,961	764,122	920,051	16,042	-
791,638	-	-	791,638	791,638	-	-
10,410	-	-	10,410	10,410	-	-
127,096	-	50,723	76,373	102,873	-	24,223
157,507	-	-	157,507	157,507	-	-
26,000	-	-	26,000	26,000	-	-
2,641	2,641	-	-	2,641	-	-
161,925	14,255	34,549	113,121	161,925	-	-
78,768	-	-	78,768	78,768	-	-
54,864	-	54,864	-	54,864	-	-
24,834	-	-	24,834	24,834	-	-
88,466	-	-	88,466	-	-	88,466
111,030	-	-	111,030	111,030	-	-
80,138	2,899	77,239	-	80,138	-	-
78,899	-	-	78,899	78,899	-	-
528,922	-	-	528,922	528,922	-	-
261,038	13,580	-	247,458	261,038	-	-
1,067,878	79,529	278,649	709,700	1,067,878	-	-
447,117	28,879	234,584	183,654	447,117	-	-
632,587	99,851	188,804	343,932	632,587	-	-
34,250	34,250	-	-	-	-	34,250
1,481	1,481	-	-	1,481	-	-
1,491	1,491	-	-	1,491	-	-
904	904	-	-	904	-	-
4,765	4,765	-	-	4,765	-	-
727,707	33,113	246,978	447,616	727,707	-	-
146,587	26,197	120,390	-	146,587	-	-
880,934	-	-	880,934	880,934	-	-
31,936	-	-	31,936	31,936	-	-
95,175	-	-	95,175	95,175	-	-
1,448,000	-	-	1,448,000	1,448,000	-	-
82,826	-	-	82,826	82,826	-	-
601,105	-	-	601,105	601,105	-	-
50,369	43,343	-	7,026	50,369	-	-
28,869	28,869	-	-	-	28,869	-
133,657	-	53,014	80,643	80,643	-	53,014
336,246	4,661	248,635	82,950	336,246	-	-
462,495	16,436	86,791	359,268	462,495	-	-
488,543	-	-	488,543	430,543	25,000	33,000
1,946,784	-	-	1,946,784	1,946,784	-	-
13,171,975	470,154	1,814,181	10,887,640	12,869,111	69,911	232,953
2,638,102	48,753	109,041	2,480,308	2,535,505	60,000	42,597
2,115,360	10,830	336,062	1,768,468	2,000,341	97,082	17,937
4,753,462	59,583	445,103	4,248,776	4,535,846	157,082	60,534
365,624	-	190,001	175,623	365,624	-	-
59,600	-	-	59,600	30,000	-	29,600
93,330	-	93,330	-	-	60,980	32,350
518,554	-	283,331	235,223	395,624	60,980	61,950
1,577,379	24,878	497,873	1,054,628	1,537,379	40,000	-
234,500	-	29,342	205,158	234,500	-	-
491,184	-	-	491,184	491,184	-	-
2,303,063	24,878	527,215	1,750,970	2,263,063	40,000	-
2,959,796	-	-	2,959,796	2,509,836	400,000	49,960
76,020	-	-	76,020	76,020	-	-
23,782,870	554,615	3,069,830	20,158,425	22,649,500	727,973	405,397
51,125	-	-	51,125	51,125	-	-
246,808	-	-	246,808	246,808	-	-
297,933	-	-	297,933	297,933	-	-
4,346,891	-	-	4,346,891	4,346,891	-	-
28,427,694	554,615	3,069,830	24,803,249	27,294,324	727,973	405,397

Presence by regions

Pearl River Delta Region

Area: 43,000 sq. km.

Population: over 50 million

Location: in south central Guangdong Province, adjacent to Hong Kong and Macau, comprising 9 coastal cities, including Guangzhou, Shenzhen, Foshan, Zhuhai, Dongguan, Zhongshan, Huizhou, Jiangmen and Zhaoqing



1	Agile Garden Guangzhou*	21	Metropolis
2	Jiangbei Estate*	22	Majestic Garden*
3	Jiacheng Mansion, Panyu	23	Grand Garden
4	Hongxi Huating	24	Star Palace
5	Panyu Southern District Qingxin Road Project	25	The Riverside*
6	Panyu Shilou Town Project	26	The Century* (Qijiang Land)
7	South Lagoon Guangzhou*	27	Agile Garden Dachong*
8	Royal Hillside Villa	28	Ever Creator Project 1
9	Royal Hillside Villa No. 3 Land	29	Phase II, The Landmark
10	Lishang International Mansion, Guangzhou* (Guangzhou Liwan Project)	30	Minzhong Town Project
11	Guangzhu Haizhu Project	31	Zhongshan Western District Bo'ai Road Project
12	Zhujiang New City B1-7 Project	32	Kuchong Project
13	Guangzhou Zengcheng Project	33	Wuguishan Project
14	Huadu Majestic Garden*	34	Nanhai Majestic Garden*
15	No. 2 Huadu Project (Furong Town)	35	Nanhai Majestic Metropolis
16	Huadu No. 107 National Road Project	36	Agile Garden Foshan*
17	Conghua Agile Binjiang Garden*	37	Nanhai Xiqiao Commercial Project
18	La Cite Greenville*	38	Agile Garden Sanshui*
19	La Nobleu	39	Shunde Dailiang Project
20	Metro Agile Zhongshan*	40	Enping Qinghu Resort Project
		51	Zhangjiabian Land

— Expressway

— National Road

— Proposed bridge

* Projects at a Glance

Agile Garden Guangzhou

Agile Garden Guangzhou is located in Panyu South China Region, the hub region in the Pearl River Delta. The project enjoys an excellent geographical position and a comprehensive transportation network, which connects to Southern China Bridge and Xingguang Expressway, adjacent to Metro Route No.3, Beijing-Zhuhai Expressway and Nanshagang Expressway. The project is currently one of the largest international cultural community in Guangzhou, with an estimated total population over 100,000 in the future. The overall landscape planning is co-designed by international renowned planning companies

and landscape design companies. The percentage of greenery coverage reaches 50% and the project comprises the 15,000 sq.m. Yingyi Lake and 400 m. international business-styled street. The region has comprehensive ancillary facilities, with a 20,000 sq.m. mega luxury clubhouse in the mid-level, which has elegant decorations and all kinds of recreation facilities. Guangzhou Agile Hotel with 126 deluxe suites, marked its grand opening in September; boosting the commercial ambience of Agile Garden Guangzhou to the greatest extent.





Jiangbei Estate

Jiangbei Estate is within the Southern China region of Panyu, Guangzhou, with its north facing the Guangzhou University City and its south to the Agile Garden Guangzhou. It is proximal to the Guangzhou Tianhe city centre. Along the Pearl River bank, the project will become an excellent residence where architecture and nature blend into each other.



1,846,814 sq.m.



South Lagoon Guangzhou

South Lagoon Guangzhou is adjacent to the “City Lung” of Zhongshan, Baiyun Mountain Chain, and is located within the core landscape area of South Lagoon, which is an area of national first grade habitat protection zone. It is only a 15-minute drive to the new prosperous commercial district of north Tianhe, and is the last apartment area in Guangzhou City surrounded with natural landscape. The project is surrounded by mountains from three directions and the remaining direction is the view of a lake. It includes a central water pavilion area of 50,000 sq.m. and a private hilltop park of 110,000 sq.m. Each building is dispersed 168m apart from each other. The peninsula club, hilltop club and peninsula shopping street contribute the most comprehensive ancillary facilities to property owners. The project has been granted a number of awards such as “Guangzhou Outstanding Residence — Planning Prize”, “Best Living Environment” Golden Prize and “Guangzhou Top 10 Star Property Project”.

274,951 sq.m.





Lishang International Mansion, Guangzhou

Lishang International Mansion, Guangzhou is located in the prosperous Laoxiguan Business Zone, adjacent to Shangxiajiu Pedestrian Street and the subway station. The project enjoys a convenient traffic network and commercial ambience.



Huadu Majestic Garden

Situated in the premier land of high quality lifestyle and business activities of Huadu District, Huadu Majestic Garden is approximately a 20-minute drive to the urban area of Guangzhou. The project enjoys a well-established transportation network and comprehensive ancillary facilities in close proximity to cultural square, schools, hospitals and mega supermarkets. Its construction style has three main classical features—delicate, elegant and refined. Huadu Majestic Garden introduces considerate housekeeping service. The project will form an international community of Huadu District.





248,946 sq.m.

Conghua Agile Binjiang Garden

Conghua Agile Binjiang Garden is situated in the land adjacent to Liuxi River banks, which is gradually becoming the key development area of Conghua. The district is an integrated development area with political importance, commercial significance, hub of communications and recreational tourist spots. In close proximity to Liuxi River with beautiful scenery and ample natural resources, the project is connected to Conghua Road, which is under planning. It is only a 20-minute drive to the new Guangzhou International Airport, and is only a 30-minute drive to the city centre of Guangzhou. Conghua Agile Binjiang Garden comprises various buildings such as low-density luxury villas, townhouses, four houses, and various kinds of apartments. The project has a plot ratio of only 1.42, with construction density as low as 25%. The surroundings and gardening and greening within the district are planned and designed by a renowned international design company. The project is built beside river and mountain, with a greenery coverage rate of nearly 50%. Upon completion, the total population will be over 10,000. The community should have comprehensive ancillary facilities, and ample room is left for sustainable development. Conghua Agile Binjiang Garden is a mix of top architectural design from the Chinese and the west, which makes a community with high-class residence, commercial, shopping and recreation facilities, and it will be the most desirable large-scale luxury community in Conghua.





486,920 sq.m.



La Cite Greenville

La Cite Greenville is situated in the Changjiang scenic spot, the “City Lung” of Zhongshan, which is a key land use under planning by Zhongshan municipal government. Embraced by ranges of hills and clear water, it is next to the Changjiang Golf Course, which is ranked one of the Top Ten National Golf Courses. Enjoying high quality drinking water from the national first class Changjiang reservoir and the fresh air from Wugui Mountains, it is a splendid place in terms of the excellent environment, air, water and golf club that everyone is looking forward to. Waihuan Road connected to the private scenery road of La Cite Greenville has been opened to traffic. It is close to Beijing-Zhuhai Expressway, Erhuan Road and Bo'ai Road, thereby forming a transportation network linking every corner of Zhongshan and making La Cite Greenville remain in a prime location in the city centre in the future. The project planning features European style, and the concept of green & healthy design is incorporated, with a greenery coverage rate up to 60% and plot ratio as low as 0.9. San Xin Kindergarten and premium ancillary facilities of primary education are situated in the community. There are also Yi Jia Yi Shopping Mall and many excellent ancillary facilities such as a recreational centre exclusively for residents' use. The project is an international low-density golf community that is great for living and on vacation. La Cite Greenville received the award of “Outstanding Contributions to Global Human Settlements 2007”, signifying its green planning recognized by international society.





2,084,093 sq.m.



Metro Agile Zhongshan

Metro Agile Zhongshan is situated in the centre of the picturesque Metro Area, Sanxiang Town, Zhongshan City, approximately a 30-minute drive to Macau, and approximately a 30-minute ride drive to the Hong Kong-Zhuhai-Macau Bridge under planning. The project is adjacent to the new Government Office Building, Exhibition Center, Commercial Trade Centre, Culture Centre, five star hotel and large-scale integrated market. Designed by internationally renowned designers, it has a commercial pedestrian street in European style. Equipped also with a large-scale recreation club, the whole community is filled with an aura of an European small town, and has become a large luxury residence of Sanxiang Town, Zhongshan.



1,078,151 sq.m.



Majestic Garden

Majestic Garden, with European architecture, exquisite landscape design and high intelligent property management, has been recognised by the State with Grade AAA Commodity Properties since 2000, and awarded six gold medals, including the Award of Merit in Planning Design, the Award of Merit in Project Quality, the Award of Merit in Technology Advancement, the Award of Merit in Environment Quality, the Award of Merit in Property Management and the Award of Merit in Interior Decoration by the State Construction Bureau, as well as the honor of The Exemplary Property Community of Comfortably-off Families in China. The project is a milestone in the property development of Zhongshan, and a notable high-class residence in Zhongshan as well.

236,926 sq.m.



The Riverside

The Riverside is located in Henghai Road, Zhongshan City, which is at the junction of the western, eastern and southern regions of Zhongshan. It enjoys the convenience and prosperity as a city and also tranquility and leisurely aurora. The main theme of the project is water and inside the community, three main lakes including the Bicheng Lake, Biying Lake and Biquan Lake, connect the river bank. The water and sky blend into one color and it is the first riverside low-density residential community in Zhongshan. The project has comprehensive ancillary facilities, with a 1,500 sq.m. clubhouse with a full view or rivers and 500 m private scenic spot with a long and verdant embankment.



The Century

The Century, formerly known as Qijiang Land No. 1 to 5, is located at the bank of Qijiang River. The project, equipped with well-developed ancillary facilities, has a prime geographical location and radiant transportation network. A famous brand name recognition effect has been formed due to the project's close proximity to the Riverside that has high reputation among the industry, thus with huge potential for appreciation and further promoting the development of the surrounding areas.

754,469 sq.m.



Agile Garden Dachong

Agile Garden Dachong is situated at the administration and commercial centre of Dayong Town, enjoying the premier natural resources of Nanwen Hill. The transportation and surrounding ancillary facilities of the project are excellent. On the east and north of the project are Xingyong Road and Xinping Road, Dayong Town's main communication hub; on the west is the centre of Dayong Town's commercial, recreational and living facilities, including Nanxing shopping street, Dayong Hospital, Lihao Commercial Hotel, Yi Jia Yi Department Store and supermarket and Zhongying Shopping Mall; and on the south is administration centre of Dayong Town. The overall planning and design of the project, based on Nanwen Hill, incorporate rich elements of European classical garden and tropical rain forest scenery. Woods and trees are embracing the whole community, with greenery coverage rate amounts to 40%. Agile Garden Dachong is a large-scale high-end residential community dominated by low-density houses, and equipped with 2,500 sq.m. recreational living facilities as planned.



Nanhai Majestic Garden

Nanhai Majestic Garden is situated at Suiyan Road, Nanhai District and close to Fangcun Station No. 1 Metro Line in Guangzhou. Geographical location is prime and transportation network extends in all directions. The planning of the project centers about the approximately 60,000 sq.m. Daring Lake, allowing residents to lead the most contented and relaxing lives under harmonious environment. With excellent ancillary facilities and transportation network, Nanhai Majestic Garden is the biggest close-to-the-bay luxury community. The overall green planning and design of Nanhai Majestic Garden is extensively recognized by the local government as well as residents there, and it was awarded “Exemplary Greenary Unit in Nanhai” in 2007.



736,429 sq.m.



Agile Garden Foshan

Agile Graden Foshan is located at the core of central Foshan City with superior geographical location. The project is near the Asian Arts Park and Wenhua Park, and is in close proximity to well-developed ancillary facilities such as Shiyi Hospital, Lujinglu Station of Guangdong-Foshan Metro, Lingnan Mingzhu Gymnasium and major educational institutions. The project will be planned to be a premium international community of European royal style with a deluxe club in the central part of the city and a shopping street with landscape surroundings covering an area of 80,000 sq.m. In April 2007, Agile Garden Foshan was awarded "Foshan Property with most influence", which further consolidated the leadership of Agile in Foshan market.



363,515 sq.m.





481,608 sq.m.

Agile Garden Sanshui

Agile Garden Sanshui is situated at the right bank of Xinan Stream in Sanshui District, Foshan City. It is connected to Guanghai Road, the main road of Sanshui, and is adjacent to Shishan Town, Nanhai District with good access. Xinan Stream section is an high-end residential district developed by the Sanshui Government with great effort, serving as a strong competitive advantage for the project. The main complex of the project will be villas and apartments, with great water view combined into the planning and design of the garden. The project will become a notable landmark of Sanshui.

Presence by Region

Eastern Guangdong

Area: 31,000 sq. km.

Population: approximately 23 million

Location: various eastern Guangdong prefecture-level cities and their 30 respective counties/ cities, comprising Shantou, Shanwei, Meizhou, Chaozhou, Jieyang, Huizhou and Heyuan



Agile Garden Heyuan

Agile Garden Heyuan is advantageously situated in the administrative district where Heyuan municipal government set for key development in the future 10 years and adjacent to the People's Park. The project is located near the Huangsha Main Road and Jianshe Road built by the municipal government with an investment of RMB180 million and connected to Helong Expressway, thereby enjoying a convenient network of transportation. The Project's overall plan adopts a Spanish garden style and strives to create a living environment for Heyuan that is close to water while the existing natural landscape remains intact. The project comprises three areas – commercial center, apartments and villas, with construction density as low as 28% and almost 40% of greenery coverage rate. The Project is equipped with community facilities of international standard and taste and a large splendid clubhouse of over 7,000 sq. m., and a Spanish commercial style street of over 2,000 m. It is in the plan to establish educational institutions of all levels and the Project is expected to become, upon completion, a large integrated community for residential purpose that is well equipped with commercial, sports, entertainment and educational facilities.



2,729,481 sq.m.



Egret Lake Huizhou

Egret Lake Huizhou is located at Ruhu Town, Huicheng District in the northeast of Huizhou downtown, which is renowned as the “Famous County of Lingnan,” a famed cultural city in the history of Guangdong Province. It is 9.2 km from the city centre, enjoying prime geographical location. The project has a lake of almost 4,000 mu. The lake area is surrounded by green mountains and clear waters, with a group of egrets always flying over the surface of the lake where mists and waves stretch far into the distance. Scenery of mountains, water and habitat is blended together with an enchanted view. The project is designed based on a habitat environment of attractive lake and mountain landscapes. Low density residential resorts, international hotel-serviced apartments, five-star hotels, conference centers, yacht port, artificial beach, international schools, Egret sports training base and Bailuhu ecological reserve will be constructed, thus developing the location into a large-scale international living community surrounded by a lake for business, travel, leisure and living.





2,128,222 sq.m.



Presence by Region

Yangtze River Delta Region

Area: 99,600 sq. km.

Population: approximately 75 million

Location: in Yangtze River Delta, including Shanghai City, south Jiangsu Province, north Zhejiang Province and adjacent waters



Shanghai Agile International Plaza

As a prime site of finance and business at the retail and commercial hub of Shanghai City, Shanghai Agile International Plaza has a superb geographical location. On the eastern side of the project, it is connected to Xicang Road, and on its southern side, Fengyang Road. The project is located at the northwestern side of the Nanjing road pedestrian walkway, best known as "The Top Commercial Street in China". Adjacent to the First Department Store and the New World Shopping Mall, it is only 300 meter from the Shanghai People's Government Office. Culture buildings and landmarks such as The People's Square, Shanghai Museum and Shanghai Big Theatre are all within walking distances from the project that enjoys high pedestrian traffic. The project will be planned as an large-scale integrated commercial development project with commercial & office buildings, a super five-star hotel and a shopping mall selling high-end products.



93,330 sq.m.



Agile Garden Nanjing

Agile Garden Nanjing is located opposite to the district government of Qinhuai District, Nanjing. On the east, it connects to the street newly developed for vehicle trading in Nanjing City. The community is in close proximity to the Longpan Zhong and South Expressway, being the Landscape Avenue, in the east of the city. On the west, there is Wudingmen Park, old castle walls of Ming Dynasty and the Qinhuai River, being the mother river of Nanjing. On the north, it is adjacent to Bailuzhou Park and the business circle of Fuzi Temple. The project has a prime geographical location and a comprehensive transportation network. It is only a 15-minute drive to the busiest city center of Nanjing — Xinjiekou, and only a 30-minute drive to Nanjing Lukou International Airport. The project will be planned as a large-scale integrated property project in the city center and the greenery coverage rate reaches 50%, integrating apartments, shops, schools and a people's square, thus establishing a superb community that is unique in the district of Nanjing.





365,624 sq.m.



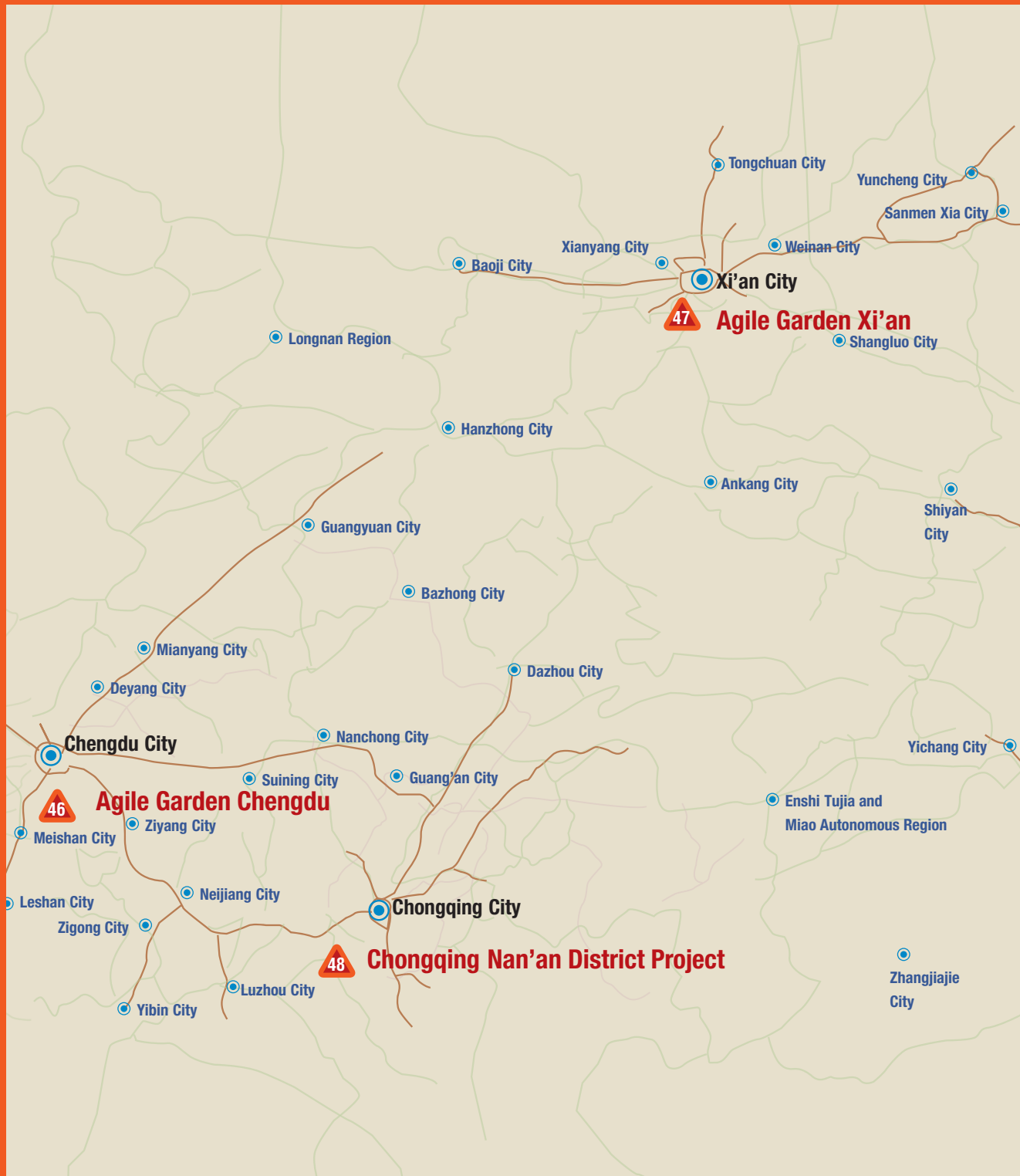
Presence by Region

Western China

Area: 5.40 million sq. km.

Population: approximately 285 million

Location: in western China, including 10 provinces of Shaanxi, Gansu, Qinghai, Ningxia, Xinjiang, Sichuan, Chongqing, Yunnan, Guizhou and Xizang



Agile Garden Xi'an

Agile Garden Xi'an is located in Chang'an District at the southern suburb of Xi'an City, adjacent to Xi'an high-technology industry development area on the west and Western University City, the largest higher education base in northwestern part of China, on the south. The district has a sound human environment, with comprehensive transportation facilities, thus enabling it to become an area with encouraging investment environment, high level of market maturity and high potential for development in the Western China. The overall planning of the project adopts a layout plan with European style high-end residential area and uses natural habitat landscapes as the basis. It is expected that the overall greenery coverage rate will reach 40%. Upon completion, the project will comprise various ancillary facilities, such as a luxury clubhouse of 2,000 sq.m., schools of various levels, a multi-functional leisure and sports center and a European style commercial shopping venue. In December 2007, Agile Garden Xi'an was awarded the "Most Expected Property in Shaanxi 2008." The implementation of the Western Development strategy by the Central government has signified a better prospect of Xi'an project.

234,500 sq.m.



Agile Garden Chengdu

Agile Garden Chengdu is situated at the southern part of Chengdu and up on the hill with unique ecology and embraced by a couple of mountains. It is adjacent to a natural lake of 60 mu and is surrounded by natural forests with area of over a thousand mu. The overall architectural planning of the project created with a theme of European and Southern Californian style. Low density integrated residential community and a five-star hotel will be constructed using natural habitat landscapes as the basis, with a plot ratio of only 1.2 for the overall planning, construction density of below 30% and the greenery coverage rate of over 30%. The project comprises a luxury recreational clubhouse of 21,000 sq.m., a 400m long commercial street of 6 schools and a comprehensive transportation network. It takes only 30 minutes to access to the city center. Agile Garden Chengdu will become one of the rare integrated living community of international standard in the southwestern area in China.

1,606,751 sq.m.





491,184 sq.m.



Chongqing Nan'an District Project

Chongqing Nan'an District Project is situated at the most prosperous and new popular travel area of the city. On the east it connects Ergongyan Bridge; on the north it meets Lanhua Road; on the south it is bounded by Danhui South Road; and on the west it faces Dashi Road. Nan'an has become the major city of Chongqing, and an industrial base mainly for construction material industry. Besides, it is an economic and technological development zone mainly for financial, economic and trading activities, as well as a key developing area for landscape and travel. The project will be planned as a large-scale residential project including comprehensive educational and community ancillary facilities, thus enabling it to become a unique and comprehensive community in Chongqing.

Presence by Region

Hainan Province

Area: 35,400 sq. km.

Population: approximately 8.36 million

Location: at the south end of China and in tropical and subtropical regions

Gross Domestic Products: RMB 122.9 billion



Hainan Qingshuiwan Project

Hainan Qingshuiwan Project is located in Lingshui County that is adjacent to Sanya City. It is geographically well-located, a 40-minute drive to downtown and Sanya Airport, and has convenient transport links with its proximity to East Highway of Hainan Province. The project includes an approximately 12 km coastline on the southeast of Qingshuiwan, which has enormous development potential in tourism. The project will undergo the development in three stages and will be planned as a tourism and property project with comprehensive ancillary facilities, including a sports ground, a super six-star hotel, an ecology garden, commercial centers, water sports center and low density residential buildings, thus enabling it to become a newly integrated and multi-functional waterfront community of international standard with tourism, vacation, sports and residential purposes, which aims at holiday travellers from all over the world. Hainan Qingshuiwan Project will become a shining pearl amongst the places for travel in Hainan.

7,306,687 sq.m.



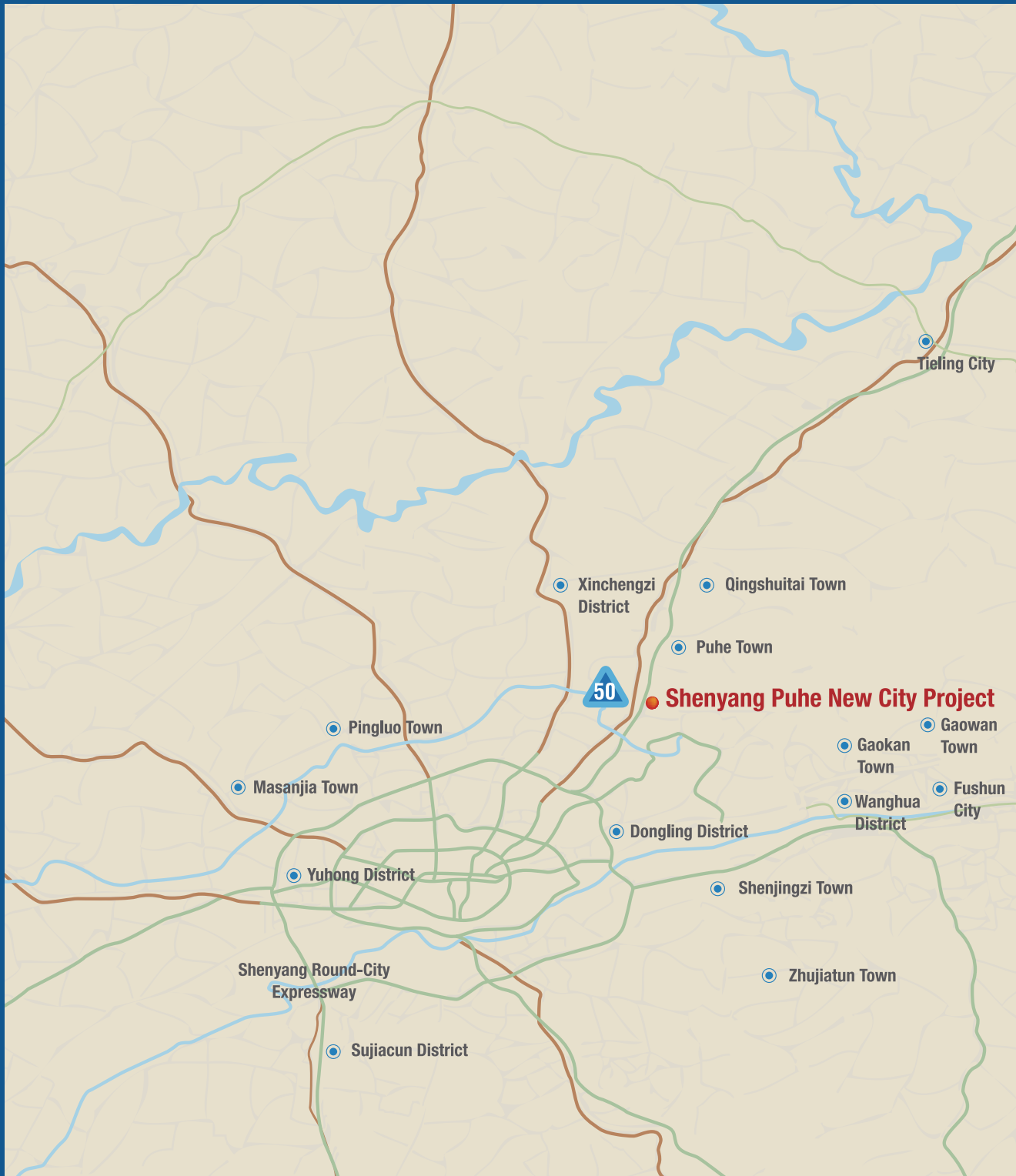
Presence by Region

Northeast China

Area: 800,000 sq. km.

Population: approximately 110 million

Location: to the east and north of Shanhaiguan, and including three provinces of Liaoning, Jilin and Heilongjiang



Shenyang Puhe New City Project

Shenyang Puhe New City Project is located within the Daoyi Development Zone, Shenbei New District, Shenyang. It is adjacent to the city center and is connected with a cluster of cities in middle Liaoning, thus having an excellent geographical location. In addition, it boasts a scenic natural environment thanks in part to “Puhe”, the main river in the north of Shenyang, which runs through the land of the project. The project has an easily accessible location. In addition to the subway line no. 2 currently under construction is only 250m from the site of the project, the project is linked to the 101 National Highway, three expressways and three designated rail lines. It is only an hour’s drive to seven other cities. The project’s peripheral area is home to several tertiary institutions. The area also benefits from several scientific research centers and research institutes nearby, as well as profound historical and cultural value and modern humanity, which are tantamount to tremendous growth potential for the project. The project will be planned as a high-end integrated residential community that features a broad range of education and medical facilities.



76,020 sq.m.



Property Management



Property Management

Since 1993, Agile has been striving for achieving the goal of “fulfill your needs and exceed your expectations”. Since 1999 when Zhongshan Agile Property Ltd. was formally accredited with ISO9001: 2000 international quality system by BSI Group, a UK chartered institution, as to date, all mature projects of the Group have passed such certification. The Group has committed to upgrading property management quality, thus gaining appraisal from homebuyers and establishing outstanding goodwill in the industry.

The Group has been monitoring the changing demands of customers and provides quality products and services tailored to meet the needs of the homebuyers. The Group highly values by actively collects clients’ opinions from various channels. We sort all information and report to relevant departments on a regular basis. Moreover, a working team has been set up to respond to enquiries and complains from customers to provide the best services in every aspect of our business to meet our customers’ satisfaction. In 2007, Majestic Garden was awarded “Exemplary Property Community in Property Management in Foshan 2007” by the Foshan Real Estate Association, the management company managing 3 projects in Baiyun District, Guangzhou was awarded “Safe and Civilized Community in Guangzhou City” and “Community Demonstration on Facility in Baiyun City” and Conghua Agile Binjiang Garden was awarded “Safe and Civilized Community in Conghua City”.

As Agile highly values the safety of our clients, we adopt stringent standards in the selection, recruitment, training and daily management of security guards. In 2007, a security guard of the Group was ranked the 12th in the “National Security Skill Competition” and he was the 1st in Guangdong Province in terms of individual performance.



Property Management

The Group is meticulously attentive to the quality of its property and every procedure, from early stage construction until completion, has been under rigorous supervision. In 2007, the Group formally set up an interdepartmental property delivery group to establish strict delivery standards for all facilities within a flat and construction quality prior to delivery, and repeatedly inspected and tested over 100 items within a flat to ensure the highest property quality achieved. The landlords were also provided ample time to inspect and accept their property.

There are 5 property management companies in the Group, some of them having been accredited national Class 1 qualification. As at the end of the year 2007, the properties managed by the Group amounted to over 6.55 million sq.m. and the total number of landlords and tenants were over 160,000. As we have been providing all-round, professional and personalized 24-hour excellent property management services to landlords and tenants, the 2007 customer satisfactory survey showed that the overall satisfactory level of the clients was over 90%.



To facilitate multi-way communication with landlords, tenants, affiliated merchants, partners and all related parties in the community, the Group set up Agile Property Club in 2005 and, as at to date, it had 20,000 members. Apart from providing preferential offers and information related to home buying and recreation, the Club was also devoted to foster harmonious families via a wide variety of activities and seminars. In 2007, the Club held over 120 times of members' events and the number of designated merchants was over 300. The Group's property management gained recognition of, satisfaction with, and loyalty from the members through the said activities. The Club is looking forward to strengthening the relationship with its members by providing tailored services to achieve a new milestone of service.



Property Management

Since 2003, Agile has set up a service theme for every year, namely “Quality Service Year” in 2003, “Caring Year” in 2004, “Management Advancement Year” in 2005, “Happy Face Year” in 2006 and “Dedicated Service Year” in 2007. Continuous upgrading its existing service standards has become the goal of Agile property management system in the long run.



Management Discussion and Analysis

China's economy continued its rapid growth in 2007, achieving double-digit growth in the past 5 consecutive years. The GDP of mainland China reached approximately RMB24.7 trillion, representing a surge of 11.4% over 2006. The disposable income of citizen residing in urban cities or towns grew by 12.2% and the consumer goods prices grew by only 5%. Although the Central Government continued to introduce further economic measures, there was only moderate slowdown in the growth of housing demand, given the strong economic performance. We believe that the property market of mainland China will continue to sustain a stable and rapid growth in demand for quality housing in the coming years.

BUSINESS REVIEW

We focus on the residential property development business in China and achieved robust growth with a strong growth in profit in 2007. The Group's net profit attributable to shareholders achieved the growth of 69.3%. This success maximized the return for our shareholders.

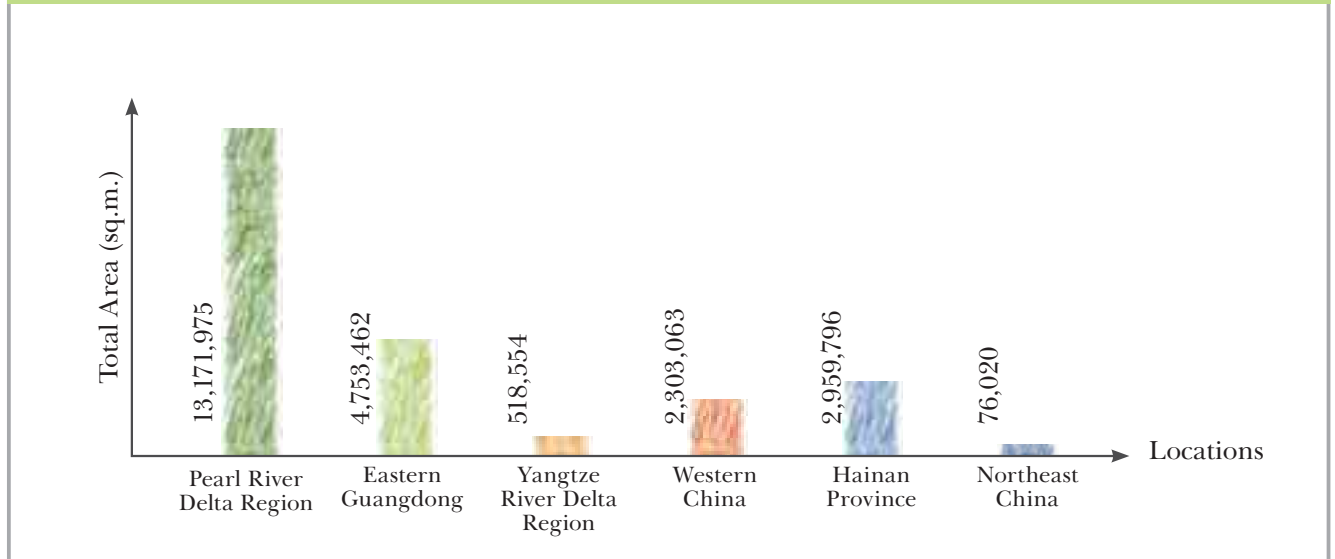
The total GFA under development as at 31 December 2007 is 3.07 million sq.m. showing a growth of 156% in comparison with that at 31 December 2006 of 1.2 million sq.m.. This sizeable GFA under development comprised 19 projects in China located in Pearl River Delta District, Eastern Guangdong, Yangtze River Delta District, Western China and Hainan Province. We had 8 projects under development in 6 cities as at 31 December 2006.

Land Bank

We continued to acquire premium land bank in strategic locations in mainland China in 2007. At the beginning of 2007, the Group had a total land bank of 16.16 million sq.m. of GFA in 13 cities located in Pearl River Delta Region, Eastern Guangdong, Yangtze River Delta Region and Western China. During the year under review, the Group had invested an aggregate of RMB8.8 billion in expanding its land bank. 19 land sites were newly acquired during the year, amounting to a total GFA of approximately 9.48 million sq.m.. These newly acquired sites are mainly situated in cities such as Guangzhou, Zhongshan, Foshan, Shanghai, Chongqing and Hainan. At the end of year 2007, the total GFA of our land bank amounted to 23.78 million sq.m., which is sufficient to support our development in the coming 8 years. We believe that those prime land bank builds a solid foundation for our sustainable business growth and increase our relativity for the market risk.

Management Discussion and Analysis

Land Bank GFA (sq.m) As at 31 December 2007



City/Province	Land Bank GFA (sq.m.)			
	Total Area	Development Stage		
		Completed	Under Development	Not Yet Developed
Pearl River Delta Region				
Panyu/Guangdong	2,048,744	33,010	189,684	1,826,050
Guangzhou/Guangdong	411,498	16,896	89,413	305,189
Zengcheng/Guangdong	111,030	—	—	111,030
Huadu/Guangdong	687,959	2,899	77,239	607,821
Conghua/Guangdong	261,038	13,580	—	247,458
Zhongshan/Guangdong	6,204,743	310,460	1,069,405	4,824,878
Nanhai/Guangdong	212,895	72,212	53,014	87,669
Foshan/Guangdong	336,246	4,661	248,635	82,950
Sanshui/Guangdong	462,495	16,436	86,791	359,268
Shunde/Guangdong	488,543	—	—	488,543
Enping/Guangdong	1,946,784	—	—	1,946,784
Subtotal	13,171,975	470,154	1,814,181	10,887,640
Eastern Guangdong				
Heyuan/Guangdong	2,638,102	48,753	109,041	2,480,308
Huizhou/Guangdong	2,115,360	10,830	336,062	1,768,468
Subtotal	4,753,462	59,583	445,103	4,248,776
Yangtze River Delta Region				
Nanjing/Jiangsu	425,224	—	190,001	235,223
Shanghai	93,330	—	93,330	—
Subtotal	518,554	—	283,331	235,223

Management Discussion and Analysis

City/Province	Land Bank GFA (sq.m.)			
	Total Area	Development Stage		
		Completed	Under Development	Not Yet Developed
Western China				
Chengdu/Sichuan	1,577,379	24,878	497,873	1,054,628
Xi'an/Shanxi	234,500	—	29,342	205,158
Chongqing	491,184	—	—	491,184
Subtotal	2,303,063	24,878	527,215	1,750,970
Hainan Province				
Hainan	2,959,796	—	—	2,959,796
Northeast China				
Shenyang/Liaoning	76,020	—	—	76,020
Grand Total	23,782,870	554,615	3,069,830	20,158,425

* Land under the category of "Not Yet Developed" includes approximate GFA of 6.57 million sq.m. with pending to finalise certain procedures for awarding the land use rights certificate.

Details of 19 land sites newly acquired during the year are as follows:

Project Name	Total GFA (sq.m.)
Pearl River Delta Region	
Hongxi Huating	127,096
Panyu Southern District Qingxin Road Project	157,507
Panyu Shilou Town Project	26,000
Lishang International Mansion, Guangzhou (Guangzhou Liwan Project)	54,864
Guangzhou Haizhu Project	24,834
Guangzhou Zengcheng Project	111,030
Huadu No. 107 National Road Project	528,922
Qijiang Land (The Century)	64,972
Zhongshan Western District Bo'ai Road Project	1,448,000
Kucong Project	82,826
Wuguishan Project (Guinan Land)	601,105
Nanhai Xiqiao Commercial Project	133,657
Shunde Daliang Project	488,543
Enping Qinghu Resort Project	1,946,784
Subtotal	5,796,140

Management Discussion and Analysis

Project Name	Total GFA (sq.m.)
Yangtze River Delta Region	
No. 2 Nanjing Qinhuai Project	59,600
Shanghai Agile International Plaza (Shanghai Huangpu Project)	93,330
Subtotal	152,930
Western China	
Chongqing Nan'an District Project	491,184
Hainan Province	
Hainan Qingshuiwan Project	2,959,796
Northeast China	
Shenyang Puhe New City Project	76,020
Grand Total	9,476,070

Property Development and Sales

In 2007, the Group achieved satisfactory growth in property sales. Total GFA of completed and available for sale amounted to 1.49 million sq.m.. Total GFA sold and delivered for the year was approximately 1.41 million sq.m. and sales revenue was approximately RMB10,147 million, an increase of 32% and 55% respectively compared to 2006. Of this, sales in Zhongshan achieved satisfactory growth and reached RMB4,323 million, accounting for 43% of the total sales and representing an increase of 65% from 2006. The total GFA sold in Zhongshan amounted to 682,613 sq.m., representing an increase of 61% over 2006. Sales in Foshan, Nanhai and Sanshui amounted to RMB1,831 million, accounting for 18% of the total sales and representing an increase of 134% over 2006. The total GFA sold in Foshan, Nanhai and Sanshui amounted to 205,980 sq.m., representing an increase of 37% over 2006.

The average selling price of the Group increased approximately 17.5% to approximately RMB7,198 in 2007 from approximately RMB6,124 in 2006.

Property Under Development

In 2008, the Group plans to complete GFA of approximately 2.32 million sq.m.. We have fully capitalized on our thorough research efforts into local market demand and consumer preference, together with our excellent project management expertise and extensive cost control experience. This adds value to every aspect of the production process of project development so as to provide quality properties catering specifically to our target customers. As a result, the Group attained rapid growth in both sales and profit margin by offering satisfaction to consumers.

Management Discussion and Analysis

The following table sets forth the projects expected to be completed in 2008.

City	Project Name	Total GFA (sq.m.)
Pearl River Delta Region		
Panyu	Agile Garden Guangzhou	144,562
Panyu	Hongxi Huating	50,723
Guangzhou	Lishang International Mansion, Guangzhou (Guangzhou Liwan Project)	54,864
Guangzhou	Royal Hillside Villa	34,549
Huadu	Huadu Majestic Garden	77,239
Conghua	Conghua Agile Binjiang Garden	135,145
Zhongshan	La Cite Greenville	143,716
Zhongshan	La Nobleu	60,628
Zhongshan	Metro Agile Zhongshan	150,892
Zhongshan	The Century (Qijiang Land)	211,697
Zhongshan	Agile Garden Dachong	120,390
Zhongshan	Wuguishan Project (Guinan Land)	44,102
Nanhai	Nanhai Majestic Garden	7,026
Nanhai	Nanhai Xiqiao Commercial Project	10,000
Foshan	Agile Garden Foshan	138,331
Sanshui	Agile Garden Sanshui	46,048
Subtotal		1,429,912
Eastern Guangdong		
Heyuan	Agile Garden Heyuan	133,306
Huizhou	Egret Lake Huizhou	122,093
Subtotal		255,399
Yangtze River Delta Region		
Nanjing	Agile Garden Nanjing	190,001
Western China		
Chengdu	Agile Garden Chengdu	314,106
Chongqing	Chongqing Nan'an District Project	5,591
Subtotal		319,697
Hainan Province		
Hainan	Hainan Qingshuiwan Project	125,138
Grand Total		2,320,147

Management Discussion and Analysis

Sales of Properties

The properties we develop aim to meet the needs and demands of the end-user of middle to upper income class people.

During the year under review, the Group completed and delivered properties amounting to a total GFA of approximately 1.41 million sq.m. with a total contracted sales of approximately RMB10,147 million.

The following table sets forth the GFA sold and recognized as sales of each projects in 2007:

Project Name	City	Total GFA (sq.m.)	Sales Revenue (RMB'000)
Pearl River Delta Region			
Agile Garden Guangzhou	Panyu	106,475	953,038
South Lagoon Guangzhou	Guangzhou	6,664	91,403
Royal Hillside Villa	Guangzhou	1,817	28,026
Huadu Grand Garden	Huadu	718	1,825
Huadu Flower Paris	Huadu	3,073	29,776
Huadu Majestic Garden	Huadu	109,356	677,176
Conghua Agile Binjiang Garden	Conghua	172,695	960,721
La Cite Greenville	Zhongshan	358,590	2,420,048
La Nobleu	Zhongshan	5,337	59,901
Metro Agile Zhongshan	Zhongshan	185,156	981,850
Metropolis	Zhongshan	14,075	69,158
Majestic Garden	Zhongshan	7,344	34,721
The Landmark	Zhongshan	5,433	35,771
Grand Garden	Zhongshan	10,493	56,919
Star Palace	Zhongshan	19,538	89,851
The Riverside	Zhongshan	46,267	430,314
Agile Garden Dachong	Zhongshan	30,380	144,698
Nanhai Majestic Garden	Nanhai	159,148	1,106,298
Nanhai Majestic Metropolis	Nanhai	5,300	30,851
Agile Garden Foshan	Foshan	27,169	538,468
Agile Garden Sanshui	Sanshui	14,363	155,198
Subtotal		1,289,391	8,896,011

Management Discussion and Analysis

Project Name	City	Total GFA (sq.m.)	Sales Revenue (RMB'000)
Eastern Guangdong			
Agile Garden Heyuan	Heyuan	81,807	628,451
Egret Lake Huizhou	Huizhou	9,662	185,596
Subtotal		91,469	814,047
Western China			
Agile Garden Chengdu	Chengdu	28,233	436,965
Grand Total		1,409,093	10,147,023

Property management

It is our mission to provide quality property management services to our valued property tenants. We are committed to creating a warm and harmonious community by constantly improving the living environment, the quality of services, and customer satisfaction.

In 2007, our property management services companies recorded property management fee income of RMB165 million, representing an increase of 26.7% over 2006. The Group added 6,956 new owners and attended over 300,000 service requests. Our round-the-clock property management services were extended to over 40,000 property owners. At as 31 December 2007, our property management services companies managed a total GFA of over 6.5 million sq.m. in mainland China.

Gross profit

Gross profit of the Group increased by approximately 82.3% to approximately RMB5,207 million in 2007 from approximately RMB2,857 million for the year ended 31 December 2006. This increase primarily attributes to the increase of total GFA of the properties sold. The gross profit margin (after land appreciation tax) increased to approximately 37.6% from approximately 34.5%, primarily attributable to the increase of the average sales price of properties sold is greater than the increase of the cost of the properties sold.

Selling and marketing cost

Selling and marketing expenses of the Group increased by approximately 50.3% to approximately RMB327 million in 2007 from approximately RMB218 million in 2006. This mainly attributes to the increase in advertising cost by approximately 52.8% to RMB268 million in 2007 from approximately RMB175 million in 2006 resulting from strengthening our brand for our properties located in Nanjing , Chengdu and Foshan.

Administrative expenses

Administrative expenses of the Group increased by approximately 84.7% to approximately RMB382 million in 2007 from approximately RMB207 million in 2006. This mainly attributes to the intakes of a large number of talents during the year to meet the Group's expansion requirement. Accordingly, salaries and wages increased substantially by approximately 107.7% to approximately RMB112.2 million in 2007 from approximately RMB54 million in 2006. Besides, various administrative expenses also increased from RMB153.2 million in 2006 to RMB270 million in 2007 due to the increase of the number of projects of the Group.

Management Discussion and Analysis

Exchange losses—net

Exchange losses—net of the Group decreased by approximately 7.4% to approximately RMB71 million in 2007 from approximately RMB76 million in 2006. Amount mainly arose from transfer of Hong Kong dollar bank deposits to Renminbi bank accounts of the Group's PRC subsidiaries and revaluation of the remaining Hong Kong dollar bank deposits as at balance sheet date as a result of appreciation of Renminbi for the year ended 31 December 2007.

FINANCIAL REVIEW

Group finance

Borrowings

The Group will continue to adhere to our prudent financial policy.

At 31 December 2007, the Group's bank loans and senior notes denominated in US\$ were RMB5.17 billion and RMB2.85 billion (equivalent) respectively, and their repayment schedule is as follows:

Repayment schedule	2007 (RMB million)	2006 (RMB million)
Bank loans		
Within 1 year	1,375	651
Between 1 and 2 years	1,795	253
Between 2 and 5 years	2,001	1,410
	5,171	2,314
Senior notes		
Over 5 years	2,852	3,045
	8,023	5,359

The Group's bank borrowings of RMB3.2 billion as at 31 December 2007 are secured by the Group's land use rights, completed properties held for sale and bank deposits with an aggregate carrying value of RMB1,774 million. The senior notes are jointly and severally guaranteed by certain subsidiary companies of the Group and by pledge of their shares. The net assets of these subsidiary companies were approximately RMB964 million as at 31 December 2007.

Funds available

At 31 December 2007, the Group has RMB3.95 billion cash and the undrawn borrowing facilities amounted to RMB1.68 billion. These capital resources and our stable financial structure provide a strong support for the Group to explore other best property development opportunities and accelerate its business expansion in China.

Gearing

The Group's net current assets at 31 December 2007 increased by 19.5% from 2006 to RMB10.97 billion, and the current ratio decreased from 2.9 times in 2006 to 1.9 times in 2007. The net debt to equity ratio of the Group at 31 December 2007 was 60.3%.

Management Discussion and Analysis

Finance cost

During the year, the Group's total cost of borrowing was RMB531 million, representing an increase of RMB345.4 million over 2006. The increase was attributable to the bank loan balance of 2007 increased by RMB2,857 million compared with 2006, and the interest expenses almost doubled compared with prior year. Also, senior notes were issued in September 2006, so the interest expenses of senior notes in 2006 was only one-third of that in 2007. The interest coverage ratio (calculated on the basis of gross interest charge over EBITDA) was 8.6 times.

Currency

The proportion of each currency of the Group's bank borrowings, senior notes and cash balances is listed below:

	Bank borrowings	9% Senior notes	Cash balances
Hong Kong dollars	6.6%	—	43%
US dollars	—	100%	18.1%
Renminbi	93.4%	—	38.9%
Total	100%	100%	100%

The Group conducts its business almost exclusively in Renminbi. Other than the 9% senior notes and syndicated loans, which are denominated in US dollars and Hong Kong dollars respectively, the Group does not have any other material direct exposure to foreign exchange fluctuations. In the event that the value of Renminbi appreciates, the Group would be indirectly affected, in that the interest on and the repayment of the senior notes and Syndicated loans would decrease.

For the time being, Renminbi is not a freely exchangeable currency. The Central Government may adopt measures which could result in a material difference between the exchange rate of Renminbi in future and that prevailing of in the past. Appreciation in Renminbi would have a positive effect on the value of declaring any dividend by the Group, and on paying interest and repayment of the senior notes and syndicated loans, when translating into foreign currencies.

However, the Group may be exposed to exchange risk when converting the Hong Kong dollar and US dollar bank balances into Renminbi.

Contingent liabilities

The Group provides buy-back guarantees to banks which granted home mortgage facilities to buyers of the Group's properties in mainland China. At 31 December 2007, the outstanding buy-back guarantees amounted to RMB6.5 billion.

Return on equity

Return on equity is calculated by dividing the profit attributable to the shareholders of the Company by the equity attributable to the shareholders of the Company.

Management Discussion and Analysis

	2007	2006
Profit attributable to the shareholders of the Company (RMB'000)	2,102,824	1,242,488
Equity attributable to the shareholders of the Company (RMB'000)	9,014,897	5,722,827
Return on equity (%)	23.3%	21.7%

Earnings per share

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

	2007	2006
Profit attributable to the shareholders of the Company (RMB'000)	2,102,824	1,242,488
Weighted average number of ordinary shares in issue (thousands)	3,745,660	3,502,903
Basic earnings per share (RMB per share)	0.561	0.355

Diluted earnings per share equals to basic earnings per share as there were no potential dilutive shares in issue during the years ended 31 December 2007 and 2006.

Commitments

At 31 December 2007, commitments in respect of the property development expenditures of the Group were approximately RMB2.5 billion (2006: RMB1.2 billion). The Group has also committed to paying the land premium on land acquisitions amounting to approximately RMB1.8 billion (2006: RMB3.2 billion).

Human resources

The Group is led by an experienced and dedicated management team. The Board of Directors, who have led the Group through its rapid growth and expansion since its establishment in 1992, have an average of approximately 15 years of experience in the property development business. Other senior executives have an average of 10 years of experience in the field. The Group also retains talented people from overseas with professional qualifications to augment its management team. Through management leadership, vision and drive, and its consistent effort to implement international best practices, the Group has become one of the market leaders within a short period of time. Most of the senior executives have been with the Company or its subsidiaries since their establishment.

We believe that the quality of the Group's human resources, particularly its senior executives and professional project management staff, are critical to its ability to compete effectively. The Group aims to achieve and exceed international standards of performance excellence by following international best practices for management processes and corporate governance.

As at 31 December 2007, the Group had a total of 6,948 employees, among which the Group's senior management accounted to 207 and middle management accounted for 544. By geographical location, there were 6,921 employees in mainland China and 27 in Hong Kong and Macau. Total staff costs, including directors' emoluments, for the year ended 31 December 2007 amounted to RMB298.8 million.

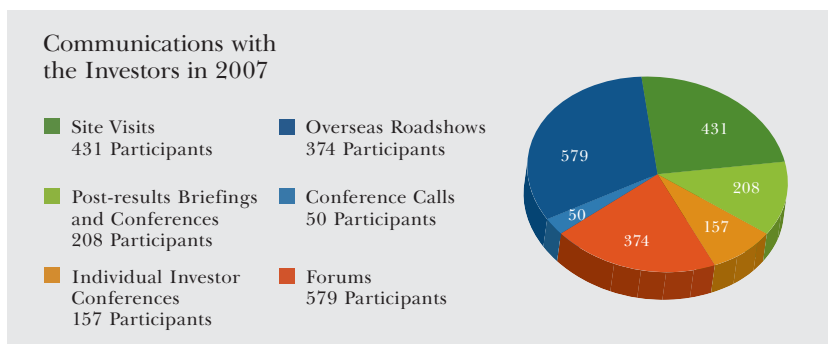
Investor Relations

The Group values the relations with shareholders and investors, and is always active in communicating with them via various channels, ensuring that such information of the Group as development strategies, latest activities, operation management, financial and business development is constantly provided to the investment community. We are also committed to maintaining a high standard of transparency for corporate governance and conducting highly effective disclosure of information.

Communication Approaches and Interaction

The Group's senior management are active to communicate with the analysts, investors and media on a regular basis, and site visits to property projects throughout China are organised to let analysts and investors get a clearer picture of the Group's business.

The Group has an outstanding investor relations team. Since the listing of the Group, the team has been engaging in providing the updates on the Group and collecting the valuable opinions of the analysts and investors, and making responses and follow-ups through such interactive activities as roadshows, site visits, conference calls, luncheons and investor conferences organised by investment banks.



Investor Relations Events

Date	Venue	Events
2007		
April	Hong Kong	2006 annual results announcement analysts briefing
	Hong Kong	2006 annual results roadshows co-organized by Morgan Stanley, HSBC and CLSA
	Singapore	2006 annual results roadshows co-organized by Macquarie
	Europe United States	2006 annual results roadshows co-organized by HSBC 2006 annual results roadshows co-organized by Morgan Stanley
May	Hong Kong	Post-results analysts conferences
	Hong Kong	Asian & Australian Property Conference organized by Deutsche Bank
	Shanghai	12th CLSA China Forum organized by CLSA
	Australia Japan	2006 annual results roadshows co-organized by Macquarie 2006 annual results roadshows co-organized by Citigroup
June	Hong Kong, Singapore, United Kingdom and United States	Regional Property Corporate Day organized by Morgan Stanley
	Beijing	China Property Conference organized by Macquarie
July	United Kingdom and United States	China Country Day organized by Macquarie
	Hong Kong	China Property Access Day organized by CLSA
September	Hong Kong	2007 interim results announcement analysts conference
	Hong Kong	CLSA Investors Forum 2007 organized by CLSA
	Hong Kong	2007 interim results roadshows co-organized by Morgan Stanley and HSBC
	Singapore	2007 interim results roadshows co-organized by HSBC

Investor Relations

October	Macau Europe United States United Kingdom, United States	Greater China Investor Conference 2007 organized by Citigroup 2007 interim results roadshows co-organized by CLSA Greater China Investor Conference 2007 organized by Citigroup 2007 interim results roadshows co-organized by Morgan Stanley Macquarie International Real Estate Conference organized by Macquarie
November	Hong Kong, Singapore, United Kingdom and United States Singapore	Roadshows organized by HSBC Asia Pacific Summit 2007 organized by Morgan Stanley

Awards

The Group's seasoned management, good standard of corporate governance and effective investor relations during the year earned general recognition and acknowledgement from the investment community and was awarded the "Significant Improvement Award" in "Best Corporate Governance Disclosure Awards 2007" by the Hong Kong Institute of Certified Public Accountants, while the annual report 2006 of the Group was awarded different prizes by International ARC, including silver prize in the categories of "Cover Picture/Design" and "Written Text", bronze prize in the category of "Interior Design" and Honors Award in the Category of "Chairman's Statement".



The annual report 2006 was awarded various prizes by International ARC

Prospects

Committed to providing latest information to investors, enhancing the standard of corporate governance and increasing transparency, we will make a reference to the practices of other international listed enterprises. Looking ahead, we would continue to keep the interactive relationship with investors, so as to gain the trust and support from the investors.



The Group was also awarded the "Significant Improvement Award" in "Best Corporate Governance Disclosure Awards 2007".

Investor Relations

Concerned Issue

Q1 Agile mainly focuses on large-scale property development. How long will be the recovery of the capital injected? How is this performance compared to other developers?

Agile is one of the most competitive property developers in China, with 51 projects at various development stages in 20 cities. During 2007, we had 22 projects, in which 8 are new projects launched for sale. In 2008, 33 projects will be launched for sale. By the end of 2009, nearly 51 projects will be available for sale or lease. Thus, we have sound cash in flow in every month to sustain development of the Group. Moreover, our power in efficient implementation enables the completion of planning and registration of licenses within 3 to 5 months following the acquisition of land concerned. The site is pledged with banks to secure project loans for the expenses of contraction and

procurement. Since the majority of our products are low-density residence and low-rise buildings. Our projects can commonly fulfill the pre-sale terms and obtain the pre-sale permit within 8 to 12 months. Sales revenue could be received in full in one month after the execution of formal sale and purchase agreement.

Currently, Agile possesses 9 projects of immense community area. In general, this type of large-scale project requires an average of 3 to 4 years for development by stages.

A1

Q2 What strategy does the Group adopt in land acquisition? How to generate a better return for investment?

Agile adopts a proactive and prudent business strategy in land acquisition in potential cities to cater for the needs of the Group's development. Before making a decision on land acquisition, the Group compares the merits and demerits in various cities in the preliminary stage and considers the geographical position and development potential of the project. The target net profit margin reach 18% to 20%.

During the year under review, the Group successfully acquired a total GFA of approximately 9.48 million sq.m. in cities within and outside Guangdong Province. As at 18 April 2008, the Group has a total land bank of over 28.43 million sq.m. in GFA, which will be sufficient for development in the coming eight years.

During 2007, Agile received a majority of sales revenue from projects in Guangdong Province. The Group aims to achieve 70% sales revenue in Guangdong Province and

30% in other provinces in the long run. Two competitive edges of Agile are attributed to its product quality and after-sales property management. The products of the Group have gained high recognition in the Pearl River Delta region. Over 65% of customers of old projects are referred by old customers. With sound reputation and goodwill, the products of Agile received overwhelming response from the market.

On its way marching into a new market, the sale triumph of Chengdu Project has demonstrated Agile's strong execution. The Group will generate a better return for investment by our strong implementation power, brand reputation, competitive price, integrated quality of our excellent products and outstanding performance of property management.

A2

Q3 Please briefly state the strategies for future development?

The Group will continue to engage in project development, property management and property investment such as hotels, grade A commercial buildings and shopping-malls. Furthermore, Agile puts emphasis on corporate governance and efficient operation as well as, project management of 51 projects across the territory in a prudent manner.

Meanwhile, in accordance with the development strategies formulated at the beginning of the year, the Group will launch the new and competitive products with reference to the market needs.

A3

Investor Relations

Q4 Is the Group's finance sound? How is the future plan of financing?

Agile consistently pursues its prudent financial policies and adopts the flexible financing strategies to optimize the financial structure and reduce exposure arising from financing. As at 31 December 2007, the Group has RMB3.95 billion cash and the undrawn borrowing facilities amounted to RMB1.68 billion. In future, the Group will continuously rely on its internal resources fund from sales, tight cost control and a consolidated budget. In the meantime, the Group will fully utilise of various vehicles in the capital market, namely bank loans, issue of senior notes, direct collaboration with international investors on project level. As a result, our financial structure can further be optimized with our financial policies maintained.

A4

Q5 What is the future driving for the growth of your Group?

While focusing on its property development business, the Group continues to leverage on its robust financial management, extensive experience in property development, pragmatic management team and prestigious brand, fosters the diversification of product portfolio and start the investment properties such as hotels, grade A commercial buildings and high-end shopping malls. Meanwhile, the Group will continue to seek other business opportunities and actively acquire quality sites in various cities over China. Thus, a nationwide business is steadily explored by Agile and move forward with its market position

A5

Q6 What is the dividend policy of Agile? Will it change in the future?

Since the listing of Agile, the dividend policy has been set at 35%. During 2006, the aggregate dividend was HK\$0.12 per share (dividend yield: 35%) and HK\$0.208 per share (dividend yield: 35%) in 2007. We remain our dividend policy unchanged. Having said that, this

ultimately depends on the demands of the development and financial conditions of the Group, and will finally determined in order to maximize shareholders' benefit.

A6







Agile

Partner

Society

Corporate Citizen

Agile strongly believes that as a quality enterprise with integrity, we should make commitments to social responsibilities and obligations. In view of this, we have been proactively promoting and participating in various public welfare activities and has devoted to performing our duties as a responsible corporate citizen. In 2007, the Group stood firmly to the entrepreneurship of “Develop our future with vision and enthusiasm” by submitting the annual public welfare plan to the Board for the very first time and formulating charity programs of the Group in short-and mid-term as well as in long run, thus enabling a more systematic allocation of and utilisation of resources to benefit more vulnerable groups in the community and building a “harmonious community” with concerted efforts.

Social charity

In 2007, Agile donated more than RMB13.54 million to various fields of public welfare and charity including medical, education, poverty alleviating, promotion of Chinese culture and promoting a harmonious community.

In 2007, Agile became the sponsor for Sowers Action of the year and offered a title sponsorship to the “Sowers Walk to Guangzhou 2008”. Apart from the fixed donation, the Group also strongly advocates the involvement and support of the staff, with a view to help improving the education for poverty-stricken students in mountainous areas. The Group has also funded World Vision’s “6-Hour Children Famine” program. Through the involvement of the Company’s volunteers and their family members in the program. Besides, the Group made donation in support of the “Charity Fun Day” organized by the ACCA, and, became the annual sponsor for Medecins Sans Frontieres and support the event of “MSF Orienteering Competition 2008” to provide assistance to the patients affected by natural disasters, wars and epidemics globally. The Group has received a wide recognition from the community for its return and contribution to the community, and has been awarded the “Caring Company 2007–08” logo by The Hong Kong Council of Social Service for its care to the community and commitment as a corporate citizen.



Agile offered title sponsorship to the “Agile Sowers Walk to Guangzhou 2008”



The Group’s staff actively participated in Sowers Walk to Guangzhou 2008

Corporate Citizen



The volunteer team involved in and supported the “6-Hour Children Famine”



Awarded the “Caring Company 2007–08” logo by The Hong Kong Council of Social Service

In support of the Chinese Language Education Foundation for promoting foreigners to learn Chinese language and Chinese culture, Agile has established the “Chinese Language Education Foundation ‘Agile’ Special Fund for Chinese Culture Continuation Work” to provide training to the Chinese language teachers in overseas summer (winter) camps for overseas Chinese youngsters, production of Chinese language teaching materials and promotion of sino-foreign cultural exchange campaign. During the year, the Group donated to Chengdu Wanan Primary School to establish the “Affinity Book Corner”, and set up “Agile Property Prize/Scholarship” for ten universities in China, like Tsinghua University and Wunan University, to support 250 university students annually.



Cheque Presentation Ceremony to Chinese Language Education Fund



The Group set up “Agile Property Prize/Scholarship” for ten universities in Mainland China

Corporate Citizen

Building a harmonious community

In 2007, Agile devoted to promote a harmonious community by patronizing several cultural activities, including the “Guangzhou International Dragon Boat Invitation Tournament”, the “First Foreign Enterprise Sports Game of Heyuan”, the “Sixth Sports Festival of Sanxiang” and the “Foshan Tourism and Cultural Festival”. The Group formally launched the “Red Cross Donation Box” campaign and set up donation boxes in several places in each project, such as resident lobby and customer service centre, and the donations shall be managed by the local branches of Red Cross. Besides, in order to maintain law and order of the society and for the citizens’ well-being in long run, donations were made by the Group to the Guangdong Police Medical Relief Foundation, Foundation for Justice and Courage of Guangzhou and Anti-Drug Foundation of Guangzhou.

Moreover, Agile has always been concerning about the vulnerable groups in the community. We offered subsidies and career opportunities for more than 160 disabled in Mainland China in 2007, and helped them to build up a positive value of life and offering them opportunities for personal advancement.

Caring about our staff

Agile operates with the “people-oriented” philosophy and regards talents as the most essential asset and the driving force of the company in long run, as well as offering meticulous care to our staff. In 2007, the Group set up the “Agile Foundation for Relief, Emergency and Mutual Help”, and used the appropriation by the Board and fund raised by our staff as initial fund, thus providing immediate assistance for junior staff and their families in case of accidents or critical illnesses. Furthermore, through monthly birthday activities, various interest groups, organizing a volunteer team, staff meetings and annual dinner, we are able to develop our staff’s sense of belonging to the Group and cultivate a corporate culture of “keen on communication”. Currently we have staff across the country. They fully believe in the Company and share the same career, responsibility and ideal.

Talent training

The Group put much emphasis on talent training. During the year, 2,215 training sessions were provided to the staff of each levels to pass good corporate culture and management experience on, and to enhance the working skills of the staff and establish a clear hierarchy of promotion with an efforts.

The Group also recruit talents according to the needs of various positions. During the year, the Group held series of job fairs open for university graduates at various key universities national wide. We also provide systematic training programs and internship schemes for new staff to build up a strong talent reserve for the future development of the Group. In the future, the Group is planning to establish the first management institute for China property development in order to provide the Group with solid talent foundation.



Agile made a donation to Anti-Drug Foundation of Guangzhou



Activities of International Women’s Day



Agile put much emphasis on talent training

Corporate Citizen



Staff's monthly birthday party



Staff football team

Environmental Protection

While aiming at constructing quality properties, Agile also apply the concept of environmental protection and put it into effect in the Group's operation and management. In response to the government promotion in constructing a "resource conservative" society, we proactively demonstrate it in our properties starting from planning and design. Environmental friendly designs have been widely adopted in the estates by allowing sufficient space between buildings for air ventilation and light capturing. Its south-facing layout in design creates the feature that is warm in winter and cool in summer. As the estate road lamps are powered by solar energy, energy is saved and environmental protection is achieved. In planning, the Group endeavours to protect natural landscape and to improve the overall greenery ratio, so as to integrate the environmental planning into primitive ecology.



Environmental friendly layout is adopted in the planning



Sufficient space between buildings for air ventilation and light capturing

Corporate Citizen

In respect of construction materials used, the Group has complied with the requirements set forth by the government by actively adopting new energy saving and environmental friendly materials. In requiring the projects constructed in a civilised manner, the Group also provides contractors with education in environmental protection and supervises them to adopt techniques for environmental protection construction, reduce consumption of natural resources, mitigate noise generated during construction and prevent pollution to the environment. The pilot point of waste separation and collection in Grand Garden located in Zhongshan has a positive outcome, by which waste can be recycled and reused, thus reducing waste pollution. The Group is planning to implement this measure in all projects nationwide.



The Group has set up a pilot point of waste separation and collection in Grand Garden



Clean energy such as solar energy is widely used in Agile's projects

In 2007, the Group organised various volunteer activities for environmental protection, including “Voluntary Tree Planting”, “Join Hands to Protect the Environment”, “Keep the City Clean and be a civilised Guangzhou citizen”, “Build a Green Home for a Harmonious Society” and “Ecological Environment Protection Day”, and were well received by our staff.

La Cite Greenville and Huadu Majestic Garden of the Group were awarded “Guangdong Green Estate” by the Guangdong Real Estate Association, while Nanhai Majestic Garden was awarded “Exemplary Greenery Unit in Nanhai, Foshan”. La Cite Greenville won “Global Human Settlements Community 2007”, representing a highly recognition to the Group's contribution to environmental protection by the government departments.



Our staff actively participated in tree planting activity organised by the Group

Directors' Profile

Directors

Chen Zhuo Lin (陳卓林), aged 46, has been Chairman of the Company since August 2005. Mr. Chen has 15 years extensive experience in the real estate development and management and is the founder of Agile Property. Mr. Chen is responsible for the formulation of development strategies, making decisions on investment projects and development directions on the operations and overall business management of the Group. He received an Honorary Doctoral degree in Business Administration from Armstrong University, USA in 2007 and was awarded as one of the 2007 World Outstanding Chinese Award. Mr. Chen has been awarded CAPITAL Leaders of Excellence 2007 by CAPITAL Magazine. Currently, he is also the honorary Chairman of Hong Kong Zhongshan Sanxiang Friendship Association (香港中山三鄉同鄉會), Honourable Vice President of Chinese Language and Culture Education Foundation (中國華文教育基金會) and the Vice-Chairman of Zhongshan Qiaozhi Enterprise Association (中山市僑資企業協會). He is a brother of Mr. Chan Cheuk Yin, Mr. Chan Cheuk Hung, Mr. Chan Cheuk Hei and Mr. Chan Cheuk Nam and the husband of Ms. Luk Sin Fong, Fion.

Chan Cheuk Yin (陳卓賢), aged 40, has been Vice-Chairman and a Co-President of the Company since August 2005. Mr. Chan has 15 years experience in real estate development and project management. Mr. Chan specialises in the overall planning of projects, property management, and business management of the Group. He, together with Mr. Chen Zhuo Lin and Ms. Luk Sin Fong, Fion, co-founded the Agile property brandname. He is also the Vice-Chairman of Zhongshan Real Estate Society (中山市房地產協會). He was awarded as one of the Guangdong Province Outstanding Entrepreneurs of Privately-owned Enterprises (廣東省優秀民營企業家) in 2003. Mr. Chan was also awarded as one of the 2006-2007 The Most Respected Enterprises in Guangzhou, PRC (中國廣州最受尊敬企業家) in 2007. He is a brother of Mr. Chen Zhuo Lin, Mr. Chan Cheuk Hung, Mr. Chan Cheuk Hei and Mr. Chan Cheuk Nam.

Luk Sin Fong, Fion (陸倩芳), aged 46, has been Vice-Chairlady and a Co-President of the Company since August 2005. Ms. Luk has 15 years extensive management experience in real estate development and in particular in the area of strategic marketing and marketing management. Ms. Luk is responsible for strategies and marketing, sales, finance and human resources management of the Group. She, together with Mr. Chen Zhuo Lin and Mr. Chan Cheuk Yin, co-founded the Agile property brandname. She is currently the Vice-Chairlady of Guangzhou Housing Society (廣州市房地產協會). She has also received honorary citizenships in Foshan and Nanhai, respectively in 2004 and was awarded the Zhongshan Outstanding Entrepreneurs (中山優秀企業家) in 2006. Ms. Luk received a Master in Business Administration program from the University of Western Sydney in 2005. She is the wife of Mr. Chen Zhuo Lin.

Chan Cheuk Hung (陳卓雄), aged 51, has been Executive Director and a Senior Vice-President of the Company since August 2005. Mr. Chan has 15 years experience in the real estate development and related businesses. Mr. Chan is responsible for the quality control of projects, as well as management of the contractors of the Group. He has awarded honorary citizenship in Foshan. He was appointed as a standing committee member of the Guangdong Province Real Estate Association (廣東省房地產協會) in 2004. He was awarded Small City Construction Outstanding Contribution Award (小區建設突出貢獻獎) in National Xiaokang Housing Demonstration Small City Competition (國家小康住宅示範小區評比) by the Ministry of Construction (國家建設部) in 2000. He is a brother of Mr. Chen Zhuo Lin, Mr. Chan Cheuk Yin, Mr. Chan Cheuk Hei and Mr. Chan Cheuk Nam.

Chan Cheuk Hei (陳卓喜), aged 49, has been Executive Director and a Senior Vice-President of the Company since August 2005. Mr. Chan has 15 years experience in the real estate development and related businesses. Mr. Chan is responsible for management of decorations and development of decoration materials for the Group. He is a brother of Mr. Chen Zhuo Lin, Mr. Chan Cheuk Yin, Mr. Chan Cheuk Hung and Mr. Chan Cheuk Nam.

Directors' Profile

Chan Cheuk Nam (陳卓南), aged 44, has been Executive Director and Senior Vice-President of the Company since August 2005. Mr. Chan has 15 years experience in the real estate development and related businesses. Mr. Chan is responsible for quality control of suppliers of construction materials and cost control of the Group. He is a brother of Mr. Chen Zhuo Lin, Mr. Chan Cheuk Yin, Mr. Chan Cheuk Hung and Mr. Chan Cheuk Hei.

Cheng Hon Kwan (鄭漢鈞) GBS, OBE, JP, aged 80, has been Independent Non-executive Director of the Company since October 2005. Dr. Cheng has also been serving as a member of the audit committee and the nomination committee of the Company and the chairman of the remuneration committee of the Company. Dr. Cheng graduated with a Bachelor of Science in Engineering from Tianjin University and a post-graduate diploma from Imperial College of Science and Technology, London. He was awarded Honorary Doctor's Degrees from Hong Kong University of Science and Technology, City University of Hong Kong, Open University of Hong Kong and Open University, United Kingdom. He is a Fellow of Imperial College and City and Guilds London Institute. He is a Past President, Honorary Fellow and Gold Medallist of the Hong Kong Institution of Engineers; Past Vice President, Fellow and Gold Medallist of the Institution of Structural Engineers; Fellow of the Institution of Civil Engineers, United Kingdom and of the American Society of Civil Engineers and Honorary Fellow of Engineers Australia. He is also an Honorary Member of the Hong Kong Institute of Planners and the Hong Kong Institute of Architects. Dr. Cheng is an authorised person and a registered structural engineer; and a Former Chairman of Hong Kong Housing Authority and Transport Advisory Committee. He is a member of the Standing Committee of the Tianjin CPPCC, Chairman of Tianjin Gang Jin Architects & Engineers Ltd. and a permanent Honorary Chairman of the Hong Kong Tianjin Friendship Association. He was a member of both the Executive and Legislative Councils. Dr. Cheng is currently an independent non-executive director of a number of companies listed on the HKEx including Wing Hang Bank, Limited, Tianjin Development Holdings Limited, Hang Lung Group Limited and Hang Lung Properties Limited.

Kwong Che Keung, Gordon (鄭志強), aged 58, has been Independent Non-executive Director of the Company since October 2005. Mr. Kwong has also been serving as a member of the remuneration committee, the nomination committee of the Company and the chairman of the audit committee of the Company. He has a Bachelor of Social Science degree from the University of Hong Kong and is a fellow member of the Institute of Chartered Accountants in England and Wales and the Hong Kong Institute of Certified Public Accountants. He is also an independent non-executive director of a number of companies listed on the HKEx, including COSCO International Holdings Limited, Tianjin Development Holdings Limited, Beijing Capital International Airport Company Limited, Frasers Property (China) Limited, NWS Holdings Limited, China Oilfield Services Limited, OP Financial Investment Limited (formerly known as Concepta Investment Limited), China Chengtong Development Group Limited, Global Digital Creations Holdings Limited, Ping An Insurance (Group) Company of China, Limited, Quam Limited, China Power International Development Limited, Henderson Land Development Company Limited, Henderson Investment Limited and CITIC 1616 Holdings Limited. From 1984 to 1998, Mr. Kwong was a partner of Price Waterhouse and was a council member of the HKEx from 1992–1997.

Cheung Wing Yui (張永銳), aged 58, has been Independent Non-executive Director of the Company since October 2005. Mr. Cheung has also been serving as a member of the audit committee and remuneration committee of the Company and chairman of the nomination committee of the Company. He received a Bachelor of Commerce degree in accountancy from the University of New South Wales, Australia in 1973. Mr. Cheung is a member of CPA Australia. He has been a practising solicitor in Hong Kong since 1979 and is a consultant of the law firm Woo, Kwan, Lee & Lo. He has been admitted as a solicitor in the United Kingdom and as an advocate and solicitor in Singapore. Mr. Cheung is a non-executive director of a number of companies listed on the HKEx including Tianjin Development Holdings Limited, Sunevision Holdings Limited, Tai Fook Securities Group Limited, Tai Sang Land Development Limited, Shanghai Real Estate Limited and SmarTone Telecommunications Holdings Limited. He is also an independent non-executive director of Ping An Insurance (Group) Company of China, Limited and Hop Hing Holdings Limited.

Senior Management's Profile

Senior Management

Wu Xiao Ping (吳小平), aged 44, is our Vice-President. Mr. Wu is mainly responsible for the Group's property development, sale and property management in the Zhongshan District. Since joining the Group in 1993, Mr. Wu has been the business manager and assistant to general manager, vice-general manager and general manager of the Group. Prior to joining the Group, Mr. Wu worked in Shenzhen Foreign Trade Group during the period from 1987 to 1993. Mr. Wu graduated from the Southern China Normal University majoring in Foreign Languages. Currently, he also serves in the following positions: the 13th People's Representative of Zhongshan City; Member of the Standing Committee of Zhongshan City Industry and Commerce Confederation (General Chamber); Vice-Chairman of Zhongshan City Real Estate Association; Chairman of Commerce Chamber, Sanxiang Town, Zhongshan City; Vice-President of Standing Committee of Commerce Chamber in East District, Zhongshan City; Vice-Chairman of Commerce Chamber in Huoju Development Zone, Zhongshan City.

Huang Feng Chao (黃奉潮), aged 46, is our Vice-President. Mr. Huang is mainly responsible for the management of the Group's property project business operation outside Guangdong Province. Since joining the Group in 1999, Mr. Huang has been the general manager of our property management division and property development projects in Huadu & Nanhu. Before joining the Group, Mr. Huang had worked for foreign oil companies, such as ExxonMobil (China) Co. Ltd. & France TOTAL (China) Ltd.

Liang Zhang Jian (梁正堅), aged 43, is our Vice-President. Mr. Liang is mainly responsible for the management of the Group's property project business operation in Guangzhou and Eastern Guangdong areas. Since joining the Group in 1995, Mr. Liang has been the manager, deputy general manager, general manager of the Group's property projects. Before joining the Group, Mr. Liang had worked in Traffic Department of Zhongshan City and China Tourism Department of Zhongshan from 1982 to 1985.

Zheng Liqing (鄭麗清), aged 44, is our Vice-President. Ms. Zheng is mainly responsible for project planning and interior design, as well as administration and human resources of the Group. Since joining the Group in 1994, Ms. Zheng has been the head of administrative office, assistant to president and deputy director of the Real Estate Management Center of the Group. Prior to joining the Group, Ms. Zheng had run her own business in Costa Rica from 1987 to 1994.

Liu Huaxi (劉華錫), aged 33, is our Vice-President. Mr. Liu is mainly responsible for the management of the Group's project developments, property management and Corporate Communications. Since joining the Group in 1995, Mr. Liu has been the head of the business development department, head of administrative office, assistant to vice-president and deputy director of the Real Estate Management Center of the Group. Mr. Liu graduated from the Hehai University in 1995 majoring in Enterprise Management.

Chu Hau Lim (朱孝廉), aged 42, joined the Group in July 2006. He is Chief Financial Officer and Qualified Accountant of the Company in charge of supervision of accounting, corporate finance and investor relations since July 2006. Mr. Chu has more than 20 years of experience in auditing accounting and corporate finance. Prior to joining the Company, Mr. Chu worked in at one of the major international accounting firms for 10 years where he accumulated experience in floatation and business advisory of a wide variety of business. He obtained a master degree in Business Administration and is a fellow member of the Association of Chartered Certified Accountants and a member of the Hong Kong Institute of Certified Public Accountants.

Senior Management's Profile

Chen Zhongqi (陳忠其), aged 41, is our Vice-President. He is a registered engineer and quantity surveyor, was appointed as the Company's Project Controller and Chief Engineer. Mr. Chen is mainly responsible for the management of the project development of the Group's real estate business, including monitoring the project quality, progress, technical control and quantity survey. Since joining the Group in 1993, he has been the head of the Project Engineering Department, deputy manager of Project Management Department and deputy director of the Real Estate Management Center of the Group. Mr. Chen graduated from Sichuan Neijiang Institute of Education in 1991.

Wu Jinhong (吳錦鴻), aged 38, is our Financial Controller of the Company. Mr. Wu is mainly responsible for the financial management and supervision of the Group. Since joining the Group in 1998, he has been the project finance officer, manager and deputy director of the Finance Center of the Group. Prior to joining the Group, Mr. Wu was an auditor of an accounting firm and finance manager of a property development company. Mr. Wu graduated from the Guangdong University of Broadcasting and Television in 1995 majoring in finance and accounting. He obtained a post-graduate diploma from Guangdong Institute of Social Science in economic management in 2002 and became a Registered Financial Planners in 2007.

Chen Weike (陳偉科), aged 33, is our Deputy General Manager. Mr. Chen is mainly responsible for the Group's corporate finance and project investments. Since joining the Group in 2000, he has been the officer and deputy manager of the capital department and manager of the investment department of the Group. Prior to joining the Group, from 1996 to 2000, he worked for the Agricultural Bank of China of Zhongshan City. Mr. Chen graduated from Shanghai University of Finance and Economics in 1996 obtaining a bachelor's degree in Economics.

Huang Zejun (黃澤軍), aged 43, is our Deputy General Manager. He is mainly responsible for project planning, public affairs and investors relations of the Group. Since joining the Group in 1996, he has been the manager of the Agile Golf and Country Club, assistant to vice-president and assistant to president of the Group. Prior to joining the Group, he worked for China Travel Group in Zhongshan City. Mr. Huang obtained a post-graduate diploma in the foreign languages department of South China University of Technologies in 1989.

Luk Yat Hung (陸一鴻), aged 48, joined the Group in 2006. He is mainly responsible for the corporate communication and investors relations of the Group. Mr. Luk is a fellow member of Association of Chartered Certified Accountants of the United Kingdom and the Hong Kong Institute of Certified Public Accountants with a master degree in business administration with Oklahoma City University, the United States of America. Mr. Luk has over 20 years of working experience as chief financial officer and executive director with a number of international conglomerates. Mr. Luk is also the chairman and non-executive director of Tai Shing International (Holdings) Limited.

Wai Ching Sum (衛靜心), aged 40, joined the Group in 2005 as our Company Secretary. She is mainly responsible for corporate governance of the Group. She is a fellow member of The Institute of Chartered Secretaries and Administrators in the United Kingdom and The Hong Kong Institute of Chartered Secretaries. Ms. Wai obtained a Master of Science degree in Financial Economics from University of London, England in 1997 and a Master of Laws degree in Chinese Law and Comparative Law from the City University of Hong Kong in 2002. She has over 10 years of professional experience in a number of listed companies in Hong Kong.

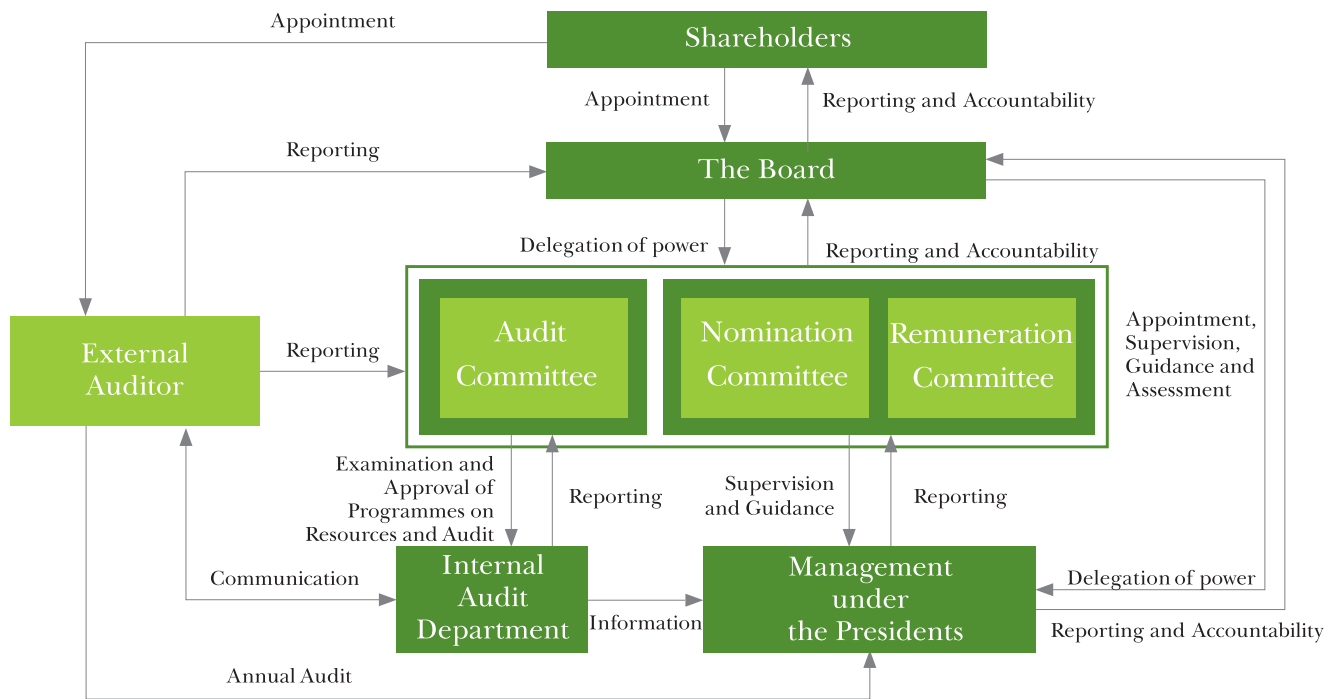
Corporate Governance Report

Promoting good corporate governance is a priority of the Company. A deliberate corporate governance policy not only can reduce the risk of non-compliance for a company, it can also facilitate the rapid growth of a company under a healthy governance structure and strengthen the confidence of shareholders and investors. Leveraging on comprehensive corporate governance policies and the Board with independence and clear segregation of duties, the Company is able to achieve the goal of higher standards of governance.

The Company has complied with the Code on Corporate Governance Practices set out in Appendix 14 to the Listing Rules throughout the year ended 31 December 2007.

The Company's corporate governance policy approved by the Board has been posted on the website of the Company. The Group has complied with the provisions of the corporate governance policy throughout the year. The Company has prepared the code for employees' dealings in the Company's securities, which is applicable to all employees and sets out clearly the rules for employees' purchase, sale or transfer of securities of the Company.

Corporate Governance Structure



Corporate Governance Report

Compliance with Model Code

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) set out in Appendix 10 to the Listing Rules as the code of conduct for Directors in their dealings in the Company’s securities. The Company made specific enquiries with each Director and each of them confirmed that he or she had complied with the Model Code during the year under review.

The Board

The Board is responsible for providing shareholders with a long-term value with stable and continuous growth, formulating strategies and management policies of the Group, approving of strategic objectives of the Group and ensuring the availability of necessary financial and other resources to meet such objectives. Directors perform their duties in a faithful and diligent manner and act to the best interest of the Company and shareholders.

The Board currently comprises six executive Directors and three independent non-executive Directors. The biographical details of each Director are set out on pages 81 to 82. The Board believes that the independent non-executive Directors are able to offer their independent judgment on issues relating to strategies, performance, conflict of interests and management processes so that the interests of all shareholders can be considered and safeguarded.

All Directors have access to the latest information of the Group and can make further enquiries if necessary. The Board also agrees that Directors may seek independent professional advice on issues related to the Group’s business at the Company’s expenses. The Board is fully responsible for the formulation of business policies and strategies in relation to the business operation of the Group so as to ensure the availability of various resources as well as the effectiveness of its internal control, including financial control.

Directors and Officers Liability Insurance

The Company has arranged appropriate insurance coverage on Directors’ and officers’ liabilities in respect of legal actions against Directors and senior management arising out of corporate activities. The coverage will be reviewed annually.

Chairman and Co-Presidents

The division of responsibilities between the Chairman of the Board, Mr. Chen Zhuo Lin, and the Vice-Chairmen and Co-Presidents, Mr. Chan Cheuk Yin and Ms. Luk Sin Fong, Fion, are clearly defined and have been approved by the Board.

The Chairman leads the Board in the determination of its strategies and the achievement of its objectives. The Chairman is responsible for organising the functions of the Board, ensuring its effectiveness and setting its agenda. The Chairman facilitates the effective contribution of non-executive Directors, ensuring that Directors can receive accurate, timely and clear information and have effective communication with shareholders.

The Vice-Chairmen and Co-Presidents are responsible for the execution of business policies, strategies, objectives and plans adopted by the Board.

Corporate Governance Report

Independence of Independent Non-Executive Directors

The Company has appointed three independent non-executive Directors. All of them possess respectively professional qualifications and related management experience in the areas of financial accounting, law and real estate. They have offered sufficient time and efforts to serve the business affairs of the Company and have contributed to the Board with their professional opinions. In addition, they have supervised the day-to-day operation of the Board, serving as a check and balance with executive Directors.

Each independent non-executive Director has given the Group an annual confirmation of his independence. The Group considers these Directors to be independent under the guidelines set out in rules 3.13 of the Listing Rules. No independent non-executive Director has served the Group for more than nine years.

During the year, the independent non-executive Directors have joined field trips for property projects of the Group outside Guangdong and have visited the projects under construction in Shanghai and Nanjing, enabling them to make more contribution to the business development and operation of the Group.

Professional Development

Upon appointment, Directors will receive information about the Group, the role of the Board, the terms of reference and composition of Board committees, corporate governance policies and the latest financial information of the Group. The newly appointed Directors will also visit to major projects and have meetings with key senior management. The Company continuously updates all Directors on the latest development regarding the Listing Rules and other applicable regulatory requirements in order to ensure compliance and to enhance their awareness of good corporate governance.

In order for Directors to fully understand their duties in performing their functions, the Company has dispatched to Directors and Directors had confirmed to have read through the “Non-statutory Guidelines on Directors’ Duties” issued by the Companies Registry.

Appointment and Re-election

Directors are appointed based on their merit and experiences relevant to the business of the Group and are subject to re-election by shareholders at regular intervals. In accordance with provisions of the Code, all directors are subject to retirement by rotation at least once every three years and each newly appointed director is subject to re-election by shareholders in the forthcoming general meeting after his appointment in order to be in compliance with the Company’s articles of association.

The Code provides that non-executive Directors shall be appointed for a specific term and subject to re-election. In this regard, the Company has entered into a service contract with each independent non-executive Director, who is subject to retirement by rotation and re-election at the annual general meeting in accordance with the Company’s articles of association.

Four Board meetings have been held during the year under review. At the meetings, Directors discussed and formulated overall strategies for the Group, monitored financial performance and discussed the annual and interim results and other significant events. Issues relating to daily operations have been delegated to the management.

Corporate Governance Report

Notices of Board meetings shall be given to all Directors at least 14 days prior to the meeting and all Directors are entitled to include items for discussion in the agenda.

The Company Secretary assists the Chairman in preparing the agenda for meetings and ensures the compliance of all applicable rules and regulations. He also keeps detailed minutes of each meeting, which are available for inspection to all Directors. Drafts of the minutes are circulated to all Directors for comment and approval as soon as practicable after the meeting.

All Directors have access to relevant and timely information, and they can request for further information or consult independent professional advisors if necessary. They also have unrestricted access to the advice and services of the Company Secretary, who is responsible for providing Directors with Board papers and related materials and ensuring the compliance of Board practices.

Should there be a potential conflict of interests involving substantial shareholders or directors, the issue shall be discussed in a physical meeting instead of by written resolutions. Independent non-executive Directors with no conflict of interests will present at meetings to deal with the conflict issues.

Board committees include the Audit Committee, the Remuneration Committee and the Nomination Committee. All relevant practices of Board meetings are applicable to committee meetings.

The attendance rate of Directors at full Board meetings during the year was over 94%. The attendance of each Director is as follow:

	Attendance (Number of Meeting)
Executive Directors	
Mr. Chen Zhuo Lin (<i>Chairman</i>)	4(4)
Mr. Chan Cheuk Yin (<i>Vice-Chairman & Co-President</i>)	3(4)
Ms. Luk Sin Fong, Fion (<i>Vice-Chairlady & Co-President</i>)	3(4)
Mr. Chan Cheuk Hung	4(4)
Mr. Chan Cheuk Hei	4(4)
Mr. Chan Cheuk Nam	4(4)
Independent Non-Executive Directors	
Dr. Cheng Hon Kwan	4(4)
Mr. Kwong Che Keung, Gordon	4(4)
Mr. Cheung Wing Yui	4(4)

Remuneration Committee

The Remuneration Committee was established in November 2005. During the year, the Remuneration Committee comprised Dr. Cheng Hon Kwan, Mr. Kwong Che Keung, Gordon, Mr. Cheung Wing Yui and Ms. Luk Sin Fong, Fion. The Remuneration Committee is chaired by Dr. Cheng Hon Kwan, an independent non-executive Director.

Corporate Governance Report

Most of the members of the Remuneration Committee are independent non-executive Directors and the Remuneration Committee shall consist of not less than three members. The Remuneration Committee shall meet not less than once a year and non-committee members may be invited to attend if necessary.

The Remuneration Committee is mainly responsible for providing recommendation on remuneration policies and structure of all Directors and senior management and on the establishment of a formal and transparent approach for developing such remuneration policy. The specific terms of reference of the Remuneration Committee are posted on the Company's website.

The Remuneration Committee met once during the year. In the meeting, the Remuneration Committee agreed upon the service contracts of independent non-executive Directors and reviewed the remuneration policy of senior management.

In 2007, the Remuneration Committee met once and the attendance was 75%. The attendance of each member is as follow:

	Attendance (Number of Meeting)
Remuneration Committee	
Dr. Cheng Hon Kwan (<i>Chairman</i>)	1(1)
Ms. Luk Sin Fong, Fion	0(1)
Mr. Kwong Che Keung, Gordon	1(1)
Mr. Cheung Wing Yui	1(1)

Nomination Committee

The Nomination Committee was established in December 2006 and comprised Dr. Cheng Hon Kwan, Mr. Kwong Che Keung, Gordon, Mr. Cheung Wing Yui and Ms. Luk Sin Fong, Fion. The Nomination Committee is chaired by Mr. Cheung Wing Yui, an independent non-executive Director. Most of the members of the Nomination Committee are independent non-executive Directors and the Nomination Committee shall consist of not less than three members. The Nomination Committee shall meet not less than once a year and non-committee members may be invited to attend if necessary.

The Nomination Committee is responsible for establishing a formal and transparent approach for the appointment or re-appointment of Directors, providing recommendation to the Board for new appointments or re-election of executive and non-executive Directors, evaluating the performance of current Directors and their contribution towards the Company and determining if they should be proposed for re-election and dealing with all significant issues concerning the nomination of Directors during the year. The specific terms of reference of the Nomination Committee are posted on the Company's website.

Corporate Governance Report

In 2007, the Nomination Committee met once and the attendance was 100%. The attendance of each member is as follow:

	Attendance (Number of Meeting)
Nomination Committee	
Mr. Cheung Wing Yui (<i>Chairman</i>)	1(1)
Ms. Luk Sin Fong, Fion	1(1)
Mr. Kwong Che Keung, Gordon	1(1)
Dr. Cheng Hon Kwan	1(1)

Accountability and Audit Committee

The Board is responsible for presenting a clear and balanced assessment of the Group's performance and prospects. It is also responsible for preparing accounts that give a true and fair view of the Group's financial position on a going concern basis and disclosing other price-sensitive announcements and financial information. The management provides the Board with all relevant information it needs to discharge these responsibilities.

The Audit Committee was established in November 2005. During the year, the Audit Committee comprised Dr. Cheng Hon Kwan, Mr. Kwong Che Keung, Gordon and Mr. Cheung Wing Yui. The Audit Committee is chaired by Mr. Kwong Che Keung, Gordon, an independent non-executive Director. All members of the Audit Committee are independent non-executive Directors.

Under its terms of reference, the functions of the Audit Committee are to review important accounting policies, supervise the Company's financial reporting processes, monitor the performance of the external auditor and the audit compliance department, review and appraise the effectiveness of the Company's financial reporting procedures and internal control and ensure the compliance with applicable statutory accounting and reporting requirements, legal and regulatory requirements, internal rules and procedures approved by the Board. The specific terms of reference of the Audit Committee are posted on the Company's website.

The Audit Committee held two meetings during the year and all minutes were kept by the Company Secretary. In accordance with the Board practice, minutes of the meetings are circulated to all members for comments, approval and record as soon as practicable after the meetings. The Audit Committee reported that no material uncertainty having impacts on Company's going concern ability had been identified. There was no disagreement between the Board and the Audit Committee on the selection and appointment of the external auditors.

Corporate Governance Report

In 2007, the Audit Committee met twice and the attendance was 100%. The attendance of each member is as follow:

	Attendance (Number of Meeting)
Audit Committee	
Mr. Kwong Che Keung (<i>Chairman</i>)	2(2)
Dr. Cheng Hon Kwan	2(2)
Mr. Cheung Wing Yui	2(2)

External Auditor

The Audit Committee is responsible for the appointment, remuneration and resignation or removal of external auditors. PricewaterhouseCoopers, appointed since the listing of the Company in November 2005, was re-appointed as the Company's auditor at the annual general meeting held on 7 June 2007. Remunerations payable to PricewaterhouseCoopers in respect of audit and non-audit services for the year ended 31 December 2007 and the year ended 31 December 2006 are detailed as follows:

	2007 RMB	2006 RMB
Fee for audit services	4,200,000	3,484,000
Fee for non-audit services	1,450,000	1,742,000

Internal Control

The Board is responsible for the system of internal control of the Company and its subsidiaries. It formulates appropriate internal control policies, seeks regular assurance enabling it to satisfy itself that the system functions effectively and ensures that the internal control system is effective in managing risks in an approved manner.

The Board appraises the effectiveness of internal control by considering reviews performed by the Audit Committee, the management and the external and internal auditors. The Audit Committee is formed by independent non-executive directors in accordance with the Listing Rules. Besides, the internal audit department of the Company is directly under the Audit Committee. The department assists the Board to perform regular financial and operational risks reviews of the Group and formulate risk management policies and risk assessment modes. Summaries of major audit findings and control weaknesses (if any) are submitted to and reviewed by the Audit Committee. The internal audit department monitors the follow-up actions agreed upon in response to its recommendations.

To maintain a healthy internal control system, all departments of the Company have formulated operational management guidelines, which clearly define the work flow of each department and functions and responsibilities and scope of power of each position. The guidelines are reviewed and updated regularly to achieve higher accuracy in the work flow.

Corporate Governance Report

As to corporate probity, the Company has formulated a sound system for probity and confidentiality to prevent any illegal act that may arise from any business activity.

Relations with Shareholders

The Company understands the importance of maintaining effective mutual communication with shareholders and values every opportunity to communicate with them. The Group therefore uses different channels to ensure timely and fair disclosure and comprehensive and transparent reporting of its performance and activities. Annual and interim reports are printed and sent to all shareholders by post or email as requested. Press releases are posted on the Company's website (www.agile.com.cn). Being constantly updated in a timely manner, the website also contains a wide range of additional information on the Group's business activities. We do not only explain the Group's corporate development strategy to investors but also have individual meetings with institutional investors and financial analysts by hold regular meetings, attend conferences and visit foreign countries. During the year, we have arranged trips to Hong Kong, Japan, Macau, Singapore, the US and Europe. From time to time, the Company invites investors and financial analysts to pay visits to projects under construction to make them know more about the Company.

The Company communicates with shareholders in annual general meetings in a constructive way and encourages shareholders to attend annual general meetings to ensure a high level of accountability. The briefing on the Company's businesses and the Q & A session at the meetings allow shareholders to stay informed of the Group's strategies and goals.

The Company keeps shareholders informed of the procedures for voting by poll through notices of general meetings attached to shareholders circulars of the Company from time to time. The Company has taken measures to ensure the compliance with the requirements about voting by poll included in the Listing Rules and the constitutional documents of the Company. Regarding the circular to shareholders for convening 2008 Annual General Meeting, the Company will also state in such circular that arrangements have been made for the voting of resolutions being put to the 2008 Annual General Meeting for voting by poll. Directors and external auditors will attend the annual general meetings to answer shareholders' questions. Poll results are posted on the HKEx and the Company's website after the meetings.

The Company has, in compliance with provisions of Listing Rules, posted announcements, annual reports, interim reports and shareholders' circulars on the website of the HKEx for the designated period. These documents have also been posted on the website of the Company within an hour thereafter.

Report of the Directors

The Directors are pleased to present their annual report together with the audited financial statements of the Group for the year ended 31 December 2007.

Principal Activities

The Company is an investment holding company. Its subsidiaries are principally engaged in property development, property management, hotel management and decoration service.

An analysis of the Group's turnover and operating profit for the year by principal activities is set out in note 5 to the consolidated accounts.

Major Customers and Suppliers

The Directors believe that the five largest customers of the Group accounted for less than 30% of the Group's sales in the year while the five largest suppliers of the Group accounted for less than 30% of the Group's purchases in the year.

None of the Directors, their associates or any shareholders (which to the knowledge of the Director owned more than 5% of the Company's share capital) has a beneficial interest in the Group's five largest customers or suppliers.

Results

The results of the Group for the year ended 31 December 2007 are set out on page 110.

Dividend

The Board recommends the payment of a final dividend of HK15.3 cents (2006: HK7.0 cents) per share for the year ended 31 December 2007 to shareholders whose names appear on the register of member of the Company on 5 June 2008. The proposed final dividend will be paid on or about 12 June 2008 subject to approval at the forthcoming annual general meeting of the Company.

An interim dividend of HK5.5 cents (2006: HK5.0 cents) per share paid on 18 October 2007. The interim dividend together with the proposed final dividend making a total dividend of HK20.8 per share for the full year ended 31 December 2007 (2006: HK12.0 cents).

Property, Plant and Equipment

Details of the movements in property, plant and equipment during the year are set out in note 6 to the consolidated accounts.

Report of the Directors

Borrowings and Interest Capitalised

Borrowings repayable on demand or within one year are classified under current liabilities. Details of the long-term borrowings are set out in note 19 to the consolidated accounts. Interest and other borrowing costs capitalised by the Group during the year are set out in note 28 to the consolidated accounts.

Share Capital

Details of movements during the year in the share capital of the Company are set out in note 17 to the consolidated accounts.

Senior Notes

The Company issued 7-year senior notes worth US\$400 million at an interest rate of 9% per annum in September 2006, for the purpose of providing financial support for the Group for their property development business and expansion. Details of the senior notes of the Company are set out in notes 19 and 28 to the consolidated accounts.

Reserves

Details of the movements in reserves during the year are set out in note 18 to the consolidated accounts and in the consolidated accounts of changes in equity.

As at 31 December 2007, the distributable reserve of the Company amounted to approximately RMB5,705,662,000.

Charitable Donations

The charitable donations made by the Group during the year amounted to RMB13,538,100 (2006: RMB9,152,000).

Five-year Financial Summary

A five-year financial summary of the Group is set out on pages 160 to 162.

Report of the Directors

Directors and Directors' Service Contracts

The Directors during the year and up to the date of this report were:

Executive Directors

Mr. Chen Zhuo Lin (*Chairman*)
Mr. Chan Cheuk Yin (*Vice-Chairman & Co-President*)
Ms. Luk Sin Fong, Fion (*Vice-Chairlady & Co-President*)
Mr. Chan Cheuk Hung
Mr. Chan Cheuk Hei
Mr. Chan Cheuk Nam

Independent Non-Executive Directors

Dr. Cheng Hon Kwan
Mr. Kwong Che Keung, Gordon
Mr. Cheung Wing Yui

In accordance with the Company's articles of association, Mr. Chan Cheuk Yin, Mr. Chan Cheuk Hei and Mr. Kwong Che Keung, Gordon will retire from office by rotation and, being eligible, offer themselves for re-election at the forthcoming annual general meeting.

None of the Directors has a service contract with the Company or any of its subsidiaries which is not terminable within one year without payment of compensation other than statutory compensation.

Directors' Interests in Contracts

No contracts of significance in relation to the Company's business to which the Company, its subsidiaries, its fellow subsidiaries or its holding companies was a party and in which a Director had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

Directors' Interests in Competing Business

In order to eliminate competing business with the Group, on 23 November 2005, Mr. Chen Zhuo Lin, Mr. Chan Cheuk Yin, Ms. Luk Sin Fong, Fion, Mr. Chan Cheuk Hung, Mr. Chan Cheuk Hei and Mr. Chan Cheuk Nam (the "Executive Directors") entered into a deed of non-competition and compensation (the "Deed") with the Company to undertake that they will not, and shall procure their controlled affiliates not to engage in any possible competing business.

Pursuant to Rule 8.10 of the Listing Rules, the Company disclosed below that during the year ended 31 December 2007 and up to the date of this report, the following Directors were considered to have interests in the following businesses, being businesses which competed or were likely to compete, either directly or indirectly, with the businesses of the Group, other than those businesses in which (a) the Group was interested and (b) the Directors' only interests were as directors appointed to represent the interests of the Group.

Report of the Directors

Pursuant to the Clause 2.2 of the Deed, the Company has the priority to participate in such business that the Executive Directors would not directly or indirectly participate in any competing business with the Group from time to time operated. The decision on acquisition of the business will be made by the independent Directors and the Executive Directors are abstained from voting.

As the Group is starting our hotel business and the Executive Directors had interests in shares in and/or were directors of the Zhongshan Agile Hotel Co., Ltd. and Zhongshan Agile Changjiang Hotel Co., Ltd., the businesses of which consisted of hotel ownership and operation (the “Excluded Businesses”). In this connection, the Executive Directors issued an invitation letter of 10 September 2007 to the Company enquired if the Company had interest in exercising its priority to acquire the Excluded Business. The board committee (the “INED Committee”) comprising of the independent non-executive directors was formed in considering and handling the matters of the Excluded Businesses. As the Excluded Businesses was in operation before the Group started the hotel business and the size of the Excluded Businesses is considered to be insignificant when compared with the businesses of the Group, it is less likely that these Excluded Businesses may compete with the hotel businesses of the Group. The INED Committee considered the interest of public and decided not to acquired the Excluded Businesses.

The Excluded Businesses are operated and managed by companies with independent management and administration. On this basis, the Directors believe that the Group is capable of carrying on its businesses independently of the Excluded Businesses and at arm’s length from the Excluded Businesses.

The Directors, including those interested in the Excluded Businesses, will, as and when required under the Company’s articles and association and the Company’s Corporate Governance Statement of Policy, abstain from voting on any resolution of the Board in respect of any contract, arrangement or proposal in which he or any of his associates has a material interest.

Connected Transactions

Pursuant to Chapter 14A of the Listing Rules, the following connected transactions require disclosure in the annual report of the Company. The connected transactions which also constitute significant related party transactions are set out in note 37 to the consolidated accounts.

Provision of golf facilities by Zhongshan Changjiang Golf and Country Club to members of the Group (the “Golf Services Arrangement”)

On 1 September 2005, the Company and Zhongshan Changjiang Golf & Country Club entered into an agreement pursuant to which Zhongshan Changjiang Golf & Country Club agreed to provide golf facilities to members of the Group from time to time. The agreement is for the period commencing on the date of the proposed listing and ending on 31 December 2007.

The arrangement involves the provision of golf facilities to staff members and business associates of the Group, including suppliers, contractors and customers of the Group.

For each of the four years ended 31 December 2003, 2004, 2005 and 2006 fees paid to Zhongshan Changjiang Golf & Country Club amounted to approximately RMB127,154, RMB1,646,099, RMB1,970,000 and RMB3,593,000, respectively.

Report of the Directors

The proposed annual value of the above transactions will not exceed RMB2,000,000, RMB2,000,000, RMB2,000,000 for the three financial years ending 31 December 2005, 2006 and 2007 respectively (the “Golf Caps”). The Golf Caps are determined with reference to the historical transaction amounts and the anticipated increase in the transaction amounts in respect of the Golf Services Arrangement after the listing.

Zhongshan Changjiang Golf & Country Club is beneficially owned as to 19% by Chan Cheuk Yin, as to 13% by Chan Cheuk Hei, as to 13% by Chan Cheuk Hung, as to 13% by Chan Cheuk Nam, as to 17% by Luk Sin Fong, Fion and as to 25% by Chen Zhuo Lin, each an executive Director. Hence Zhongshan Changjiang Golf & Country Club is a connected person of the Company (as defined in the Listing Rules).

Such transactions for the year ended 31 December 2007 amounted to RMB1,559,000.

Since each of the percentage ratios (other than the profits ratio) under Chapter 14 of the Listing Rules is less than 0.1%, the transactions in respect of the Golf Services Arrangement for the years ending 31 December 2007 shall constitute continuing connected transactions for the Company under Rule 14A.33 of the Listing Rules which are exempted from the reporting, announcement and independent shareholders’ approval requirement.

The independent non-executive Directors reviewed the continuing connected transactions of Golf Services Arrangement (“Continuing Golf Connected Transactions”) and were of the opinion that:

- (a) the Continuing Golf Connected Transactions were applied to the HKEx for a waiver from strict compliance with the announcement requirement under Rule 14A.47 of the Listing Rules by the Company on 7 November 2005;
- (b) the Continuing Golf Connected Transactions had been:
 - (i) carried out in the ordinary and usual course of business of the Group;
 - (ii) conducted on normal commercial terms; and
 - (iii) entered into in accordance with the terms of the relevant engagement/commission agreements; and
- (c) the aggregate amount of the Continuing Golf Connected Transactions for the financial year ended 31 December 2007 did not exceed RMB2,000,000.

Based on the work performed, the auditor of the Company have confirmed that the Continuing Golf Connected Transactions (a) have been approved by the Board; (b) have been entered into in accordance with the terms of the relevant agreements governing the transactions; and (c) have not exceeded the caps allowed by the HKEx in the previous waiver.

Report of the Directors

Specific Performance Obligations of the Controlling Shareholder

As disclosed in the Company's announcement dated 27 June 2007, the Company as the borrower, have obtained a US\$200,000,000 dual-currency revolving credit facility for a term of 36 months from June 2007 (the "Facility") from a syndicate of banks under the respective several guarantees given by the subsidiaries of the Company. The Facility will be matured in June 2010.

In connection with the Facility, it will be an event of default if (i) Chen Zhuo Lin, Chan Cheuk Yin, Luk Sin Fong, Fion, Chan Cheuk Hung, Chan Cheuk Hei and Chan Cheuk Nam (collectively referred to as the "Controlling Shareholders") do not or cease to collectively own, directly or indirectly, at least 50% of the shares of, and equity interest, in the Company; and/or (ii) the Controlling Shareholders do not or cease to be entitled to exercise management control of the Company. In case of an occurrence of an event of default, the Facility Agreement may be terminated by the Agent, if directed by the majority lenders, and the loan may become immediately due and repayable.

Share Options

On 23 November 2005, the Company adopted a Share Option Scheme (the "Share Option Scheme"). No options have been granted under the Share Option Scheme since its adoption.

Pursuant to the Company's share option scheme approved by the shareholder 23 November 2005, the following is a summary of the Share Option Scheme disclosed in accordance with the Listing Rules:

1. Purpose of the Scheme:
 - a. motivate the Eligible Participants to optimise their performance efficiency for the benefit of the Group; and
 - b. attract and retain or otherwise maintain on-going business relationship with the Eligible Participants whose contributions are or will be beneficial to the long-term growth of the Group.
2. Participants of the Scheme:
 - a. any full-time or part-time employees, executives or officers of the Company or any of its subsidiaries;
 - b. any directors (including non-executive directors and independent non-executive directors) of the Company or any of its subsidiaries;
 - c. any advisors, consultants, suppliers, customers and agents to the Company or any of its Subsidiaries; and

Report of the Directors

- d. such other persons who, in the sole opinion of the Board, will contribute or have contributed to the Group, the assessment criteria of which are:
 - (i) contribution to the development and performance of the Group;
 - (ii) quality of work performed for the Group;
 - (iii) initiative and commitment in performing his/her duties; and
 - (iv) length of service or contribution to the Group.

3. Total number of shares available for issue under the Scheme and percentage of issued share capital at 31 December 2007:

The number of share options available for issue under the Scheme is 346,526,000 shares representing 9.25% of the issued share capital at 31 December 2007.

4. Maximum entitlement of each participant under the Scheme:

The maximum entitlement for each participant is that the total number of shares of the Company issued and to be issued upon exercise of the options granted to each participant (including both exercised, cancelled and outstanding options) in any 12-month period shall not exceed 1% of the total number of shares of the Company in issue. Any grant of further options above this limit shall be subject to certain requirements as stipulated in the rules of the Scheme.

5. The period within which the shares must be taken up under an option:

Commencing on the date of grant of an option and expiring at 10 years from that date.

6. The minimum period for which an option must be held before it can be exercised:

A grantee may be required to achieve any performance targets as the Board may then specify in the grant before any options granted under the Share Option Scheme can be exercised.

7. The amount payable on application or acceptance of the option and the period within which payments or calls must or may be made, or loans for such purposes must be paid:

Upon acceptance of the option, the grantee shall pay HK\$1.00 to the Company by way of consideration for the grant. Any offer to grant an option to subscribe for Shares may be accepted in respect of less than the number of Shares for which it is offered provided that it is accepted in respect of a board lot of dealing in Shares on the HKEx or an integral multiple thereof and such number is clearly stated in the duplicate offer document constituting acceptance of the option. To the extent that the offer to grant an option is not accepted by any prescribed acceptance date, it shall be deemed to have been irrevocably declined.

Report of the Directors

8. The basis of determining the exercise price:

The subscription price of a Share in respect of any particular option granted under the Share Option Scheme shall be such price as the Board in its absolute discretion shall determine, save that such price will not be less than the highest of:

- (i) the closing price of the Shares as stated in the HKEx's daily quotation sheets on the date of grant, which must be a day on which the HKEx is open for the business of dealing in securities;
- (ii) the average of the closing prices of the Shares as stated in the HKEx's daily quotation sheets for the five business days immediately preceding the date of grant; and
- (iii) the nominal value of a Share.

9. The remaining life of the scheme:

The Scheme is valid and effective for a period of 10 years, it commenced on 23 November 2005 and will expire on 22 November 2015.

No option has been grant under the Company's share option scheme from 23 November 2005 (date of adoption) to 31 December 2007.

Report of the Directors

Directors' Interests in Securities

As at 31 December, 2007, the interests and short positions of the Directors in the shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")) as recorded in the register required to be kept under section 352 of the SFO; or as otherwise notified to the Company and the HKEx pursuant to the Model Code for Securities Transactions by Directors of the Listed Issuers ("Model Code"), are set out below:

Name of Director	Company/ name of associated corporation	Personal Interests	Long positions in the shares of the Company			Total number of shares	Approximate shareholding percentage %
			Family Interests	Corporate Interests	Capacity		
Chen Zhuo Lin	Company	Nil	2,180,530,000	5,000,000 <i>(Note 1)</i>	Beneficiary of a trust/ Owner of controlled corporation	2,185,530,000	58.35
Chan Cheuk Yin	Company	Nil	2,180,530,000	Nil	Beneficiary of a trust	2,180,530,000	58.21
Luk Sin Fong, Fion	Company	Nil	2,180,530,000	5,000,000 <i>(Note 1)</i>	Beneficiary of a trust/ Owner of controlled corporation	2,185,530,000	58.35
Chan Cheuk Hung	Company	Nil	2,180,530,000	Nil	Beneficiary of a trust	2,180,530,000	58.21
Chan Cheuk Hei	Company	5,000,000 <i>(Note 2)</i>	2,180,530,000	Nil	Beneficial interests/ Beneficiary of a trust	2,185,530,000	58.35
Chan Cheuk Nam	Company	6,028,000	2,180,530,000	Nil	Beneficial interests/ Beneficiary of a trust	2,186,558,000	58.38

Notes:

- Such shares were held through a corporation, Brilliant Hero Capital Limited, which was owned by Mr. Chen Zhuo Lin and Ms. Luk Sin Fong, Fion, each of them hold 50% of shareholdings. Mr. Chen Zhuo Lin and Ms. Luk Sin Fong, Fion were deemed to have 50% beneficial interests in all these shares.
- The shares are jointly held by Mr. Chan Cheuk Hei and his spouse, Ms. Lu Yanping.

Management Contracts

No contract concerning the management and administration of the whole or any substantial part of the business of the Company was entered into or existed during the year.

Report of the Directors

Substantial Shareholders

As at 31 December 2007, the interests of those persons in the share capital of the Company as recorded in the register kept under the SFO were as follows:

Name of Shareholder	Capacity	Number and class of securities		Total	Approximate shareholding percentage %
Top Coast Investment Limited	Trustee	2,180,530,000(L)	2,180,530,000(L)		58.21
Zheng Huiqiong	Family Interests (note 1)	2,180,530,000(L)	2,180,530,000(L)		58.21
Lu Liqing	Family Interests (note 2)	2,180,530,000(L)	2,180,530,000(L)		58.21
Lu Yanping	Family Interests (note 3) Beneficial Interests (note 4)	2,180,530,000(L) 5,000,000(L)	2,185,530,000(L)		58.35
Chan Siu Na	Family Interests (note 5)	2,180,530,000(L)	2,180,530,000(L)		58.21
UBS AG	Beneficial Interests	202,678,315(L)	241,085,321(L)		6.44
	Security Interests	27,958,996(L)			
	Interests of Controlled Corporation (note 6)	10,448,010(L)			
	Beneficial Interests	126,955,046(S)	141,229,846(S)	3.82	
	Interests of Controlled Corporation (note 7)	14,274,800(S)			
JPMorgan Chase & Co.	Beneficial Interests	32,985,077(L)	191,409,333(L)		5.11
	Investments Manager	115,788,000(L)			
	Custodian (note 8)	42,636,256(L)			
	Beneficial Interests	8,886,000(S)			

(L) denotes long position

(S) denotes short position

Notes:

- Zheng Huiqiong, spouse of Chan Cheuk Yin, Director.
- Lu Liqing, spouse of Chan Cheuk Hung, Director.
- Lu Yanping, spouse of Chan Cheuk Hei, Director.
- The shares are jointly held by Lu Yanping and her spouse Chan Cheuk Hei, Director. Lu Yanping is deemed or taken to be interested in such shares.
- Chan Siu Na, spouse of Chan Cheuk Nam, Director.
- UBS AG was deemed to be interested in 10,184,500 shares and 263,510 shares held by UBS Securities LLC and UBS Global Asset Management Life Ltd. Respectively by virtue of its 100% interest therein.
- UBS AG was deemed to be interested in 10,184,500 shares, 2,620,300 shares and 1,470,000 shares held by UBS Securities LLC, UBS Global Asset Management (Hong Kong) Ltd and UBS O Connor LLC respectively by virtue of its 100% interest therein.
- JPMorgan Chase & Co. was deemed to be interested in total of 191,409,333 shares in long position and 8,886,000 shares in short position.
 - JPMorgan Chase Bank, N.A. held 49,254,256 shares in the Company. JPMorgan Chase Bank, N.A. was a wholly-owned subsidiary of JPMorgan Chase & Co.
 - J.P.Morgan Investment Management Inc. held 18,414,000 shares in the Company. J.P.Morgan Investment Management Inc. was a wholly-owned subsidiary of JPMorgan Asset Management Holdings Inc.. JPMorgan Asset Management Holdings Inc. was a wholly-owned subsidiary of JPMorgan Chase & Co.

Report of the Directors

- iii. *J.P.Morgan Whitefriars Inc. held 32,985,077 shares in long position and 8,112,000 shares in short position in the Company. J.P.Morgan Whitefriars Inc. was a wholly-owned subsidiary of J.P.Morgan Overseas Capital Corporation. J.P.Morgan Overseas Capital Corporation was a wholly-owned subsidiary of J.P.Morgan International Finance Limited. J.P.Morgan International Finance Limited was a wholly-owned subsidiary of Bank One International Holdings Corporation. Bank One International Holdings Corporation was a wholly-owned subsidiary of J.P.Morgan International Inc.. J.P.Morgan International Inc. was a wholly-owned subsidiary of JPMorgan Chase Bank, N.A.. JPMorgan Chase Bank, N.A. was a wholly-owned subsidiary of JPMorgan Chase & Co.*
- iv. *JPMorgan Asset Management (Japan) Limited held 2,044,000 shares in the Company. JPMorgan Asset Management (Japan) Limited was a wholly-owned subsidiary of JPMorgan Asset Management (Asia) Inc..*
- v. *JPMorgan Asset Management (Canada) Inc. held 2,352,000 shares in the Company.*
- vi. *JPMorgan Asset Management (UK) Limited held 86,218,000 shares in the Company. JPMorgan Asset Management (UK) Limited was a wholly-owned subsidiary of JPMorgan Asset Management Holdings (UK) Limited. JPMorgan Asset Management Holdings (UK) Limited was a wholly-owned subsidiary of JPMorgan Asset Management International Limited.*
- vii. *JPMorgan Asset Management (London) Limited held 142,000 shares in the Company. JPMorgan Asset Management (London) Limited was a wholly-owned subsidiary of JPMorgan Asset Management (UK) Limited.*
- viii. *JPMorgan International Derivatives Ltd. held 774,000 short position shares in the Company. JPMorgan International Derivatives Ltd. was a wholly-owned subsidiary of J.P.Morgan International Finance Limited.*

Biography of Directors and Senior Management

Biography of Directors and senior management are set out on pages 81 to 84.

Purchase, Sale or Redemption of Listed Shares

During the year ended 31 December 2007, the Company had not redeemed, and neither the Company nor any of its subsidiaries had purchased or sold any of the Company's listed shares.

Pre-emptive Rights

No pre-emptive rights exist in Cayman Islands being the jurisdiction in which the Company is incorporated.

Model Code for Securities Transactions by Directors

The Company adopted the code of conduct regarding securities transactions by directors as set out in Appendix 10 to the Listing Rules during the year under review and all Directors have complied with the required standard of dealings set out therein.

Interests of any other Persons

As at 31 December 2007, the Company had been notified of any persons other than the substantial shareholders who had interests or short positions in the shares or underlying shares of the Company, which are required to be recorded in the register required to be kept under Section 336 of Part XV of the Securities and Futures Ordinance.

Corporate Governance

Principal corporate governance practices adopted by the Company are set out in the Corporate Governance Report.

Report of the Directors

Audit Committee

The audit committee is composed of all the three independent non-executive Directors. The audit committee has reviewed with the management the accounting principles and practices adopted by the Group and discussed internal controls and financial reporting matters including a review of the audited consolidated accounts for the year ended 31 December 2007.

Sufficiency of Public Float

Based on the information that is publicly available to the Company and within the knowledge of its Directors, the Directors confirm that the Company has maintained during the year under review the amount of public float as required under the Listing Rules.

Auditor

The financial statements for the year have been audited by PricewaterhouseCoopers. A resolution for the re-appointment of PricewaterhouseCoopers as the Company's auditor for the ensuing year will be proposed at the forthcoming annual general meeting.

On behalf of the Board

CHEN Zhuo Lin

Chairman


Hong Kong, 18 April 2008

A scenic view of a resort building with a swimming pool and palm trees. The building is a large, multi-story structure with a red-tiled roof and yellow walls. The pool is in the foreground, and there are many palm trees and other tropical plants around it. The sky is blue and clear.

Financial Section

106	Independent Auditor's Report
108	Consolidated Balance Sheet
109	Balance Sheet
110	Consolidated Income Statement
111	Consolidated Statement of Changes in Equity
112	Consolidated Cash Flow Statement
113	Notes to the Consolidated Accounts
160	Five-year Financial Summary

Independent Auditor's Report

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To the shareholders of AGILE PROPERTY HOLDINGS LIMITED

(incorporated in the Cayman Islands with limited liability)

We have audited the consolidated accounts of Agile Property Holdings Limited (the "Company") and its subsidiaries (together, the "Group") set out on pages 108 to 159, which comprise the consolidated and company balance sheets as at 31 December 2007, and the consolidated income statement, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Directors' responsibility for the accounts

The directors of the Company are responsible for the preparation and the true and fair presentation of these consolidated accounts in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants and the disclosure requirements of the Hong Kong Companies Ordinance. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and the true and fair presentation of accounts that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express an opinion on these consolidated accounts based on our audit and to report our opinion solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the accounts are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the accounts. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the accounts, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and true and fair presentation of the accounts in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of

Independent Auditor's Report

expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the accounts.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated accounts give a true and fair view of the state of affairs of the Company and of the Group as at 31 December 2007 and of the Group's profit and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, 18 April 2008

Consolidated Balance Sheet

	Note	As at 31 December	
		2007	2006
ASSETS			
Non-current assets			
Property, plant and equipment	6	127,798	92,937
Land use rights	7	5,384,418	3,369,449
Intangible assets	8	3,152	2,679
Deferred income tax assets	20	33,100	29,417
		5,548,468	3,494,482
Current assets			
Land use rights	7	3,584,556	1,595,927
Properties under development	10	4,661,599	2,209,242
Completed properties held for sale	11	1,740,137	1,410,022
Trade and other receivables	12	1,056,880	591,329
Prepayments for acquisition of land use rights	13	6,004,034	2,383,092
Prepayments for acquisition of subsidiaries	14	2,164,771	—
Restricted cash	15	1,362,945	605,150
Cash and cash equivalents	16	2,582,513	5,194,508
		23,157,435	13,989,270
Total assets		28,705,903	17,483,752
EQUITY			
Capital and reserves attributable to the shareholders of the Company			
Share capital and premium	17	5,102,222	5,102,222
Other reserves	18	684,062	554,725
Retained earnings			
– Proposed final dividend		514,058	258,451
– Unappropriated retained earnings		2,714,555	1,454,133
		9,014,897	7,369,531
Minority interests		18,808	14,659
Total equity		9,033,705	7,384,190
LIABILITIES			
Non-current liabilities			
Borrowings	19	6,647,311	4,708,442
Deferred income tax liabilities	20	833,298	579,472
		7,480,609	5,287,914
Current liabilities			
Borrowings	19	1,375,100	651,200
Trade and other payables	21	8,428,464	3,100,630
Current income tax liabilities	22	2,388,025	1,059,818
		12,191,589	4,811,648
Total liabilities		19,672,198	10,099,562
Total equity and liabilities		28,705,903	17,483,752
Net current assets		10,965,846	9,177,622
Total assets less current liabilities		16,514,314	12,672,104

Chen Zhuo Lin
Director

Luk Sin Fong, Fion
Director

The notes on pages 113 to 159 are an integral part of these accounts.

Balance Sheet

	Note	As at 31 December	
		2007	2006
ASSETS			
Non-current assets			
Investments in subsidiaries	40	448,520	448,520
Current assets			
Amounts due from subsidiaries	12	10,598,333	4,736,980
Other receivables and prepayments	12	28,424	1,356
Restricted cash	15(d)	778,675	301,539
Cash and cash equivalents	16	1,140,307	3,476,500
		12,545,739	8,516,375
Total assets		12,994,259	8,964,895
EQUITY			
Capital and reserves attributable to the Company's shareholders			
Share capital and premium	17	5,102,222	5,102,222
Other reserves	18	427,512	427,512
Retained earnings			
— Proposed final dividend	30	514,058	258,451
— Unappropriated retained earnings	30	51,005	14,286
Total equity		6,094,797	5,802,471
LIABILITIES			
Non-current liabilities			
Borrowings	19	2,851,641	3,045,442
Current liabilities			
Borrowings	19	342,350	—
Amounts due to subsidiaries	21	2,420,283	30,283
Other payables and accruals	21	1,285,188	86,588
Current income tax liabilities	22	—	111
		4,047,821	116,982
Total liabilities		6,899,462	3,162,424
Total equity and liabilities		12,994,259	8,964,895

Chen Zhuo Lin
Director

Luk Sin Fong, Fion
Director

The notes on pages 113 to 159 are an integral part of these accounts.

Consolidated Income Statement

	Note	Year ended 31 December	
		2007	2006
Turnover	5	10,312,324	6,675,156
Cost of sales		(5,105,342)	(3,818,204)
Gross profit		5,206,982	2,856,952
Selling and marketing costs		(326,908)	(217,479)
Administrative expenses		(381,731)	(206,667)
Other income	24	140,036	124,862
Exchange losses, net	23	(70,506)	(76,073)
Other expenses		(50,143)	(9,195)
Operating profit		4,517,730	2,472,400
Finance costs	28	(63,216)	(48,474)
Profit before income tax		4,454,514	2,423,926
Income tax expenses	29	(2,343,729)	(1,173,418)
Profit for the year		2,110,785	1,250,508
Attributable to:			
Shareholders of the Company		2,102,824	1,242,488
Minority interests		7,961	8,020
		2,110,785	1,250,508
Basic and diluted earnings per share for profit attributable to the shareholders of the Company during the year (expressed in Renminbi per share)	31	0.561	0.355
Dividends	32	713,065	436,756

Consolidated Statement of Changes in Equity

	Attributable to the shareholders of the Company					
	Share capital and premium (note 17)	Other reserves (note 18)	Retained earnings	Total	Minority interests	Total equity
Balance at 1 January 2006	3,200,176	496,525	807,508	4,504,209	5,916	4,510,125
Transfer to statutory reserve and enterprise expansion fund	—	58,200	(58,200)	—	—	—
Share placement	1,926,550	—	—	1,926,550	—	1,926,550
Share placement costs	(24,504)	—	—	(24,504)	—	(24,504)
Acquisition of subsidiaries	—	—	—	—	3,240	3,240
Profit for the year	—	—	1,242,488	1,242,488	8,020	1,250,508
Dividends	—	—	(279,212)	(279,212)	(2,517)	(281,729)
Balance at 31 December 2006	5,102,222	554,725	1,712,584	7,369,531	14,659	7,384,190
Balance at 1 January 2007	5,102,222	554,725	1,712,584	7,369,531	14,659	7,384,190
Transfer to statutory reserve and enterprise expansion fund	—	129,337	(129,337)	—	—	—
Profit for the year	—	—	2,102,824	2,102,824	7,961	2,110,785
Dividends (note 32)	—	—	(457,458)	(457,458)	(3,812)	(461,270)
Balance at 31 December 2007	5,102,222	684,062	3,228,613	9,014,897	18,808	9,033,705

Consolidated Cash Flow Statement

	Note	Year ended 31 December	
		2007	2006
Cash used in operations			
Cash used in operations	33	(3,865,572)	(3,452,846)
Interest paid		(525,309)	(104,439)
PRC enterprise income tax paid		(730,596)	(324,556)
PRC land appreciation tax paid		(110,342)	(48,179)
Net cash used in operating activities		(5,231,819)	(3,930,020)
Investing activities			
Acquisition of subsidiaries		(716,573)	(766,969)
Prepayments for acquisition of subsidiaries		(2,164,771)	—
Receipt in advance		3,607,863	—
Purchase of property, plant and equipment		(54,453)	(43,038)
Purchase of intangible assets		(1,310)	(2,767)
Payments of guarantee deposits		(477,136)	—
Interest received		101,777	100,256
Cash advances made to related parties		—	(171)
Repayments of cash advances from related parties		141	352
Net cash generated from/(used in) investing activities		295,538	(712,337)
Financing activities			
Proceeds from share placement		—	1,926,550
Share placement expenses		—	(24,504)
Proceeds from issuance of senior notes		—	3,167,520
Senior notes issuance cost		—	(81,416)
Proceeds from borrowings		3,397,020	1,850,000
Repayments of borrowings		(540,450)	(821,500)
Cash advances from related parties		—	1,985
Repayments of cash advances to related parties		(508)	(31,289)
Dividends paid to the shareholders of the Company		(457,458)	(279,212)
Dividends paid to minority interests		(3,812)	(398)
Net cash generated from financing activities		2,394,792	5,707,736
(Decrease)/increase in cash and cash equivalents		(2,541,489)	1,065,379
Cash and cash equivalents at beginning of year		5,194,508	4,205,202
Exchange losses on cash and cash equivalents		(70,506)	(76,073)
Cash and cash equivalents at end of the year	16	2,582,513	5,194,508

The notes on pages 113 to 159 are an integral part of these accounts.

Notes to the Consolidated Accounts

1. General information

Agile Property Holdings Limited (the “Company”) is a limited liability company incorporated in the Cayman Islands on 14 July 2005 and is principally engaged in investment holding. The address of its registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands. The Company and its subsidiaries (the “Group”) are principally engaged in property development in the People’s Republic of China (the “PRC”).

The Company’s shares were listed on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) on 15 December 2005.

These consolidated accounts were approved for issue by the Board of Directors on 18 April 2008.

2. Summary of significant accounting policies

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

2.1 Basis of preparation

The consolidated accounts of the Company have been prepared in accordance with Hong Kong Financial Reporting Standards (the “HKFRSs”) issued by Hong Kong Institute of Certified Public Accountants (the “HKICPA”). The consolidated accounts have been prepared under the historical cost convention.

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

(a) *Standards, amendments and interpretations effective in 2007*

HKFRS 7, “Financial instruments: Disclosures”, and the complementary amendment to HKAS 1, “Presentation of financial statements — Capital disclosures”, introduces new disclosures relating to financial instruments. The Group has assessed the impact of these new and revised standards and concluded that the main additional disclosures will be the capital disclosure required by these new and revised standards;

HK(IFRIC)-Int 8, “Scope of HKFRS 2”, requires consideration of transactions involving the issuance of equity instruments, where the identifiable consideration received is less than the fair value of the equity instruments issued in order to establish whether or not they fall within the scope of HKFRS 2. This standard does not have substantial impact on the Group’s accounting policies; and

Notes to the Consolidated Accounts

2. Summary of significant accounting policies (continued)

2.1 Basis of preparation (continued)

(a) *Standards, amendments and interpretations effective in 2007 (continued)*

HK(IFRIC)-Int 10, “Interim financial reporting and impairment”, prohibits the impairment losses recognised in an interim period on goodwill and investments in equity instruments and in financial assets carried at cost to be reversed at a subsequent balance sheet date. This standard does not have substantial impact on the Group’s accounting policies.

(b) *Standards, amendments and interpretations effective in 2007 but not relevant*

The following standards, amendments and interpretations to published standards are mandatory for accounting periods beginning on or after 1 January 2007 but they are not relevant to the Group’s operations:

- HK(IFRIC)-Int 7, “Applying the restatement approach under HKAS 29, Financial reporting in hyper-inflationary economies”; and
- HK(IFRIC)-Int 9, “Re-assessment of embedded derivatives”.

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

The following standards, amendments and interpretations to existing standards have been published and are mandatory for the Group’s accounting periods beginning on or after 1 March 2007 or later periods, but the Group has not early adopted them:

- HK(IFRIC)-Int 11, “HKFRS 2 – Group and treasury share transactions” (effective for annual period beginning on or after 1 March 2007), provides guidance on whether share-based transactions involving treasury shares or involving Group entities (for example, options over a parent’s shares) should be accounted for as equity-settled or cash-settled share-based payment transactions in the stand-alone accounts of the parent and Group companies. This interpretation does not have substantial impact on the Group’s accounting policies;
- HKAS 23 (Amendment), “Borrowing costs” (effective from 1 January 2009). The amendment requires an entity to capitalise borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset (one that takes a substantial period of time to get ready for use or sale) as part of the cost of that asset. The option of immediately expensing those borrowing costs will be removed. The Group will apply HKAS 23 (Amended) from 1 January 2009, but it is not expected to result in substantial impact on the Group’s accounting policies because the Group is already applying the capitalisation option on the borrowing costs for qualifying assets;

Notes to the Consolidated Accounts

2. Summary of significant accounting policies (continued)

2.1 Basis of preparation (continued)

(c) *Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Group (continued)*

- HKFRS 8, “Operating segments” (effective from 1 January 2009). HKFRS 8 replaces HKAS 14 and aligns segment reporting with the requirements of the US standard SFAS 131, “Disclosures about segments of an enterprise and related information”. The new standard requires a “management approach”, under which segment information is presented on the same basis as that used for internal reporting purposes. The Group will apply HKFRS 8 from 1 January 2009 but it is not expected to result in substantial impact on the Group’s accounting policies;
- HK(IFRIC)-Int 14, “HKAS 19 – The limit on a defined benefit asset, minimum funding requirements and their interaction” (effective from 1 January 2008). HK(IFRIC)-Int 14 provides guidance on assessing the limit in HKAS 19 on the amount of the surplus that can be recognised as an asset. It also explains how the pension asset or liability may be affected by a statutory or contractual minimum funding requirement. The Group will apply HK(IFRIC)-Int 14 from 1 January 2008. As the Group has no defined benefit plan, management does not expect the interpretation to be relevant to the Group;
- HKAS 27 (Revised) “Consolidated and Separate Financial Statements” (effective for annual period beginning on or after 1 July 2009). The amendment requires non-controlling interests (i.e. minority interests) to be presented in the consolidated statement of financial position within equity, separately from the equity of the owners of the parent. Total comprehensive income must be attributed to the owners of the parent and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance. Changes in a parent’s ownership interest in a subsidiary that do not result in the loss of control are accounted for within equity. When control of a subsidiary is lost, the assets and liabilities and related equity components of the former subsidiary are derecognised. Any gain or loss is recognised in profit or loss. Any investment retained in the former subsidiary is measured at its fair value at the date when control is lost. The Group will apply HKAS 27 (Revised) from 1 January 2010; and

Notes to the Consolidated Accounts

2. Summary of significant accounting policies (continued)

2.1 Basis of preparation (continued)

(c) *Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Group (continued)*

- HKFRS 3 (Revised) “Business Combination” (effective for business combinations with acquisition date on or after the beginning of the first annual reporting period beginning on or after 1 July 2009). The amendment may bring more transactions into acquisition accounting as combinations by contract alone and combinations of mutual entities are brought into the scope of the standard and the definition of a business has been amended slightly. It now states that the elements are “capable of being conducted” rather than “are conducted and managed”. It requires considerations (including contingent consideration), each identifiable asset and liability to be measured at its acquisition-date fair value, except leases and insurance contracts, reacquired right, indemnification assets as well as some assets and liabilities required to be measured in accordance with other HKFRSs. They are income taxes, employee benefits, share-based payment and non current assets held for sale and discontinued operations. Any non-controlling interest in an acquiree is measured either at fair value or at the non-controlling interest’s proportionate share of the acquiree’s net identifiable assets. The Group will apply HKFRS 3 (Revised) from 1 January 2010.

(d) *Interpretations to existing standards that are not yet effective and not relevant to the Group’s operations*

The following interpretations to existing standards have been published and are mandatory for the Group’s accounting periods beginning on or after 1 January 2008 or later periods but are not relevant to the Group’s operations:

- HK(IFRIC)-Int 12, “Service concession arrangements” (effective from 1 January 2008). HK(IFRIC)-Int 12 applies to contractual arrangements whereby a private sector operator participates in the development, financing, operation and maintenance of infrastructure for public sector services. HK(IFRIC)-Int 12 is not relevant to the Group’s operations because none of the Group’s companies provide for public sector services;
- HK(IFRIC)-Int 13, “Customer loyalty programmes” (effective from 1 July 2008). HK(IFRIC)-Int 13 clarifies that where goods or services are sold together with a customer loyalty incentive (for example, loyalty points or free products), the arrangement is a multiple-element arrangement and the consideration receivable from the customer is allocated between the components of the arrangement using fair values. HK(IFRIC)-Int 13 is not relevant to the Group’s operations because none of the Group’s companies operate any loyalty programmes;

Notes to the Consolidated Accounts

2. Summary of significant accounting policies (continued)

2.1 Basis of preparation (continued)

(d) *Interpretations to existing standards that are not yet effective and not relevant to the Group's operations (continued)*

- HKAS 1 (Revised), "Presentation of Financial Statements" (effective from 1 January 2009). HKAS 1 (Revised) requires all owner changes in equity to be presented in a statement of changes in equity. All comprehensive income is presented in one statement of comprehensive income or in two statements (a separate income statement and a statement of comprehensive income). It requires presenting a statement of financial position as at the beginning of the earliest comparative period in a complete set of financial statements when there are retrospective adjustments or reclassification adjustments. However, it does not change the recognition, measurement or disclosure of specific transactions and other events required by other HKFRSs. The Group will apply HKAS 1 (Revised) from 1 January 2009;
- HKAS 32 and HKAS 1 Amendments "Puttable Financial Instruments and Obligations Arising on Liquidation" (effective from 1 January 2009). The amendment requires some puttable financial instruments and some financial instruments that impose on the entity an obligation to deliver to another party a pro rata share of the net assets of the entity only on liquidation to be classified as equity. The Group will apply HKAS 32 and HKAS 1 Amendments from 1 January 2009, but it is not expected to have any impact on the Group's accounts; and
- HKFRS 2 Amendment "Share-based Payment Vesting Conditions and Cancellations" (effective from 1 January 2009). The amendment clarifies the definition of "vesting conditions" and specifies the accounting treatment of "cancellations" by the counterparty to a share-based payment arrangement. Vesting conditions are service conditions (which require a counterparty to complete a specified period of service) and performance conditions (which require a specified period of service and specified performance targets to be met) only. All "non-vesting conditions" and vesting conditions that are market conditions shall be taken into account when estimating the fair value of the equity instruments granted. All cancellations are accounted for as an acceleration of vesting and the amount that would otherwise have been recognised over the remainder of the vesting period is recognised immediately. The Group will apply HKFRS 2 Amendment from 1 January 2009, but it is not expected to have any impact on the Group's accounts.

Notes to the Consolidated Accounts

2. Summary of significant accounting policies (continued)

2.2 Consolidation

The consolidated accounts include the accounts of the Company and all of its subsidiaries made up to 31 December.

(a) *Subsidiaries*

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

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

The purchase method of accounting is used to account for the acquisition of subsidiaries by the Group. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any minority interest. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the income statement.

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

In the Company's balance sheet, the investments in subsidiaries are stated at cost less provision for impairment losses (note 2.7). The results of subsidiaries are accounted by the Company on the basis of dividend received and receivable.

(b) *Transactions with minority interests*

The Group applies a policy of treating transactions with minority interests as transactions with parties external to the Group. Disposals to minority interests result in gains and losses for the Group that are recorded in the consolidated income statement. Purchases from minority interests result in goodwill, being the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary.

Notes to the Consolidated Accounts

2. Summary of significant accounting policies (continued)

2.3 Segment reporting

A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different from those of other business segments. A geographical segment is engaged in providing products or services within a particular economic environment that are subject to risks and returns that are different from those of segments operating in other economic environments.

2.4 Foreign currency translation

(a) *Functional and presentation currency*

Items included in the accounts of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated accounts are presented in Renminbi (the "RMB"), which is the Company's functional and presentation currency.

(b) *Transactions and balances*

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

(c) *Group companies*

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

- Assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
- Income and expenses for each income statement are translated at average exchange rates; and
- All resulting exchange differences are recognised as a separate component of equity.

On consolidation, exchange differences arising from the translation of the net investment in foreign operations, and of borrowings and other currency instruments designated as hedges of such investments, are taken to shareholders' equity. When a foreign operation is partially disposed of or sold, exchange differences that were recorded in equity are recognised in the income statement as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

Notes to the Consolidated Accounts

2. Summary of significant accounting policies (continued)

2.5 Property, plant and equipment

Property, plant and equipment are stated at historical cost less depreciation and any impairment loss. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Property, plant and equipment mainly comprise motor vehicles and office equipment.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the consolidated income statement during the period in which they are incurred.

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

Buildings	20 years
Office equipment	5–8 years
Motor vehicles	5–10 years
Machinery	5–10 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised with other (losses)/gains – net in the income statement.

2.6 Intangible assets

Intangible assets mainly comprise acquired software license. Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful lives (two to five years).

2.7 Impairment of assets

Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating unit).

Notes to the Consolidated Accounts

2. Summary of significant accounting policies (continued)

2.8 Financial assets

The Group classifies its financial assets as loans and receivables. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition and re-evaluates this designation at every reporting date.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for those with maturities greater than 12 months after the balance sheet date which are classified as non-current assets. Loans and receivables are classified as “trade and other receivables” and “cash and cash equivalents” in the balance sheet. Loans and receivables are carried at amortised cost using the effective interest method.

Impairment testing of trade and other receivables is described in note 2.11.

2.9 Properties under development

Properties under development are stated at the lower of cost and net realisable value. Net realisable value takes into account the price ultimately expected to be realised, less applicable variable selling expenses and the anticipated costs to completion.

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

Properties under development are classified as current assets unless those will be realised beyond one normal operating cycle from the balance sheet.

2.10 Completed properties held for sale

Completed properties remaining unsold at the end of the year are stated at the lower of cost and net realisable value.

Cost comprises development costs attributable to the unsold properties.

Net realisable value is determined by reference to the sale proceeds of properties sold in the ordinary course of business, less applicable variable selling expenses, or by management estimates based on prevailing marketing conditions.

2.11 Trade and other receivables

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of trade and other receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of the provision is recognised in the income statement.

Notes to the Consolidated Accounts

2. Summary of significant accounting policies (continued)

2.12 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less.

2.13 Trade and other payables

Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using effective interest method.

2.14 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of a financial asset or financial liability, including fees and commissions paid to agents, advisers, brokers and dealers, levies by regulatory agencies and securities exchanges, and transfer taxes and duties. Borrowings are subsequently stated at amortised cost, and difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

Borrowing costs incurred for the construction of any qualifying assets are capitalised during the period of time that is required to complete and prepare the asset for its intended use.

2.15 Current and deferred income tax

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

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated accounts. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using the tax rates that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

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

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

Notes to the Consolidated Accounts

2. Summary of significant accounting policies (continued)

2.16 Employee benefits

(i) *Employee leave entitlements*

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

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

(ii) *Pension obligations*

The Group participates in a defined contribution scheme administrated by the relevant authority of the PRC.

Contributions to the schemes are calculated as a percentage of employees' salaries. The Group's contributions to the defined contribution retirement scheme are expensed as incurred.

(iii) *Termination benefits*

Termination benefits are payable when employment is terminated before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits when it is demonstrably committed to either: terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal; or providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after balance sheet date are discounted to present value.

2.17 Provisions

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

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

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



Notes to the Consolidated Accounts

2. Summary of significant accounting policies (continued)

2.18 Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of properties and services in the ordinary course of the Group's activities. Revenue is shown net of discount and after eliminating revenue made between the Group entities. Revenue is recognised as follows:

(i) *Sales of properties*

Revenue from sales of properties is recognised when a Group entity has delivered the relevant properties to the purchaser and collectibility of related receivable is reasonably assured. Deposits and installments received on properties sold prior to the date of revenue recognition are included in the balance sheets under current liabilities.

(ii) *Property management*

Revenue arising from property management is recognised in the accounting period in which the services are rendered.

(iii) *Decoration services*

Revenue from decoration service is recognised in the accounting period in which the services are rendered.

(iv) *Interest income*

Interest income is recognised on a time-proportion basis using the effective interest method. When a receivable impaired, the Group reduces the carrying amount to its recoverable amount, being the estimated future cashflow discounted at original effective interest rate of the instrument, and continues unwinding the discount as interest income. Interest income on impaired loans is recognised using the original effective interest rate.

2.19 Leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases.

(i) *The Group is the lessee*

Payments made under operating leases (net of any incentives received from the lessor), including up-front prepayment made for the land use rights, are charged to the income statement or capitalised in the properties under development (note 2.9) on a straight-line basis over the period of the lease.

(ii) *The Group is the lessor*

Assets leased out under operating leases are included in property, plant and equipment in the balance sheet. They are depreciated over their expected useful lives on a basis consistent with similar owned property, plant and equipment.

Notes to the Consolidated Accounts

2. Summary of significant accounting policies (continued)

2.20 Dividend distribution

Dividend distribution to the equity holders of the subsidiaries and the Company's shareholders is recognised as a liability in the Group's accounts in the period in which the dividends are approved by the equity holders or shareholders of relevant companies.

2.21 Insurance contracts

An insurance contract is a contract under which one party (the insurer) accepts significant insurance risk from another party (the policyholder) by agreeing to compensate the policyholder if a specified uncertain future event (the insured event) adversely affects the policyholder. Insurance risk is a pre-existing risk transferred from the policyholder to the insurer, and is significant only if an insured event could cause an insurer to pay significant additional benefits in any scenario, excluding scenarios that lack commercial substance (i.e. have no discernible effect on the economics of the transaction).

The Group assesses at each reporting date whether its recognised insurance liabilities are adequate, using current estimates of future cash flows under its insurance contracts. If that assessment shows that the carrying amount of its insurance liabilities is inadequate in the light of the estimated future cash flows, the entire deficiency is recognised in the consolidated income statement.

The Group regards its financial guarantee contracts provided in respect of mortgage facilities for certain property purchasers as insurance contracts.

3. Financial risk management

The Group conducts its operations in the PRC and accordingly is subject to special considerations and significant risks. These include risks associated with, among others, the political, economic and legal environment, influence of national authorities over pricing regulation and competition in the industry.

3.1 Financial risk factor

(i) Foreign exchange risk

The Group's businesses are principally conducted in RMB, except that certain receipts of proceeds from sales of properties are in other foreign currencies. As at 31 December 2007, major non-RMB assets and liabilities are cash and cash equivalents, senior notes, syndicated loans dominated in HK dollar ("HK\$") and US dollar ("US\$"). Fluctuation of the exchange rates of RMB against foreign currencies could affect the Group's results of operations. Given the general expectations about the strengthening of RMB, the Group has not entered into any forward exchange contracts to hedge its exposure to foreign exchange risk.

Notes to the Consolidated Accounts

3. Financial risk management (continued)

3.1 Financial risk factor (continued)

(i) Foreign exchange risk (continued)

The carrying amount of the Group's and the Company's foreign currency denominated monetary assets and monetary liabilities at the respective balance sheet dates are as follows:

	Group		Company	
	2007	2006	2007	2006
Assets				
– HK\$	1,700,231	2,433,003	1,211,282	2,149,586
– US\$	712,306	1,628,968	707,699	1,628,453
	2,412,537	4,061,971	1,918,981	3,778,039
Liabilities				
– HK\$	342,350	–	342,350	–
– US\$	2,922,805	3,123,208	2,922,805	3,123,208
	3,265,155	3,123,208	3,265,155	3,123,208

The following table shows the sensitivity analysis of a 5% change in RMB against the relevant foreign currencies. The sensitivity analysis includes only foreign currency denominated monetary items and adjusts their translation at the year end for a 5% change in foreign currency rates. If there is a 5% increase in RMB against the relevant currencies, the effect in the profit for the year is as follows:

	Group		Company	
	2007	2006	2007	2006
HK\$				
– Decrease in profit for the year	(67,894)	(121,650)	(43,447)	(107,479)
US\$				
– Increase in profit for the year	110,525	74,712	110,755	74,738

(ii) Interest rate risk

The Group's income and operating cash flows are substantially independent of changes in market interest rates. The Group has no significant interest-bearing assets. The Group's exposure to changes in interest rates is mainly attributable to its borrowings. Borrowings at variable rates expose the Group to cash flow interest-rate risk.

As at 31 December 2007 and 2006, if interest rates on borrowings had been 1% higher/lower with all other variables held constant, profit for the years ended 31 December 2007 and 2006 would have been RMB22,086,000 and RMB12,757,000 lower/higher respectively, mainly as a result of higher/lower interest expense on floating rate borrowings.

Notes to the Consolidated Accounts

3. Financial risk management (continued)

3.1 Financial risk factor (continued)

(iii) Credit risk

The Group is exposed to credit risk in relation to its trade and other receivables, and cash deposits with banks.

The carrying amounts of trade and other receivables, restricted cash, cash and cash equivalents represent the Group's maximum exposure to credit risk in relation to financial assets.

To manage this risk, deposits are mainly placed with state-owned financial institutions and reputable banks which are all high-credit-quality financial institutions. For the trade receivables arisen from sales of properties, the Group managed the credit risk by fully receiving cash before delivery of properties or within six months after delivery of properties. The Group has policies in place to ensure that sales are made to purchasers with an appropriate financial strength and appropriate percentage of down payments. It also has other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews regularly the recoverable amount of each individual trade receivables to ensure that adequate impairment losses are made for irrecoverable amounts. The Group has no significant concentrations on credit risk, with exposure spread over a number of counterparties and customers.

The Group typically provides guarantees to banks in connection with the customers' borrowing of mortgage loans to finance their purchase of properties for an amount up to 70% of the total purchase price of the property. If a purchaser defaults on the payment of its mortgage during the term of the guarantee, the bank holding the mortgage may demand the Group to repay the outstanding amount under the loan and any accrued interest thereon. Under such circumstances, the Group is able to retain the customer's deposit and sell the property to recover any amounts paid by the Group to the bank. In this regard, the directors of the Company consider that the Group's credit risk is significantly reduced.

The Group has arranged bank financing for certain purchasers of property units and provided guarantees to secure obligations of such purchasers for repayments. Detailed disclosure of these guarantees is made in note 34.

No credit limits were exceeded during the reporting period, and management does not expect any losses from non-performance by these counterparties.

Notes to the Consolidated Accounts

3. Financial risk management (continued)

3.1 Financial risk factor (continued)

(iv) Liquidity risk

Management of the Group aims to maintain sufficient cash and cash equivalents or have available funding through an adequate amount of available financing, including proceeds from pre-sale of properties, committed credit facilities and short-term and long-term loans to meet its construction commitments.

The table below analyses the Group's financial liabilities that will be settled on a net basis into relevant maturity grouping based on the remaining period at the balance sheet to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
At 31 December 2006				
Bank borrowings	770,804	346,693	1,442,353	—
Senior notes	290,202	290,202	870,605	3,562,340
Trade and other payables excluding receipt in advance	2,609,319	—	—	—
At 31 December 2007				
Bank borrowings	1,339,347	1,988,073	2,150,517	—
Senior notes	270,474	270,474	811,421	3,060,393
Syndicated loans	343,760	—	—	—
Trade and other payables excluding receipt in advance	4,380,375	—	—	—

Notes to the Consolidated Accounts

3. Financial risk management (continued)

3.1 Financial risk factor (continued)

(v) Capital risk

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

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

Consistent with others in the industry, the Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by equity attributable to the shareholders of the Company. Net debt is calculated as total borrowings (including current and non-current borrowings as shown in the consolidated balance sheet) less cash and cash equivalents.

	2007	2006
Total borrowings (including amount due to related parties)	8,026,500	5,364,239
Less: Cash and cash equivalents (note 16)	(2,582,513)	(5,194,508)
Net debt	5,443,987	169,731
Equity attributable to the shareholders of the Company	9,014,897	7,369,531
Gearing ratio	60.3%	2.3%

The increase in the gearing ratio during 2007 resulted primarily from the increase in bank borrowings to finance the Group's property developments.

3.2 Fair value estimation

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. The Group uses a variety of methods and makes assumptions that are based on market conditions existing at each balance sheet date. Quoted market prices or dealer quotes for similar instruments are used for long-term debt. Other techniques, such as estimated discounted cash flows, are used to determine fair value of the remaining financial instruments.

The carrying value less impairment provisions of trade receivables and payables are reasonable approximation of their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.

Notes to the Consolidated Accounts

4. Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(a) Current taxation and deferred taxation

The Group is subject to income taxes in the PRC. Significant judgement is required in determining the amount of the provision for taxation and the timing of payment of the related taxations. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

Deferred tax assets relating to certain temporary differences and tax losses are recognised as management considers it is probable that future taxable profit will be available against which the temporary differences or tax losses can be utilised. Where the expectation is different from the original estimate, such differences will impact the recognition of deferred assets and income tax expenses in the periods in which such estimate is changed.

(b) Land appreciation taxes

PRC land appreciation tax is levied at progressive rates ranging from 30% to 60% on the appreciation of land value, being the proceeds of sales of properties less deductible expenditures including amortisation of land use rights, borrowing costs and all property development expenditures.

The subsidiaries of the Group engaging in property development business in the PRC are subject to land appreciation taxes, which have been included in the income tax expenses. However, the implementation of these taxes varies amongst various PRC cities and the Group has not finalised its land appreciation tax returns with various tax authorities. Accordingly, significant judgement is required in determining the amount of land appreciation and its related taxes. The Group recognises these liabilities based on management's best estimates. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax expenses and provisions of land appreciation taxes in the period in which such determination is made.

Notes to the Consolidated Accounts

5. Segment information

The Group is organised into three business segments: property development, property management and decoration. As less than 10% of the Group's consolidated turnover and results are attributable to the market outside the PRC, and less than 10% of the Group's consolidated assets are located outside the PRC, no geographical segment information is presented.

Analysis of turnover by category for the years ended 31 December 2007 and 2006 is as follows:

	2007	2006
Property development	10,147,023	6,544,706
Property management and related services	165,301	130,450
	10,312,324	6,675,156

Segment results and capital expenditure for the years ended 31 December 2007 and 2006 are as follows:

Year ended 31 December 2007

	Property development	Property management	Decoration	Elimination	Group
Gross segment turnover	10,147,023	187,395	127,288	—	10,461,706
Inter-segment turnover	—	(22,094)	(127,288)	—	(149,382)
Turnover	10,147,023	165,301	—	—	10,312,324
Segment results	4,495,317	969	35,587	(14,143)	4,517,730
Finance costs (note 28)					(63,216)
Profit before income tax					4,454,514
Income tax expenses (note 29)					(2,343,729)
Profit for the year					2,110,785
Segment assets	28,738,721	121,716	101,441	(255,975)	28,705,903
Segment liabilities	19,691,522	152,582	62,716	(234,622)	19,672,198
Capital expenditure	52,915	3,287	407	—	56,609
Depreciation	12,176	6,534	826	—	19,536
Amortisation of land use rights and intangible assets	122,221	20	—	—	122,241

Notes to the Consolidated Accounts

5. Segment information (continued)

Year ended 31 December 2006

	Property development	Property management	Decoration	Elimination	Group
Gross segment turnover	6,544,706	158,960	83,286	—	6,786,952
Inter-segment turnover	—	(28,510)	(83,286)	—	(111,796)
Turnover	6,544,706	130,450	—	—	6,675,156
Segment results	2,463,107	(229)	18,682	(9,160)	2,472,400
Finance costs (note 28)					(48,474)
Profit before income tax					2,423,926
Income tax expenses (note 29)					(1,173,418)
Profit for the year					1,250,508
Segment assets	17,485,299	198,060	71,201	(270,808)	17,483,752
Segment liabilities	10,116,982	218,226	26,445	(262,091)	10,099,562
Capital expenditure	22,330	24,908	2,220	(2,540)	46,918
Depreciation	9,674	5,373	930	—	15,977
Amortisation of land use rights and intangible assets	44,068	45	—	—	44,113

Notes to the Consolidated Accounts

6. Property, plant and equipment – Group

	Buildings	Motor vehicles	Office equipment	Machinery	Total
At 1 January 2006					
Cost	6,720	67,587	19,604	14,503	108,414
Accumulated depreciation	(475)	(26,763)	(9,032)	(6,256)	(42,526)
Net book amount	6,245	40,824	10,572	8,247	65,888
Year ended 31 December 2006					
Opening net book amount	6,245	40,824	10,572	8,247	65,888
Acquisition of subsidiaries	—	—	1,113	—	1,113
Additions	22,641	12,651	5,926	1,820	43,038
Disposals (note 33)	—	(177)	(908)	(40)	(1,125)
Depreciation (note 25)	(471)	(10,224)	(2,127)	(3,155)	(15,977)
Closing net book amount	28,415	43,074	14,576	6,872	92,937
At 31 December 2006					
Cost	29,361	78,136	25,597	16,139	149,233
Accumulated depreciation	(946)	(35,062)	(11,021)	(9,267)	(56,296)
Net book amount	28,415	43,074	14,576	6,872	92,937
Year ended 31 December 2007					
Opening net book amount	28,415	43,074	14,576	6,872	92,937
Acquisition of subsidiaries (note 36)	—	494	352	—	846
Additions	8,947	23,789	15,435	6,282	54,453
Disposals (note 33)	—	(592)	(183)	(127)	(902)
Depreciation (note 25)	(1,323)	(12,958)	(850)	(4,405)	(19,536)
Closing net book amount	36,039	53,807	29,330	8,622	127,798
At 31 December 2007					
Cost	38,308	101,185	40,666	21,980	202,139
Accumulated depreciation	(2,269)	(47,378)	(11,336)	(13,358)	(74,341)
Net book amount	36,039	53,807	29,330	8,622	127,798

Depreciation expenses were charged to the following categories in the consolidated income statement:

	2007	2006
Cost of sales	6,848	6,268
Selling and marketing costs	3,067	3,157
Administrative expenses	9,621	6,552
	19,536	15,977

Notes to the Consolidated Accounts

7. Land use rights — Group

	2007	2006
Opening	4,965,376	1,530,340
Acquisition of subsidiaries	697,393	829,786
Additions	4,206,029	3,142,137
Amortisation		
– Capitalised in properties under development	(45,847)	(3,413)
– Recognised as expenses (note 25)	(75,557)	(39,824)
Transfer to cost of sales	(778,420)	(493,650)
	8,968,974	4,965,376
Amounts to be realised within one normal operating cycle included under current assets	(3,584,556)	(1,595,927)
	5,384,418	3,369,449
Outside Hong Kong, held on leases of:		
Over 50 years	8,717,817	4,957,936
Between 10 to 50 years	251,157	7,440
	8,968,974	4,965,376

Land use rights comprise cost of acquiring rights to use certain land, which are all located in the PRC, mainly for property development over fixed periods. Cost of prepaid lease for land use rights is amortised on a straight-line basis over the unexpired of the rights and the remaining carrying amount is recognised as cost of sales when the relevant properties are sold.

As at 31 December 2007, land use rights of RMB956,168,000 (2006: RMB566,936,000) were pledged as collateral for the Group's borrowings.

8. Intangible assets — Group

Intangible assets mainly comprised acquired computer software licenses:

	2007	2006
Opening net book amount	2,679	788
Additions	1,310	2,767
Amortisation (note 25)	(837)	(876)
Closing net book amount	3,152	2,679
Cost	5,305	3,995
Accumulated amortisation	(2,153)	(1,316)
Net book amount	3,152	2,679

Notes to the Consolidated Accounts

9. Financial instruments by category

The accounting policies for financial instruments have been applied to the line items below:

Group

Assets as per consolidated balance sheet	Loans and receivables
31 December 2007	
Trade receivables (note 12)	799,332
Receivables from third parties and related parties (note 12)	232,763
Restricted cash (note 15)	1,362,945
Cash and cash equivalents (note 16)	2,582,513
Total	4,977,553
31 December 2006	
Trade receivables (note 12)	470,584
Receivables from third parties and related parties (note 12)	74,244
Restricted cash (note 15)	605,150
Cash and cash equivalents (note 16)	5,194,508
Total	6,344,486
Liabilities as per consolidated balance sheet	Other financial liabilities
31 December 2007	
Borrowings (note 19)	8,022,411
Trade and other payables excluding receipt in advance	4,380,375
	12,402,786
31 December 2006	
Borrowings (note 19)	5,359,642
Trade and other payables excluding receipt in advance	2,609,319
	7,968,961

Notes to the Consolidated Accounts

9. Financial instruments by category (continued)

Company

Assets as per balance sheet	Loans and receivables
31 December 2007	
Receivables from subsidiaries and third parties (note 12)	10,626,425
Restricted cash (note 15(d))	778,675
Cash and cash equivalents (note 16)	1,140,307
Total	12,545,407
31 December 2006	
Receivables from subsidiaries and third parties (note 12)	4,736,980
Restricted cash (note 15(d))	301,539
Cash and cash equivalents (note 16)	3,476,500
Total	8,515,019
Liabilities as per balance sheet	Other financial liabilities
31 December 2007	
Borrowings (note 19)	3,193,991
Amounts due to subsidiaries (note 21)	2,420,283
Accruals (note 21)	81,232
	5,695,506
31 December 2006	
Borrowings (note 19)	3,045,442
Amounts due to subsidiaries (note 21)	30,283
Accruals (note 21)	86,588
	3,162,313

10. Properties under development – Group

	2007	2006
Properties under development comprises:		
Construction costs and capitalised expenditures	4,438,172	2,129,760
Interests capitalised		
Opening balance	79,482	55,791
Additions (note 28)	265,140	94,188
Transfer to cost of sales	(70,390)	(34,215)
Transfer to properties held for sale	(50,805)	(36,282)
Closing balance	223,427	79,482
	4,661,599	2,209,242

All properties under development are located in the PRC.

The capitalisation rate of borrowings is 6.98% for the year ended 31 December 2007 (2006: 5.78%).

Notes to the Consolidated Accounts

11. Completed properties held for sale – Group

All completed properties held for sale are located in the PRC.

As at 31 December 2007, completed properties held for sale of approximately RMB39,314,000 (2006: RMB23,851,000) were pledged as collateral for the Group's bank borrowings.

12. Trade and other receivables

	Group		Company	
	2007	2006	2007	2006
Trade receivables (note (a))	799,332	470,584	—	—
Other receivables due from:				
– Subsidiaries	—	—	10,598,333	4,736,980
– Related parties (note 37(c))	150	291	—	—
– Third parties	232,613	73,953	28,092	—
Prepayments	24,785	46,501	332	1,356
	1,056,880	591,329	10,626,757	4,738,336

As at 31 December 2007, the fair value of trade and other receivables approximated their carrying amounts.

- (a) Trade receivables mainly arose from sale of properties. Considerations in respect of properties sold are paid in accordance with the terms of the related sales and purchase agreements. At 31 December 2007 and 2006, the ageing analysis of the trade receivables is as follows:

	Group	
	2007	2006
Within 90 days	782,384	457,192
Over 90 days and within 365 days	16,948	13,392
	799,332	470,584

13. Prepayments for acquisition of land use rights

Amounts represent up-front payments for acquiring land use rights for property development. The amounts will be transferred to land use rights in the balance sheet when the Group obtains contractual usage rights of the land.

14. Prepayments for acquisition of subsidiaries

Amounts represent prepayments made for the acquisition of certain subsidiaries whose principal activities are property development. The acquisitions were not yet completed as at 31 December 2007.

Notes to the Consolidated Accounts

15. Restricted cash

Restricted cash comprised of:

- As at 31 December 2007, the Group's cash of approximately RMB30,608,000 (2006: RMB55,899,000) was deposited in certain banks as guarantee deposits for the benefit of mortgage loan facilities granted by the banks to the purchasers of the Group's properties.
- In accordance with relevant documents issued by local State-Owned Land and Resource Bureau, certain property development companies of the Group are required to place certain amount of proceeds from pre-sales of properties at designated bank accounts as guarantee deposits for constructions of related properties. The deposits can only be used for purchase of construction materials and payments of construction fee of the relevant property projects when approval from local State-Owned Land and Resource Bureau is obtained. As at 31 December 2007, the guarantee deposits amounted to approximately RMB472,211,000 (2006: RMB230,158,000). Such guarantee deposits will only be released after completion of construction of related pre-sold properties or issuance of the real estate ownership certificate.
- In accordance with regulation issued by local government in 2005, certain property development companies of the Group are required to maintain certain amount of cash at designated bank accounts solely for medical expenses and compensations to the workers carrying out construction projects. As at 31 December 2007, these cash in bank amounted to approximately RMB81,451,000 (2006: RMB17,554,000).
- As at 31 December 2007, the Company's bank deposits of approximately RMB778,675,000 (2006: RMB301,539,000) were pledged as collateral for the Group's borrowings (note 19). Such guarantee will be released after the repayment of the relevant borrowings.

16. Cash and cash equivalents

	Group		Company	
	2007	2006	2007	2006
Cash and cash equivalent comprises the following:				
Cash at bank and in hand	2,980,927	5,349,010	1,063,212	3,327,391
Short-term bank deposits	962,493	442,254	853,732	442,254
Highly liquid investment	2,038	8,394	2,038	8,394
	3,945,458	5,799,658	1,918,982	3,778,039
Less: Restricted cash (note 15)	(1,362,945)	(605,150)	(778,675)	(301,539)
	2,582,513	5,194,508	1,140,307	3,476,500
Denominated in RMB (note (a))	1,532,921	1,737,687	—	—
Denominated in other currencies	2,412,537	4,061,971	1,918,982	3,778,039
	3,945,458	5,799,658	1,918,982	3,778,039

Note:

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

Notes to the Consolidated Accounts

17. Share capital and 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					
At 31 December 2006 and 2007	10,000,000,000	1,000,000	1,040,300	—	1,040,300
Movements were:					
Issued and fully paid					
At 1 January 2006	3,465,260,000	346,526	360,803	2,839,373	3,200,176
Share placement	280,400,000	28,040	28,332	1,898,218	1,926,550
Share placement expenses	—	—	—	(24,504)	(24,504)
At 31 December 2006 and 2007	3,745,660,000	374,566	389,135	4,713,087	5,102,222

18. Other reserves

Group

	Merger reserve (note (a))	Statutory reserve and enterprise expansion fund (note (b))	Total
Balance at 1 January 2006	442,395	54,130	496,525
Transfer from retained earnings	—	58,200	58,200
Balance at 31 December 2006	442,395	112,330	554,725
Balance at 1 January 2007	442,395	112,330	554,725
Transfer from retained earnings	—	129,337	129,337
Balance at 31 December 2007	442,395	241,667	684,062

- (a) Merger reserve of the Group represents the difference between the share capital of subsidiaries acquired pursuant to a group reorganisation undertaken for listing of Company on the mainboard of the Stock Exchange over the nominal value of the shares of the Company issued in exchange.

Notes to the Consolidated Accounts

18. Other reserves (continued)

- (b) Pursuant to the relevant rules and regulation concerning foreign investment enterprise established in the PRC and the articles of association of certain PRC subsidiaries of the Group, the subsidiaries are required to transfer an amount of their profit after taxation to the statutory reserve fund, until the accumulated total of the fund reaches 50% of their registered capital. The statutory reserve fund may be distributed to equity holders in the form of bonus issue.

The appropriation to the enterprise expansion fund is solely determined by the board of directors of the subsidiaries.

Company

Other reserves of the Company represented the difference between the cost of investments in subsidiaries acquired pursuant to the Group's reorganisation over the nominal value of the shares of the Company issued in exchange.

19. Borrowings

	Group		Company	
	2007	2006	2007	2006
Borrowings included in non-current liabilities:				
Senior notes	2,851,641	3,045,442	2,851,641	3,045,442
Bank borrowings				
– secured	2,417,420	1,839,200	—	—
– unsecured	1,561,000	175,000	—	—
Less: current portion of long-term borrowings	(182,750)	(351,200)	—	—
	6,647,311	4,708,442	2,851,641	3,045,442
Borrowings included in current liabilities:				
Bank borrowings				
– secured	800,000	300,000	—	—
– unsecured	50,000	—	—	—
Short-term syndicated loans				
– unsecured (note (a))	342,350	—	342,350	—
Current portion of long-term borrowings	182,750	351,200	—	—
	1,375,100	651,200	342,350	—

Note (a): On 27 June 2007, the Company entered into a revolving credit facility agreement with The Hong Kong and Shanghai Banking Corporation Limited and other banks and financial institutions pursuant to which a revolving loan facility of US\$200,000,000 has been granted to the Company for a term of 36 months from the date of the Facility Agreement. The interest rate of the loan is LIBOR (in relation to any loan in US\$) or HIBOR (in relation to any loan in HK\$) plus 1.5% per annum. The facility is jointly guaranteed by certain subsidiaries of the Group. As at 31 December 2007, the loans drawn down by the Company amounted to HK\$390,000,000 (equivalent to RMB342,350,000).

The senior notes recognised in the balance sheet are calculated as follows:

	2007	2006
Carrying amount as at 1 January/date of issuance	3,045,442	3,086,104
Amortisation of issue costs (note 28)	8,879	2,338
Exchange gain (note 28)	(202,680)	(43,000)
Carrying amount as at 31 December	2,851,641	3,045,442

Notes to the Consolidated Accounts

19. Borrowings (continued)

As at 31 December 2007, the senior notes are jointly guaranteed by certain subsidiaries, and are secured by pledges of the shares of the subsidiaries. The net assets of these subsidiaries were approximately RMB963,923,000 as at 31 December 2007 (2006: RMB884,508,000).

As at 31 December 2007, the Group's bank borrowings of RMB3,217,420,000 (2006: RMB2,139,200,000) are secured by its land use rights, properties and bank deposits.

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

	6 months or less	6-12 months	1-5 years	Over 5 years
Borrowings included in non-current liabilities:				
At 31 December 2007	565,000	3,230,670	—	2,851,641
At 31 December 2006	1,258,000	405,000	—	3,045,442
Borrowings included in current liabilities:				
At 31 December 2007	1,213,850	161,250	—	—
At 31 December 2006	20,200	631,000	—	—

The maturity of the borrowings included in non-current liabilities is as follows:

	Bank borrowings		Senior notes		Total	
	2007	2006	2007	2006	2007	2006
Between 1 and 2 years	1,795,000	253,000	—	—	1,795,000	253,000
Between 2 and 5 years	2,000,670	1,410,000	—	—	2,000,670	1,410,000
Over 5 years	—	—	2,851,641	3,045,442	2,851,641	3,045,442
	3,795,670	1,663,000	2,851,641	3,045,442	6,647,311	4,708,442

The carrying amounts of the borrowings are denominated in the following currencies with the respective effective interest rates:

	2007		2006	
	RMB'000	Effective interest rate	RMB'000	Effective interest rate
Bank borrowings — RMB	4,828,420	6.04%	2,314,200	5.78%
Senior notes — US\$	2,851,641	9.51%	3,045,442	9.51%
Syndicated loans — HK\$	342,350	5.98%	—	—
	8,022,411		5,359,642	

Notes to the Consolidated Accounts

19. Borrowings (continued)

The carrying amounts and fair value of the non-current borrowings are as follows:

	2007		2006	
	Carrying amount	Fair value	Carrying amount	Fair value
Bank borrowings	3,795,670	3,795,670	1,663,000	1,663,000
Senior notes (note (a))	2,851,641	2,761,139	3,045,442	3,217,184
	6,647,311	6,556,809	4,708,442	4,880,184

Note (a): The fair values of senior notes are determined directly by references to the price quotations published by Singapore Exchange Limited on 31 December 2007, the last dealing date of 2007.

The carrying amounts of short-term borrowings approximate their fair values.

The Group has the following undrawn borrowing facilities:

	2007	2006
Floating rate – expiring beyond one year	1,681,054	700,000

20. Deferred income tax – Group

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes relate to the same fiscal authority. The offset amounts are as follows:

	2007	2006
Deferred income tax assets to be realised within 12 months	33,100	29,417
Deferred income tax liabilities to be settled after more than 12 months	(833,298)	(579,472)

The net movement on the deferred income tax account is as follows:

	2007	2006
Beginning of the year	(550,055)	(294,218)
Charged to consolidated income statement	(205,887)	(83,698)
Impact of change in PRC income tax rate (note 29)	31,303	–
Acquisition of subsidiaries (note 36)	(75,559)	(172,139)
End of the year	(800,198)	(550,055)

Notes to the Consolidated Accounts

20. Deferred income tax — Group (continued)

The movements in deferred tax assets and liabilities during the year are as follows:

Deferred income tax assets

	Tax losses
At 1 January 2006	17,397
Credited to the consolidated income statement	12,020
At 31 December 2006	29,417
Credited to the consolidated income statement	13,778
Impact of change in PRC income tax rate	(10,095)
At 31 December 2007	33,100

Deferred income tax liabilities

	Temporary difference on recognition of sales and related cost of sales
At 1 January 2006	(311,615)
Charged to the consolidated income statement	(95,718)
Acquisition of subsidiaries	(172,139)
At 31 December 2006	(579,472)
Charged to the consolidated income statement	(219,665)
Impact of change in PRC income tax rate	41,398
Acquisition of subsidiaries (note 36)	(75,559)
At 31 December 2007	(833,298)

Deferred income tax liabilities arose as a result of differences in timing of recognising certain revenues, costs and expenses between the tax based accounts and the HKFRSs accounts. This constitutes temporary differences between the carrying amount of the assets or liabilities in the consolidated balance sheets and its tax bases in accordance with HKAS 12.

Deferred income tax assets are recognised for tax losses carry-forwards to the extent that the realisation of the related benefit through the future taxable profits is probable. Losses amounting to approximately RMB13,119,000, RMB4,589,000, RMB2,468,000, RMB26,214,000 and RMB86,010,000 will expire in 2008, 2009, 2010, 2011 and 2012 respectively.

Notes to the Consolidated Accounts

21. Trade and other payables

	Group		Company	
	2007	2006	2007	2006
Trade payables (note (a))	3,647,572	2,089,550	—	—
Other payables and receipt in advance:				
– Subsidiaries	—	—	2,420,283	30,283
– Related parties (note 37(c))	4,089	4,597	—	—
– Third parties	4,010,765	360,006	1,203,956	—
Advances from customers	440,226	491,311	—	—
Staff welfare benefit payable	7,765	454	—	—
Accruals	142,780	131,556	81,232	86,588
Other taxes payable	175,267	23,156	—	—
	8,428,464	3,100,630	3,705,471	116,871

Note (a): The ageing analysis of trade payables of the Group as at 31 December 2007 and 2006 is as follows:

	Group	
	2007	2006
Within 90 days	3,003,691	1,276,374
Over 90 days and within 180 days	162,411	277,441
Over 180 days and within 365 days	317,223	389,748
Over 365 days	164,247	145,987
	3,647,572	2,089,550

22. Current income tax liabilities

Current income tax liabilities are analysed as follows:

	Group		Company	
	2007	2006	2007	2006
Income tax payables				
– HK enterprises income tax payables	—	111	—	111
– PRC enterprises income tax payables	310,637	204,033	—	—
– PRC land appreciation tax payables	2,077,388	855,674	—	—
	2,388,025	1,059,818	—	111

23. Exchange losses, net

Amount mainly arose from transfer of Hong Kong dollar bank deposits to Renminbi bank accounts of the Group's PRC subsidiaries and translation of the remaining Hong Kong dollar bank deposits at exchange rate of balance sheet date as a result of appreciation of Renminbi for the year ended 31 December 2007.

Notes to the Consolidated Accounts

24. Other income

	2007	2006
Interest income (note (a))	101,777	100,256
Forfeited deposits from customers	7,213	6,161
Rental income	10,439	10,118
Miscellaneous	20,607	8,327
	140,036	124,862

Note (a): Interest income for the year ended 31 December 2007 is mainly derived from time deposits in banks.

25. Expenses by nature

	2007	2006
Employee benefit expense-excluding directors' emoluments (note 26)	278,636	167,362
Auditors' remuneration	5,311	4,772
Advertising costs	267,858	175,260
Depreciation (note 6)	19,536	15,977
Amortisation of intangible assets (note 8)	837	876
Amortisation of land use rights (note 7)	75,557	39,824
Cost of properties sold	4,384,647	3,320,382
Business taxes and other levies on sales of properties (note (a))	507,489	331,552
Cost of property management	89,894	88,535
Commission fee	22,138	20,736

Note (a): The PRC companies of the Group are subject to business taxes of 5% and other levies on their revenues from sales of properties.

26. Employee benefit expense — excluding directors' emoluments

	2007	2006
Wages and salaries	254,132	146,478
Pension costs — statutory pension (note (a))	8,908	4,857
Staff welfare	3,387	8,410
Medical benefits	2,908	2,192
Other allowances and benefits	9,301	5,425
	278,636	167,362

Note (a): Employees in the Group's PRC subsidiaries are required to participate in a defined contribution retirement scheme administrated and operated by the local municipal government. The Group's PRC subsidiaries contribute funds which are calculated on certain percentage of the average employee salary as agreed by local municipal government to the scheme to fund the retirement benefits of the employees.

The gross retirement scheme contributions for the employees, which have been charged in the consolidated income statement of the Group, amounted to RMB8,908,000 (2006: RMB4,857,000).

Notes to the Consolidated Accounts

27. Directors' and senior management's emoluments

(a) Directors' emoluments

The emoluments of every director of the Company for the year ended 31 December 2007 are set out below:

	Fees	Salary	Contribution to pension scheme	Total
Mr. Chen Zhuo Lin	—	3,984	11	3,995
Mr. Chan Cheuk Yin	—	3,413	11	3,424
Ms. Luk Sin Fong, Fion	—	3,413	11	3,424
Mr. Chan Cheuk Hung	—	2,842	11	2,853
Mr. Chan Cheuk Hei	—	2,842	11	2,853
Mr. Chan Cheuk Nam	—	2,842	11	2,853
Dr. Cheng Hon Kwan*	246	—	—	246
Mr. Kwong Che Keung, Gordon*	246	—	—	246
Mr. Cheung Wing Yui*	246	—	—	246
	738	19,336	66	20,140

The emoluments of every director of the Company for the year ended 31 December 2006 are set out below:

	Fees	Salary	Contribution to pension scheme	Total
Mr. Chen Zhuo Lin	—	4,264	12	4,276
Mr. Chan Cheuk Yin	—	3,713	12	3,725
Ms. Luk Sin Fong, Fion	—	3,713	12	3,725
Mr. Chan Cheuk Hung	—	3,042	12	3,054
Mr. Chan Cheuk Hei	—	3,042	12	3,054
Mr. Chan Cheuk Nam	—	3,042	12	3,054
Dr. Cheng Hon Kwan*	252	—	—	252
Mr. Kwong Che Keung, Gordon*	252	—	—	252
Mr. Cheung Wing Yui*	252	—	—	252
	756	20,816	72	21,644

* Dr. Cheng Hon Kwan, Mr. Kwong Che Keung, Gordon and Mr. Cheung Wing Yui are independent non-executive Directors of the Company.

Notes to the Consolidated Accounts

27. Directors' and senior management's emoluments (continued)

(b) Five highest paid individuals

During the year ended 31 December 2007, none of the five highest paid individuals is director of the Company (2006: all the five highest paid individuals are directors of the Company). The aggregate amounts of emoluments of the five highest paid individuals for the year are set out below

	2007	2006
Salaries and bonuses	21,000	—

The emoluments fell within the following bands:

	Number of individuals	
	2007	2006
Emolument bands RMB4,000,000–RMB4,500,000	5	—

- (c) During the years ended 31 December 2007 and 2006, no emolument was paid by the Group to any of the above directors or the five highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of offices.

28. Finance costs

	2007	2006
Interest expenses of senior notes	271,459	78,885
Interest on bank borrowings	250,698	104,439
Less: interest capitalised (note 10)	(265,140)	(94,188)
	257,017	89,136
Exchange gain of senior notes (note 19)	(202,680)	(43,000)
Amortisation of issue costs of senior notes (note 19)	8,879	2,338
	63,216	48,474

29. Income tax expenses

	2007	2006
Current income tax		
– Hong Kong profits tax	18	111
– PRC enterprise income tax	837,071	532,545
PRC land appreciation tax	1,332,056	557,064
Deferred income tax		
– PRC enterprise income tax	174,584	83,698
	2,343,729	1,173,418

Notes to the Consolidated Accounts

29. Income tax expenses (continued)

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

	2007	2006
Profit before income tax expenses	4,454,514	2,423,926
Tax calculated at tax rates applicable to profits in the respective entities of the Group	1,488,790	799,896
Effect of		
– Income not subject to income tax (note (a))	(26,725)	(8,465)
– Expense not deductible for income tax (note (b))	20,490	8,754
– Impact of new PRC income tax regulation on deferred tax (note (c))	(31,303)	–
– PRC land appreciation tax deductible for calculation of income tax purposes	(439,579)	(183,831)
PRC enterprise income tax	1,011,673	616,354
PRC land appreciation tax	1,332,056	557,064
	2,343,729	1,173,418

Notes:

- (a) Income not subject to income tax mainly comprises the bank interest income of the Company.
- (b) Expense not deductible for income tax mainly comprises certain promotion expenses and staff welfare expenses.
- (c) On 16 March 2007, the National People's Congress approved the Corporate Income Tax Law of the People's Republic of China (the "new CIT Law"), which is effective from 1 January 2008. Under the new CIT Law, the corporate income tax rate applicable to foreign invested enterprises from 1 January 2008 will be 25%, replacing the currently applicable tax rate of 33%.

Since the deferred income tax assets and liabilities shall be measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, the change in the applicable tax rate will affect the determination of the carrying values of deferred tax assets of the Group's subsidiaries located in Mainland China. In these consolidated accounts, deferred tax assets and liabilities in certain subsidiaries to be realised after 1 January 2008 have been adjusted to the amounts calculated basing on enterprise income rate of 25% with a credit of RMB31,303,000 to income tax expenses for the year ended 31 December 2007.

PRC land appreciation tax

PRC land appreciation tax is levied at progressive rate ranging from 30% to 60% on the appreciation of land value, being the proceeds of sales of properties less deductible expenditures including lease charges of land use rights and all property development expenditures (note 38).

PRC enterprise income tax

PRC enterprise income tax is provided for on 33% of the profit for the PRC statutory financial reporting purpose, adjusted for those items, which are not assessable or deductible for the PRC enterprise income tax purpose.

Hong Kong profits tax

Hong Kong profits tax has been provided at the rate of 17.5% on the estimated assessable profit for the year (2006: 17.5%).

Notes to the Consolidated Accounts

30. Retained earnings of the Company

	2007	2006
As at 1 January	272,737	156,868
Profit for the year	749,784	395,081
Dividends	(457,458)	(279,212)
As at 31 December	565,063	272,737
Representing		
– Proposed final dividend	514,058	258,451
– Unappropriated retained earnings	51,005	14,286

31. Earnings per share

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

	2007	2006
Profit attributable to the shareholders of the Company	2,102,824	1,242,488
Weighted average number of ordinary shares in issue (thousands)	3,745,660	3,502,903
Basic earnings per share (RMB per share)	0.561	0.355

Diluted earnings per share is equal to basic earnings per share as there were no potential dilutive shares in issue during the years ended 31 December 2007 and 2006.

32 Dividends

	2007	2006
Interim dividend of HK\$0.055 (2006: HK\$0.05) per share (note (a))	199,007	178,305
Proposed final dividend of HK\$0.153 (2006: HK\$ 0.07) per ordinary share (note (b))	514,058	258,451
	713,065	436,756

Notes:

(a) An interim dividend in respect of six months ended 30 June 2007 of HK\$0.055 per ordinary share amounting to HK\$206,011,300 (equivalent to RMB199,007,000) was declared in the general shareholders meeting on 17 September 2007.

(b) A final dividend in respect of 2006 of HK\$0.07 per share amounting to total dividend of HK\$262,196,200 (equivalent to RMB258,451,000) was declared at the Annual General Meeting on 7 June 2007.

A final dividend in respect of 2007 of HK\$0.153 per share amounting to total dividend of HK\$573,086,000 (equivalent to RMB514,058,000) is to be approved by the shareholders at the Annual General Meeting on 5 June 2008. These accounts do not reflect this dividend payable.

Notes to the Consolidated Accounts

33. Cash generated from operations

	2007	2006
Net profit	2,110,785	1,250,508
Adjustment for:		
Taxation (note 29)	2,343,729	1,173,418
Interest income (note 24)	(101,777)	(100,256)
Finance cost (note 28)	63,216	48,474
Depreciation (note 6)	19,536	15,977
Amortisation of intangible assets (note 8)	837	876
Loss of disposal of property, plant and equipment	902	1,125
Net exchange losses (note 23)	70,506	76,073
Changes in working capital:		
Property under development and completed properties held for sales	(2,402,579)	(379,564)
Land use rights	(3,306,205)	(2,605,250)
Prepayments for land use right acquisition	(3,620,942)	(2,250,559)
Restricted cash	(280,659)	(430,371)
Trade and other receivables	(461,779)	(149,419)
Trade and other payables	1,698,858	(103,878)
Cash used in operations	(3,865,572)	(3,452,846)

34. Contingencies — Group

The Group has arranged mortgage loan facility for certain purchasers of property units and provided guarantees to secure obligations of such purchasers for repayments. As at 31 December 2007, the outstanding guarantees amounted to RMB6,544,723,000 (2006: RMB3,688,495,000). Such guarantees terminate upon earlier of (i) issuance of the real estate ownership certificate which will generally be available within one years after the Group deliver possession of the relevant property to its purchasers; and (ii) the satisfaction of mortgaged loan by purchaser of property.

Pursuant to the terms of the guarantees, upon default in mortgage payments by these purchasers, the Group is responsible to repay the outstanding mortgage principals together with accrued interest and penalty owed by the defaulted purchasers to the banks and the Group is entitled to take over the legal title and possession of the related properties. The Group's guarantee period starts from the dates of grant of the mortgages. No provision has been made for the guarantees as the estimated net realisable value of the related properties can cover the repayment of the outstanding mortgage principals together with the accrued interest and penalty in case of default in payments.

Notes to the Consolidated Accounts

35. Commitments — Group

(a) Operating leases commitments

The future aggregate minimum lease payments under non-cancelable operating leases are as follows:

	2007	2006
Property, plant and equipment:		
– Not later than one year	4,780	2,367
– Later than one year and not later than five years	4,892	4,061
– Later than five years	18	—
	9,690	6,428
Lease of areas adjacent to the property development projects:		
– Not later than one year	400	400
– Later than one year and not later than five years	1,600	1,600
– Later than five years	36,500	36,900
	38,500	38,900

(b) Commitments for property development expenditures

	2007	2006
Contracted but not provided for		
– Property development activities	2,480,425	1,239,668
– Land use rights acquisition	1,785,476	3,245,955
	4,265,901	4,485,623

36. Business combination — Group

- (1) Pursuant to the agreements entered into between Real Genius International Limited (賢域國際有限公司), a wholly-owned subsidiary of the Company, and Super Link International Holdings Limited (盈捷國際集團有限公司) on 7 March 2007, the Group effectively acquired 100% equity interest in the Foshan Shunde Shuntian Property Management Company Limited (佛山市順德區順天物業管理有限公司) (“Shunde Shuntian”) on 19 March 2007.

Shunde Shuntian is established for the purpose of developing real estate business in Shunde City of Guangdong Province.

There was no income contributed to the Group by Shunde Shuntian during the period from 19 March 2007 to 31 December 2007 as its property was still under construction as at 31 December 2007.

Total consideration per contract	182,156
Liabilities in the acquired subsidiary assumed by the Group	103,656
Less: fair value of net assets acquired	(285,812)
Goodwill	—

Notes to the Consolidated Accounts

36. Business combination — Group (continued)

	Acquiree's carrying amount	Preliminary fair value
Cash and cash equivalents	1,430	1,430
Property, plant and equipment	373	373
Land use rights	100,904	342,445
Properties under development	400	400
Other receivables	1,586	1,586
Deferred tax liability	—	(60,385)
Other payables	(37)	(37)
Net assets acquired	104,656	285,812
Total amounts settled in cash		285,812
Cash and cash equivalents in subsidiaries acquired		(1,430)
Cash outflow on acquisition		284,382

- (2) Pursuant to the agreements entered into by Clear Fortune Investments Limited, a wholly-owned subsidiary of the Company, with Foshan Nanhai Ya Zhen Trading Co., Ltd (佛山市南海雅臻貿易有限公司) on 28 February 2007 and Shanghai Jingan Chengtou Land Co., Ltd (上海靜安城建設投資置業有限公司) on 1 March 2007, respectively, the Group effectively acquired 100% equity interest in the Shanghai Jingan Chengtou Chongqing Land Co., Ltd. (上海靜安城投重慶市置業有限公司) (“Chongqing Land”) on 20 July 2007.

Chongqing Land is established for the purpose of developing real estate business in Chongqing City.

There was no income contributed to the Group by Chongqing Land during the period from 20 July 2007 to 31 December 2007 as its property was still under construction as at 31 December 2007.

Total consideration per contract	65,522
Liabilities in the acquired subsidiary assumed by the Group	366,669
Less: fair value of net assets acquired	(432,191)
Goodwill	—

	Acquiree's carrying amount	Preliminary fair value
Property, plant and equipment	473	473
Land use rights	294,251	354,948
Properties under development	114,353	114,353
Other receivables	2,327	2,327
Deferred tax liability	—	(15,174)
Other payables	(24,736)	(24,736)
Net assets acquired	386,668	432,191
Total amounts settled in cash		432,191
Cash and cash equivalents in subsidiaries acquired		—
Cash outflow on acquisition		432,191

Notes to the Consolidated Accounts

37. Related party transactions

(a) Name and relationship with related parties

Name	Relationship
The Founding Shareholders, including Mr. Chen Zhuo Lin, Mr. Chan Cheuk Yin, Ms. Luk Sin Fong, Fion, Mr. Chan Cheuk Hei, Mr. Chan Cheuk Hung, and Mr. Chan Cheuk Nam	The Founding Shareholders are also the Directors of the Company
中山長江高爾夫球場 Zhongshan Changjiang Golf & Country Club (note (i))	Controlled by the Founding Shareholders
Agile International Company Limited	Controlled by the Founding Shareholders
中山市雅居樂酒店有限公司 Zhongshan Agile Hotel Company Limited (note (i))	Controlled by the Founding Shareholders
中山市雅居樂長江酒店有限公司 Zhongshan Agile Changjiang Hotel Company Limited (note (i))	Controlled by the Founding Shareholders

Note (i) The names of certain of the companies referred to in these accounts represent management's best efforts at translating the Chinese names of these companies as no English names have been registered or available.

(b) Transactions with related parties

During the year ended 31 December 2007 and 2006, the Group had the following significant transactions with related parties, which are carried out in the normal course of the Group's business:

	2007	2006
Restaurant and hotel service fee charged by Zhongshan Agile Hotel Company Limited (note (i))	512	906
Golf facilities service fee charged by Zhongshan Changjiang Golf & Country Club (note (i))	1,559	3,593
Restaurant and hotel service fee charged by Zhongshan Agile Changjiang Hotel Company Limited (note (i))	5,823	—
Key management compensation		
— Salaries and other short-term employee benefits	19,336	20,816
— Retirement scheme contributions	66	72
	19,402	20,888

Note: (i) Restaurant and hotel service fees and Golf facilities service fees were charged in accordance with the terms of the underlying agreements. In the opinion of the directors, the fees were determined with reference to the market price at the prescribed year.

Notes to the Consolidated Accounts

37. Related party transactions (continued)

(b) Transactions with related parties (continued)

In the opinion of the directors of the Company, the above related party transactions were carried out in the normal course of business and at terms mutually negotiated between the Group and the respective related parties.

(c) Balances with related parties

As at 31 December 2007 and 2006, the Group had the following significant non-trade balances with related parties:

	2007	2006
Due from related parties (note (i)):		
– Zhongshan Changjiang Golf & Country Club	—	124
– Agile International Company Limited	150	167
	150	291
Due to related parties (note (i)):		
– Zhongshan Changjiang Golf & Country Club	4,074	4,563
– Zhongshan Agile Hotel Company Limited	15	34
	4,089	4,597

Note: (i) Amounts due from/to related parties are unsecured, interest-free and have no fixed terms of repayment, which are cash advances in nature.

38. Presentation of land appreciation tax and reclassification of comparative figures

Within the comparative figures stated in the consolidated accounts, land appreciation tax expense of approximately RMB557,064,000 previously included in cost of sales for the year ended 31 December 2006 was reclassified as income tax expenses in the consolidated income statement and provision for land appreciation tax of approximately RMB855,674,000 previously included in trade and other payables as at 31 December 2006 was reclassified as current income tax liabilities in the consolidated balance sheet.

The above reclassification are made so as to conform to current period presentation as the directors of the Company are of the view that it would be more appropriate to reflect the land appreciation tax as an income tax expense in the current period and the outstanding provision as current income tax liabilities, after a reassessment of the nature of land appreciation tax and a study of the market practices. This reclassification has no impact on the net profit for the years ended 31 December 2006 and 2007.

Notes to the Consolidated Accounts

39. Ultimate holding company

The directors of the Company consider Top Coast Investments Limited, a company incorporated in the British Virgin Islands, to be the ultimate holding company of the Group.

40. Investment in subsidiaries – Company

Amount represents investment in Eastern Supreme Group Limited, which is investment in an unlisted company and stated at cost.

Particulars of principal subsidiaries are set out below:

Name	Place of incorporation and legal status	Nominal value of issued and fully paid share capital/paid-in capital	Percentage of attributable equity interest	Principal activities/place of operation
Directly held by the Company				
Eastern Supreme Group Limited	British Virgin Islands (the “BVI”)/limited liability company	US\$10,000	100%	Investment holding/PRC
Indirectly held by the Company				
Nga Koi Lok Development and Investment Company Limited	Macau/limited liability company	MOP\$25,000	100%	Sales of property/Macau
Agile Investment Consultants Limited	Hong Kong/limited liability company	HK\$2	100%	Marketing/Hong Kong
Worldwide Trinity Limited	Hong Kong/limited liability company	HK\$1	100%	Investment holding/PRC
中山市雅居樂地產置業有限公司 Zhongshan Agile Property Land Co., Ltd. (note (i))	PRC/wholly foreign owned enterprise	RMB3,000,000	100%	Management consultants/PRC
中山雅居樂雍景園房地產有限公司 Zhongshan Agile Majestic Garden Real Estate Co., Ltd. (note (i))	PRC/wholly foreign owned enterprise	HK\$700,000,000	100%	Property development/PRC
廣州番禺雅居樂房地產開發有限公司 Guangzhou Pan Yu Agile Realty Development Co., Ltd. (note (i))	PRC/sino-foreign equity joint venture enterprise	RMB150,000,000	98%	Property development/PRC

Notes to the Consolidated Accounts

40. Investment in subsidiaries — Company (continued)

Name	Place of incorporation and legal status	Nominal value of issued and fully paid share capital/paid-in capital	Percentage of attributable equity interest	Principal activities/place of operation
廣州花都雅居樂房地產開發有限公司 Guangzhou Huadu Agile Realty Development Co., Ltd. (note (i))	PRC/sino-foreign equity joint venture enterprise	RMB30,000,000	98%	Property development/ PRC
佛山市南海區雅居樂房地產有限公司 Foshan Nanhai Agile Real Estate Development Ltd. (note (i))	PRC/wholly foreign owned enterprise	RMB30,000,000	100%	Property development/ PRC
中山市凱茵豪園房地產開發有限公司 Zhongshan Greenville Realty Development Co., Ltd. (note (i))	PRC/wholly foreign owned enterprise	RMB102,000,000	100%	Property development/ PRC
中山市雅建房地產發展有限公司 Zhongshan Ever Creator Development Co., Ltd. (note (i))	PRC/wholly foreign owned enterprise	RMB93,000,000	100%	Property development/ PRC
廣州白雲雅居樂房地產開發有限公司 Guangzhou Baiyun Agile Real Estate Development Ltd. (note (i))	PRC/sino-foreign cooperative joint venture enterprise	US\$3,775,000	100%	Property development/ PRC
廣州雅居樂房地產開發有限公司 Guangzhou Agile Real Estate Development Ltd. (note (i))	PRC/sino-foreign cooperative joint venture enterprise	US\$14,480,000	100%	Property development/ PRC
佛山市雅居樂房地產有限公司 Foshan Agile Real Estate Development Co., Ltd. (note (i))	PRC/wholly foreign owned enterprise	US\$37,500,000	100%	Property development/ PRC
廣州市花都雅居樂物業管理服務有限公司 Guangzhou Huadu Agile Property Management Services Co., Ltd. (note (i))	PRC/wholly foreign owned enterprise	RMB500,000	100%	Property management/ PRC
廣州雅居樂物業管理服務有限公司 Guangzhou Agile Property Management Services Co., Ltd. (note (i))	PRC/wholly foreign owned enterprise	RMB1,000,000	100%	Property management/ PRC

Notes to the Consolidated Accounts

40. Investment in subsidiaries — Company (continued)

Name	Place of incorporation and legal status	Nominal value of issued and fully paid share capital/paid-in capital	Percentage of attributable equity interest	Principal activities/place of operation
佛山市南海區雅居樂物業管理服務有限公司 Foshan Nanhai Agile Property Management Services Co., Ltd. (note (i))	PRC/wholly foreign owned enterprise	RMB3,000,000	100%	Property management/PRC
中山市雅居樂物業管理服務有限公司 Zhongshan Agile Property Management Services Co., Ltd. (note (i))	PRC/wholly foreign owned enterprise	RMB20,000,000	100%	Property management/PRC
中山市時興裝飾有限公司 Zhongshan Fashion Decoration Co., Ltd. (note (i))	PRC/wholly foreign owned enterprise	RMB5,250,000	100%	Provision of decoration service/PRC
香港雅居樂物業管理服務有限公司 Hong Kong Agile Property Management Services Limited	Hong Kong/limited liability company	US\$20,000	100%	Investment holding/PRC
中山市雅建房地產發展(澳門)有限公司 Zhongshan Ever Creator Real Estate Development (Macau) Ltd.	Macau/limited liability company	MOP\$961,000	100%	Investment holding/PRC
南京雅居樂房地產開發有限公司 Nanjing Agile Real Estate Development Co., Ltd. (note (i))	PRC/wholly foreign owned enterprise	US\$70,900,000	100%	Investment holding/PRC
河源市雅居樂房地產開發有限公司 Heyuan Agile Real Estate Development Co., Ltd. (note (i))	PRC/wholly foreign owned enterprise	HK\$200,000,000	100%	Property development/PRC
成都雅居樂房地產開發有限公司 Chengdu Agile Real Estate Development Co., Ltd. (note (i))	PRC/wholly foreign owned enterprise	US\$55,000,000	100%	Property development/PRC
海南雅居樂房地產開發有限公司 Hainan Agile Real Estate Development Co., Ltd. (note (i))	PRC/wholly foreign owned enterprise	HK\$1,300,000,000	100%	Property development/PRC

Notes to the Consolidated Accounts

40. Investment in subsidiaries — Company (continued)

Name	Place of incorporation and legal status	Nominal value of issued and fully paid share capital/paid-in capital	Percentage of attributable equity interest	Principal activities/place of operation
廣州從化雅居樂房地產開發有限公司 Guangzhou Conghua Agile Real Estate Development Co., Ltd. (note (i))	PRC/wholly foreign owned enterprise	HK\$170,000,000	100%	Property development/ PRC
四川雅居樂房地產開發有限公司 Sichuan Agile Real Estate Development Co., Ltd. (note (i))	PRC/wholly foreign owned enterprise	HK\$750,000,000	100%	Property development/ PRC
佛山市三水雅居樂房地產有限公司 Foshan Shanshui Agile Real Estate Development Co., Ltd. (note (i))	PRC/wholly foreign owned enterprise	HK\$100,000,000	100%	Property development/ PRC
惠州白鷺湖旅遊實業開發有限公司 Huizhou Bailuhu Tour Enterprise Development Co., Ltd. (note (i))	PRC/wholly foreign owned enterprise	HK\$100,000,000	99.5%	Property development/ PRC
陝西昊瑞房地產開發有限責任公司 Shaanxi Haorui Real Estate Development Co., Ltd. (note (i))	PRC/wholly foreign owned enterprise	RMB90,000,000	100%	Property development/ PRC
廣州荔灣雅居樂房地產開發有限公司 Guangzhou Liwan Agile Real Estate Development Co., Ltd. (note (i))	PRC/wholly foreign owned enterprise	HK\$400,000,000	100%	Property development/ PRC
中山市雅創房地產開發有限公司 Zhongshan Yachuang Real Estate Development Co., Ltd. (note (i))	PRC/wholly foreign owned enterprise	RMB10,000,000	100%	Property development/ PRC
佛山市順德區順天物業管理有限公司 Foshan Shunde Shuntian Property Management Co., Ltd. (note (i))	PRC/wholly foreign owned enterprise	RMB1,000,000	100%	Property management/ PRC
佛山市順德區雅居樂房地產有限公司 Foshan Shunde Agile Real Estate Development Co., Ltd. (note (i))	PRC/wholly foreign owned enterprise	RMB10,000,000	100%	Property development/ PRC

Notes to the Consolidated Accounts

40. Investment in subsidiaries — Company (continued)

Name	Place of incorporation and legal status	Nominal value of issued and fully paid share capital/paid-in capital	Percentage of attributable equity interest	Principal activities/place of operation
遼寧雅居樂房地產開發有限公司 Liaoning Agile Real Estate Development Co., Ltd. (note (i))	PRC/wholly foreign owned enterprise	US\$49,990,000	100%	Property development/ PRC
上海靜安城投重慶市置業有限公司 Shanghai Jingan Chengtou Chongqing Land Co., Ltd. (note (i))	PRC/wholly foreign owned enterprise	HK\$300,000,000	100%	Property development/ PRC
中山市伊都餐飲管理有限公司 Zhongshan Yidu Catering Management Co., Ltd. (note (i))	PRC/wholly foreign owned enterprise	HK\$3,000,000	100%	Catering/PRC
廣州雅騰房地產開發有限公司 Guangzhou Yateng Real Estate Development Co., Ltd. (note (i))	PRC/wholly foreign owned enterprise	HK\$100,000,000	100%	Property development/ PRC
廣州雅粵房地產開發有限公司 Guangzhou Yayue Real Estate Development Co., Ltd. (note (i))	PRC/wholly foreign owned enterprise	HK\$700,000,000	100%	Property development/ PRC
廣州雅居樂酒店有限公司 Guangzhou Agile Hotel Co., Ltd. (note (i))	PRC/wholly foreign owned enterprise	HK\$7,000,000	100%	Hotel operation/ PRC
深圳雅居樂物業發展有限公司 Shenzhen Agile Real Estate Development Co., Ltd. (note (i))	PRC/wholly foreign owned enterprise	HK\$50,000,000	100%	Property development/ PRC

The above table lists the principal subsidiaries of the Group which, in the opinion of the directors, principally affect the results and net assets of the Group. To give full details of subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

Note (i): The names of the companies represent management's best efforts at translating the Chinese names of these companies as no English names have been registered or available.

Five-year Financial Summary

CONSOLIDATED BALANCE SHEETS

	31 December 2007 RMB'000	31 December 2006 RMB'000	31 December 2005 RMB'000	31 December 2004 RMB'000	31 December 2003 RMB'000
ASSETS					
Non-current assets					
Property, plant and equipment	127,798	92,937	65,888	51,561	55,442
Land use rights	5,384,418	3,369,449	758,097	1,331,550	1,401,682
Intangible assets	3,152	2,679	788	656	532
Properties under development	—	—	47,784	60,194	76,424
Deferred income tax assets	33,100	29,417	17,397	70,453	101,366
	5,548,468	3,494,482	889,954	1,514,414	1,635,446
Current assets					
Land use rights	3,584,556	1,595,927	772,243	474,113	537,309
Properties under development	4,661,599	2,209,242	1,870,048	2,127,342	2,047,812
Completed properties held for sale	1,740,137	1,410,022	1,101,218	570,145	271,027
Trade and other receivables and prepayments for land acquisition	7,060,914	2,974,421	562,058	1,194,398	1,465,470
Prepayments for acquisition of subsidiaries	2,164,771	—	—	—	—
Income tax recoverable	—	—	44,810	—	—
Restricted cash	1,362,945	605,150	174,779	76,385	20,552
Cash and cash equivalents	2,582,513	5,194,508	4,205,202	172,622	93,521
	23,157,435	13,989,270	8,730,358	4,615,005	4,435,691
Total assets	28,705,903	17,483,752	9,620,312	6,129,419	6,071,137

Five-year Financial Summary

CONSOLIDATED BALANCE SHEETS (continued)

	31 December 2007 RMB'000	31 December 2006 RMB'000	31 December 2005 RMB'000	31 December 2004 RMB'000	31 December 2003 RMB'000
EQUITY					
Capital and reserves attributable to the shareholders of the Company					
Share capital and premium	5,102,222	5,102,222	3,200,176	20,824	20,824
Other reserves	684,062	554,725	496,525	431,531	366,174
Retained earnings					
— Proposed final dividend	514,058	258,451	100,908	—	—
— Unappropriated retained earnings	2,714,555	1,454,133	706,600	270,444	45,698
	9,014,897	7,369,531	4,504,209	722,799	432,696
Minority interests	18,808	14,659	5,916	5,588	2,812
Total equity	9,033,705	7,384,190	4,510,125	728,387	435,508
LIABILITIES					
Non-current liabilities					
Borrowings	6,647,311	4,708,442	778,200	1,098,200	1,607,770
Deferred income tax liabilities	833,298	579,472	311,615	65,009	53,721
	7,480,609	5,287,914	1,089,815	1,163,209	1,661,491
Current liabilities					
Borrowings	1,375,100	651,200	507,500	318,500	410,500
Trade and other payables	8,428,464	3,100,630	3,126,411	3,822,351	3,523,641
Current income tax liabilities	2,388,025	1,059,818	386,461	96,972	39,997
	12,191,589	4,811,648	4,020,372	4,237,823	3,974,138
Total liabilities	19,672,198	10,099,562	5,110,187	5,401,032	5,635,629
Total equity and liabilities	28,705,903	17,483,752	9,620,312	6,129,419	6,071,137
Net current assets	10,965,846	9,177,622	4,709,986	377,182	461,553
Total assets less current liabilities	16,514,314	12,672,104	5,599,940	1,891,596	2,096,999

* Certain comparative figures have been reclassified to conform to the current presentation.

Five-year Financial Summary

CONSOLIDATED INCOME STATEMENT

	2007 RMB'000	2006 RMB'000	2005 RMB'000	2004 RMB'000	2003 RMB'000
Turnover	10,312,324	6,675,156	5,370,614	2,548,939	1,931,503
Cost of sales	(5,105,342)	(3,818,204)	(3,350,999)	(1,820,675)	(1,508,284)
Gross profit	5,206,982	2,856,952	2,019,615	728,264	423,219
Selling and marketing costs	(326,908)	(217,479)	(216,790)	(187,782)	(172,354)
Administrative expenses	(381,731)	(206,667)	(98,701)	(98,223)	(92,525)
Other income	140,036	124,862	56,696	7,320	4,729
Exchange losses, net	(70,506)	(76,073)	(2,892)	—	—
Other expenses	(50,143)	(9,195)	(9,047)	(2,091)	(1,825)
Operating profit	4,517,730	2,472,400	1,748,881	447,488	161,244
Finance costs	(63,216)	(48,474)	(9,873)	(17,113)	(28,119)
Profit before income tax	4,454,514	2,423,926	1,739,008	430,375	133,125
Income tax expenses	(2,343,729)	(1,173,418)	(756,040)	(200,097)	(60,029)
Profit for the year	2,110,785	1,250,508	982,968	230,278	73,096
Attributable to:					
Shareholders of the Company	2,102,824	1,242,488	978,693	227,609	71,950
Minority interests	7,961	8,020	4,275	2,669	1,146
	2,110,785	1,250,508	982,968	230,278	73,906
Basic and diluted earnings per share for profit attributable to the shareholders of the Company during the year (expressed in RMB per share)	0.561	0.355	0.386	0.091	0.029
Dividends	713,065	436,756	491,538	—	—

* Certain comparative figures have been reclassified to conform to the current presentation.

Glossary of Terms

Agile or Company	Agile Property Holdings Limited
AGM	annual general meeting of the Company
BVI	British Virgin Islands
Board	the board of Directors
Chen Family	Chen Zhuo Lin, Chan Cheuk Yin, Luk Sin Fong, Fion, Chan Cheuk Hung, Chan Cheuk Hei, Chan Cheuk Nam, Lu Liqing, Lu Yanping, Chan Siu Na and Zheng Huiqiong;
Chen Family Trust	A family trust established by Top Coast as trustee and the beneficiaries of which are the Founding Shareholders
China, PRC or Mainland China	the People's Republic of China
Code	the Code on Corporate Governance Practices
Directors	the directors of the Company for the time being
Founding Shareholders	Chen Zhuo Lin, Chan Cheuk Yin, Luk Sin Fong, Fion, Chan Cheuk Hung, Chan Cheuk Hei and Chan Cheuk Nam, who are all founding shareholders of the Company and executive Directors
GDP	gross domestic product
Group	Agile Property Holdings Limited and its subsidiaries
HK\$	Hong Kong dollar(s), the lawful currency of Hong Kong Special Administrative Region of the PRC
HIBOR	Hong Kong Interbank Offered Rate
HKEx	The Stock Exchange of Hong Kong Limited
Hong Kong	the Hong Kong Special Administrative Region of the PRC

Glossary of Terms

LIBOR	London Interbank Offered Rate
Listing Rules	Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
Model Code	Model Code for Securities Transactions by Directors of Listed Issuers, Appendix 10 to Main Board Listing Rules
RMB	Renminbi, the lawful currency of the PRC
SFO	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
Share(s)	ordinary share(s) of HK\$0.10 each in the share capital of the Company (or of such other nominal amount as shall result from a sub-division, consolidation, reclassification or reconstruction of the share capital of the Company from time to time)
Shareholder(s)	the holder(s) of Shares
Takeovers Code	the Hong Kong Code on Takeovers and Mergers and Share Repurchases
Top Coast	Top Coast Investment Limited, a limited liability company incorporated in the BVI on 17 May 2005 and the trustee of the Chen Family Trust
US	the United States of America
US\$	United States dollar(s), the lawful currency of the United States of America
%	per cent.

Corporate Information

BOARD OF DIRECTORS

Executive Directors

Mr. Chen Zhuo Lin (*Chairman*)
Mr. Chan Cheuk Yin (*Vice-Chairman and Co-President*)
Ms. Luk Sin Fong, Fion (*Vice-Chairlady and Co-President*)
Mr. Chan Cheuk Hung
Mr. Chan Cheuk Hei
Mr. Chan Cheuk Nam

Independent Non-Executive Directors

Dr. Cheng Hon Kwan *GBS, OBE, JP*
Mr. Kwong Che Keung, Gordon
Mr. Cheung Wing Yui

COMPANY SECRETARY

Ms. Wai Ching Sum

QUALIFIED ACCOUNTANT

Mr. Chu Hau Lim

AUTHORISED REPRESENTATIVES

Ms. Luk Sin Fong, Fion
Ms. Wai Ching Sum

AUDITOR

PricewaterhouseCoopers

LEGAL ADVISORS

as to Hong Kong law

Sidley Austin Brown & Wood
Iu, Lai & Li

as to PRC law

Jingtian & Gongcheng

as to BVI and Cayman Islands law

Conyers Dill & Pearman

as to the US law

Sidley Austin Brown & Wood

COMMITTEES

Nomination Committee

Mr. Cheung Wing Yui (*Committee Chairman*)
Dr. Cheng Hon Kwan *GBS, OBE, JP*
Mr. Kwong Che Keung, Gordon
Ms. Luk Sin Fong, Fion

Remuneration Committee

Dr. Cheng Hon Kwan *GBS, OBE, JP* (*Committee Chairman*)
Mr. Kwong Che Keung, Gordon
Mr. Cheung Wing Yui
Ms. Luk Sin Fong, Fion

Audit Committee

Mr. Kwong Che Keung, Gordon (*Committee Chairman*)
Dr. Cheng Hon Kwan *GBS, OBE, JP*
Mr. Cheung Wing Yui

PRINCIPAL BANKERS

Bank of China Limited
Industrial and Commercial Bank of China Limited
China Construction Bank Corporation
Agriculture Bank of China
The Bank of East Asia, Limited
The Hongkong and Shanghai Banking Corporation Limited

Information for Shareholders

Annual Report

This Annual Report is printed in English and Chinese and is available on Agile's website and the HKEx's website at www.agile.com.cn and www.hkex.com.hk respectively. Printed copies in either or both languages are posted to Shareholders in accordance with their indicated preference. Shareholders are encouraged to access by electronic means the report posted on the websites to help protect the environment. Registered Shareholders may at any time choose to change their choice of language or means of receipt of the Company's corporate communications free of charge by notice in writing to the Company Secretary or the Company's Hong Kong branch registrar, Tricor Investor Services Limited. For Shareholders whose shares are held through brokers or custodians, they should inform their respective brokers or custodians to effect the change.

Closure of Register of Members

Agile's Register of Members will be closed from Tuesday, 3 June 2008 to Thursday, 5 June 2008, both dates inclusive, during which period, no transfer of shares will be registered. In order to qualify for the proposed final dividend, all properly completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's Hong Kong branch registrar, Tricor Investor Services Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Hong Kong not later than 4:00 pm on Monday, 2 June 2008. Subject to the Shareholders' approval of the proposed final dividend at the 2008 AGM, dividend warrants will be despatched on or about Thursday, 12 June 2008 to the Shareholders whose names are on Agile's Register of Members on 5 June 2008.

Annual General Meeting

The 2008 AGM will be held on Thursday, 5 June 2008. Details of the 2008 AGM are set out in the Notice of AGM which constitutes part of the circular to Shareholders sent together with this Annual Report. Notice of AGM and the proxy form are also available on HKEx's corporate website.

Financial Calendar

2007 AGM	7 June 2007
Announcement of interim results	17 September 2007
Announcement of final results	18 April 2008
2008 AGM	5 June 2008

Dividends

Interim dividend	HK 5.5 cents per share
Payment date for interim dividend	18 October 2007
Proposed final dividend	HK 15.3 cents per share
Book closing dates for final dividend	3-5 June 2008 (both dates inclusive)
Ex-entitlement date for final dividend	30 May 2008
Record date for final dividend	5 June 2008
Payment date for final dividend	on or about 12 June 2008

Information for Shareholders

SHARE INFORMATION

Share Listing

Agile's shares were listed on the HKEx on 15 December 2005. The Company has been included as a constituent stock of the Morgan Stanley Capital International China Index, Hang Seng Composite Index and Hang Seng Freefloat Composite Index.

LISTING INFORMATION

Share Listing

The Company's ordinary shares are listed on The Stock Exchange of Hong Kong Limited (Stock Code: 3383)

Senior Notes Listing

The Company's 9%, 7-year senior notes are listed on The Singapore Exchange Securities Trading Limited

LOT SIZE

2,000 shares

Price History

2007	Price per Share	
	High (HK\$)	Low (HK\$)
January	7.51	6.02
February	6.78	6.05
March	7.96	5.55
April	8.68	7.71
May	9.53	8.14
June	10.34	8.61
July	14.86	10.30
August	15.28	10.34
September	18.30	14.00
October	18.88	15.34
November	20.15	13.06
December	16.78	12.22

As at 31 December 2007

Market Capitalisation	\$53.188 billion
Number of issued shares	3,745,660,000 shares
Closing price	\$14.2 per share

Information for Shareholders

REGISTERED OFFICE

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

PRINCIPAL PLACE OF BUSINESS IN THE PRC

Agile Hotel
Jinyong Road, Sanxiang Town
Zhongshan City
Guangdong, PRC
Postal Code: 528463

PLACE OF BUSINESS IN HONG KONG

20th Floor
238 Nathan Road
Kowloon
Hong Kong

WEBSITE

<http://www.agile.com.cn>

PRINCIPAL REGISTRAR

Butterfield Fund Services (Cayman) Limited
Butterfield House
68 Fort Street
P.O. Box 705, George Town
Grand Cayman
Cayman Islands

HONG KONG BRANCH REGISTRAR

Tricor Investor Services Limited
26th Floor, Tesbury Centre
28 Queen's Road East
Hong Kong

INVESTORS RELATIONS

Corporate Communications Department
E-mail: ir@agile.com.cn
Telephone: (852) 2780 8688
(86) 0760 668 6868
Facsimile: (852) 2780 8822
(86) 0760 632 6955

“Vision”

Agile focuses on the healthy, stable and sustainable development of the corporate and regards the long-term benefits of clients as the ultimate concern, thus making every effort to satisfy clients' needs for quality life.

“Enthusiasm”

Agile values the contribution by each of our staff members and cooperate with every partner for business development in a sincere manner, with a view to building a dream home for each client.

“Develop our future”

Agile shoulders social responsibilities and creates a “harmonious community” with various sectors of society, thus making the dream future comes true for everyone.

遠見、心建、Develop our future with
vision and enthusiasm 共建未來



www.agile.com.cn