

# 08

Interim Report  
中期報告



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

(Incorporated in the Cayman Islands with limited liability)  
(於開曼群島註冊成立的有限公司) Stock code 股份代號 : 3383



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



Vision

Develop  
our future

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Enthusiasm

# 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

## AUTHORIZED REPRESENTATIVES

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

## AUDIT COMMITTEE

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

## 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

## 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

## AUDITORS

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

## 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

## PRINCIPAL SHARE REGISTRAR

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

## Corporate Information

### HONG KONG BRANCH SHARE REGISTRAR

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

### 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 Province, PRC  
Postal Code: 528463

### PLACE OF BUSINESS IN HONG KONG

20th Floor  
238 Nathan Road  
Kowloon  
Hong Kong

### INVESTOR RELATIONS

Corporate Communications Department  
E-mail: [ir@agile.com.cn](mailto:ir@agile.com.cn)  
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(86) 760 8632 7753

### WEBSITE

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

### LISTING INFORMATION

#### Share Listing

The Company's ordinary shares are listed on the Main Board of 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

### FINANCIAL CALENDAR

Closure of Register of Members:  
29 September to 2 October 2008 (both dates inclusive)

#### Interim Dividends

Interim Dividend:	HK27.1 cents per share
Ex-dividend Date:	25 September 2008
Dividend Record Date:	2 October 2008
Dividend Payment Date:	10 October 2008

# Financial Highlights

	For the six months ended 30 June		
	2008	2007	Change
Sales (RMB million)	<b>2,343</b>	3,196	-26.7%
Gross profit (RMB million)	<b>1,116</b>	1,454	-23.2%
Net profit (RMB million)	<b>4,434</b>	602	+637%
Profit attributable to the shareholders of the Company (RMB million)	<b>4,433</b>	598	+641.2%
Earnings per share (RMB)	<b>1.184</b>	0.16	+640%
Interim dividend per share (HK cents)	<b>27.1</b>	5.5	+392.7%

	As at	As at
	30 June 2008	31 December 2007
Total assets (RMB million)	<b>34,289</b>	28,706
Cash and cash equivalents (RMB million)	<b>2,205</b>	2,583
Short-term borrowings (RMB million)	<b>3,362</b>	1,375
Long-term borrowings (RMB million)	<b>6,624</b>	6,647
Shareholders' equity (RMB million)	<b>12,934</b>	9,015
Return on equity (%)	<b>34.3%</b>	23.3%
Total debt/total assets (%)	<b>29.1%</b>	27.9%
Net debt/shareholders' equity (%)	<b>60.2%</b>	60.3%

# Chairman's Statement

## Dear Shareholders

I am pleased to present the interim results of Agile Property Holdings Limited (“Agile” or “the Company”), together with its subsidiaries (the “Group”) for the six months ended 30 June 2008.

For the six months ended 30 June 2008, the Group's sales amounted to approximately RMB2,343.3 million, representing a decrease of 26.7% from that of the corresponding period of last year. Profit attributable to the shareholders amounted to approximately RMB4,433.1 million, including the profit of approximately RMB4,144.6 million arising from the disposal of 30% equity interest in the Clearwater Bay Hainan project to an institutional investor. During the period under review, earnings per share was RMB1.184.

## Dividend

The board of directors (the “Board”) strives to maintain a stable dividend policy. To thank our shareholders' trust and support, and after fully considering the profit generated from the sales of property development, the profit from project cooperations and the Group's demand for capital for future development, the Board has resolved to declare an interim dividend of HK27.1 cents per share, representing an increase of 392.7% from HK5.5 cents per share in the corresponding period in 2007.

## Business Review

During the first half of 2008, the Central Government further strengthened its austerity measures over China's property market, leading to an adjustment in property prices. In a bid to speed up capital inflow, maintain their market share and fulfill their business goals of the year, some property developers slashed property prices. The market was also highly cautious in face of the economic complexities. As a result, property transaction volume as a whole contracted and developers experienced various degree of slowdown in sales.

Under the challenging business operating environment, the Group's sales speed of certain projects had also slowed down in the first half of the year. Some of the on-going projects were witnessed slowdown in sales when compared with the corresponding period of last year. Nevertheless, the Group managed to achieve satisfactory sales results due to the national reputation of the Group's brand, and the comprehensive community facilities and developed environment of its projects. During the first half of the year, the Group has launched new phases in its mature and comprehensive projects such as Agile Garden Guangzhou and La Cite Greenville Zhongshan with satisfactory results, thus further solidifying the Group's leading position in the Pearl River Delta region.

Whilst maintaining its market position in the Pearl River Delta region, the Group has actively implemented a diversified development strategy and the results were encouraging. On 19 April this year, the Group launched Agile Garden Nanjing, the second project outside Guangdong Province. Pre-sales hit RMB600 million within only a few days, and had enhanced Agile's brand locally.

As at the end of August 2008, the Group's total contracted GFA sold was approximately 850,000 sq.m.. Total completed GFA for sale was approximately 610,000 sq.m. while GFA under development was 3.52 million sq.m..

## Chairman's Statement

In view of the market uncertainties, the Group had suitably adjusted its annual development plan in response to the change of market condition. The number of new projects scheduled to be launched since the beginning of this year had been reduced to 4 from 11. Accordingly, the Group will roll out 3 new projects in the second half of the year, including Clearwater Bay Hainan, Hongxi Huating Panyu and Lishang International Mansion Guangzhou.

In respect of land bank, the Group continued to implement a prudent policy on land acquisition, replenishing its land bank while developing existing projects. In view of the Group's overall sales plan, the Group slowed down the pace of land acquisition during the first half of the year. Apart from replenishing land bank in relating to Clearwater Bay Hainan, only 5 pieces of land, including Zhongshan Kunlun Hotel Project, Conghua Liangkou Town Project, Shanghai Nanhui Project, Zhongshan Wuguishan Project and Zhongshan Zhangjiabian Project, were acquired. As at 30 June 2008, the Group's land bank exceeded 31.52 million sq. m., which is adequate to support development for the next 8 to 10 years.

In addition to leveraging its strengths in large scale residential property, the Group will suitably increase its portfolio in investment property. The Group's Guangzhou Agile Hotel and Foshan Agile Hotel performed well. Besides, the Group had reached an agreement with JW Marriott Hotel on the management of Agile International Plaza Shanghai. The Group had also signed letters of intent with 6 internationally renowned hotel brand management companies on managing the planned hotels of Clearwater Bay Hainan. The Group also plans to invest in several hotels in Chengdu, Huizhou, etc. It is expected that Agile's brand will be further enhanced, and so will be its strength in property investment.

With its solid experience in property development, a pragmatic management team and Agile's influential quality brand, the Group is confident that it can maintain the competitiveness of Agile and strengthen its market position.

## Investor Relations

The Group places great importance on its relation with shareholders and investors from around the world. It strives to develop multi channels to help and strengthen a good communication with the investors, reinforce their confidence in Agile, and maintain a high level of corporate governance and transparency.

## Corporate Social Responsibility

As an enterprise with a strong sense of social responsibility, Agile has always been supporting charitable works by participating actively in the community and social services. We strongly believe that an enterprise should commit to fulfilling its corporate social responsibilities and obligations while seeking to achieve economic efficiency. We will continue to play an active role in charitable causes, education promotion and poverty relief in a bid to make contribution to the society.

## Development Strategy

The Group always adopts a flexible and prudent policy to cope with market changes and strengthen its comprehensive strength, with a view to becoming the most capable property developer in China. The rather significant changes in the market this year had brought about acute challenges to property developers. We will apply a series of appropriate measures to continue to maintain Agile's competitiveness and market share.

## Chairman's Statement

As for business development, we will continue to follow the principle of steady development, and appropriately adjust future development and sales plans so as to cope with market changes. We will also make adjustments to our product mix, sales prices and sales promotion plans in different markets in accordance with market conditions and product demand. In addition, we will continue to increase the proportion of investment properties appropriately, refine our portfolio of property assets and increase fixed income.

The Group will continue to maintain its financial health. We keep open to different fund-raising channels so as to ensure sufficient capital inflow. We will also refine the financial structure and keep our debt ratio at a reasonable level. During the first half of the year, the Group sold 30% equity interests of the Clearwater Bay Hainan project to an institutional investor, generating a profit of approximately RMB4,144.6 million and further refining the Group's financial structure. In the future, the Group will strengthen cooperation with institutional investors on project level with a view to further reinforcing our reputation and also increasing our cashflow.

In terms of corporate governance, we will continue to strengthen our internal control system, standardize the system of management, refine our work flow, improve work efficiency, build up internal control and strengthen cost control so as to safeguard shareholders' interest.

## Prospect

Despite the unfavourable changes in the macroeconomic environment for the first half of the year that led to fluctuations in China's property market, in the long run, we believe the consumption power and the housing demand in China will remain strong, offering good prospects for the Group to develop its projects. The series of austerity measures introduced by the Central Government not only will speed up the consolidation of the industry, strengthen the market mechanism that weeds out the weak and keeps the strong, but also further regulate the market order, rationalize the development of the whole industry and create a better business environment for big and competent developers. In accordance with market changes and the scale and speed of development, we will also take the advantage of the positive development and make necessary adjustments to prices of projects in particular cities that experience excessive growth in property prices. We will continue to offer value-for-money products, improve product quality and the standard of property management, solidify the edge of our brand and maintain our strength. Through flexible strategies in relation to the product mix, property prices, sales and promotion plans and by developing new products catering to the market demand, we believe we will be able to achieve satisfactory results in the future.

## Acknowledgement

Thanks to the enormous support of our shareholders and customers, and the concerted efforts of all our staff members, Agile has been growing at a steady pace. On behalf of the Board, I would like to express my heartfelt gratitude to them.

**Chen Zhuo Lin**

*Chairman*

Hong Kong, 10 September 2008



# Land Bank of the Group (as at 10 September 2008)

No.	Project Name	Classified by Location	Unit Land Cost (RMB/sq.m.)	Interests Attributable to the Group	Total Site Area (sq.m.)	Total GFA of the Project (note 1) (sq.m.)	Total GFA of the Project (sq.m.)			
							Completed in or before 2007	Completed in the First Half of 2008	Estimated to be Completed in the Second Half of 2008	
<b>Pearl River Delta Region</b>										
1	Agile Garden Guangzhou	City outskirts	259.00	100%	1,518,417	1,846,814	943,731	—	219,416	
2	Jiangbei Estate Guangzhou	City outskirts	259.00	100%	624,701	1,128,256	—	—	—	
3	Jiacheng Mansion Panyu	City centre	3,650.00	100%	4,070	10,410	—	—	—	
4	Hongxi Huating Panyu	City centre	3,619.32	100%	55,999	127,096	—	—	50,993	
5	Panyu Southern District Qingxin Road Project	City centre	5,409.00	100%	86,355	154,077	—	—	—	
6	Panyu Shilou Town Project	City outskirts	2,960.00	100%	14,388	26,000	—	—	—	
7	South Lagoon Guangzhou	City centre	357.27	100%	304,422	274,951	274,951	—	—	
8	Royal Hillside Villa Guangzhou	City centre	361.00	100%	122,742	198,940	51,270	44,730	—	
9	Guangzhou Royal Hillside Villa No. 3 Land	City centre	361.00	100%	39,384	78,768	—	—	—	
10	Lishang International Mansion Guangzhou	City centre	5,700.00	100%	7,836	54,864	—	—	54,864	
11	Guangzhou Haizhu Project	City centre	5,700.00	100%	4,642	24,834	—	—	—	
12	Guangzhou Zhujiang New City B1-7 Project	City centre	3,674.00	100%	5,729	88,466	—	—	—	
13	Zengcheng Project	City centre	1,791.00	100%	44,672	111,680	—	—	—	
14	Majestic Garden Huadu	City centre	345.00	100%	154,081	250,948	181,951	—	68,997	
15	No. 2 Huadu Project (Furong Town)	City centre	375.00	100%	52,600	84,160	—	—	—	
16	Huadu No.107 National Road Project	City centre	1,740.00	100%	282,681	528,922	—	—	—	
17	Agile Binjiang Garden Conghua	City with high growth potential	282.00	100%	303,358	486,920	239,462	—	—	
18	Conghua Liangkou Town Project	City with high growth potential	380.08	100%	131,091	143,333	—	—	—	
19	La Cite Greenville Zhongshan	City outskirts	170.00	100%	1,970,275	2,084,093	1,095,744	—	143,716	
20	La Noble Zhongshan	City outskirts	170.00	100%	542,169	542,169	123,931	—	55,893	
21	Metro Agile Zhongshan	City outskirts	137.00	100%	660,057	1,078,151	545,415	129,000	—	
22	Metropolis Zhongshan	City outskirts	325.00	100%	72,421	107,601	107,601	—	—	
23	Majestic Garden Zhongshan	City centre	564.97	100%	143,377	236,926	236,926	—	—	
24	Grand Garden Zhongshan	City centre	250.07	100%	96,374	150,357	150,357	—	—	
25	Star Palace Zhongshan	City centre	277.69	100%	112,155	176,226	176,226	—	—	
26	The Riverside Zhongshan	City centre	738.73	100%	102,226	72,645	72,645	—	—	
27	The Century Zhongshan	City centre	478.50	100%	492,475	754,469	59,875	—	211,697	
28	Agile Garden Dachong Zhongshan	City outskirts	366.00	100%	122,000	187,303	66,913	15,590	104,800	
29	Zhongshan No.1 Ever Creator Project	City outskirts	65.00	100%	587,289	880,934	—	—	21,183	
30	Phase II The Landmark Zhongshan	City centre	562.00	100%	15,968	31,936	—	—	—	
31	Zhongshan Minzhong Town Project	City outskirts	260.00	100%	63,450	95,175	—	—	—	
32	Zhongshan Western District Bo'ai Road Project	City centre	600.00	100%	539,244	1,448,000	—	—	—	
33	Zhongshan Kuchong Project	City centre	2,052.00	100%	37,648	82,826	—	—	—	
34	Zhongshan Wuguishan Project	City outskirts	419.40	100%	434,820	652,230	—	—	—	
35	Zhongshan Zhangjiabian Land	City outskirts	800.00	100%	164,539	246,808	—	—	—	
36	Zhongshan Kunlun Hotel Project	City outskirts	1,429.36	100%	29,267	87,801	—	—	—	
37	Majestic Garden Nanhai	City outskirts	510.00	100%	601,230	859,759	729,403	—	—	
38	Majestic Metropolis Nanhai	City outskirts	325.00	100%	48,949	63,373	63,373	—	—	
39	Nanhai Xiqiao Commercial Project	City outskirts	1,400.00	100%	52,950	133,657	—	—	—	
40	Agile Garden Foshan	City centre	2,200.00	100%	184,373	365,476	31,930	48,960	—	
41	Agile Garden Sanshui	City with high growth potential	317.00	100%	266,652	481,608	35,549	—	46,048	
42	Shunde Daliang Project	City centre	962.00	100%	212,410	488,500	—	—	—	
43	Enping Qinghu Resort Project	City with high growth potential	120.00	100%	973,392	1,946,784	—	—	—	
<b>Sub-total</b>						<b>18,874,246</b>	<b>5,187,253</b>	<b>238,280</b>	<b>977,607</b>	
<b>Eastern Guangdong</b>										
44	Agile Garden Heyuan	City with high growth potential	267.00	100%	1,364,741	2,729,481	140,132	—	132,856	
45	Agile Egret Lake Huizhou	City outskirts	325.00	99.75%	2,000,000	2,000,000	23,692	40,421	93,335	
<b>Sub-total</b>						<b>3,364,741</b>	<b>4,729,481</b>	<b>163,824</b>	<b>226,191</b>	
<b>Yangtze River Delta Region</b>										
46	Agile Garden Nanjing	City centre	4,165.00	100%	141,178	365,624	—	—	192,241	
47	No.2 Nanjing Qinhuai Project	City centre	11,744.97	80%	59,900	59,600	—	—	—	
48	Agile International Plaza Shanghai	City centre	15,285.00	100%	13,192	114,358	—	—	—	
49	Shanghai Nanhui Project	City centre	2,337.00	100%	504,927	232,268	—	—	—	
<b>Sub-total</b>						<b>719,197</b>	<b>771,850</b>	—	<b>192,241</b>	
<b>Western China</b>										
50	Agile Garden Chengdu	City outskirts	1,163.00	100%	1,338,970	1,606,751	54,250	—	314,106	
51	Agile Garden Xi'an	City outskirts	450.00	100%	90,644	234,439	—	—	—	
52	Chongqing Nan'an District Project	City outskirts	880.00	100%	321,073	463,842	—	—	—	
<b>Sub-total</b>						<b>1,750,687</b>	<b>2,305,032</b>	<b>54,250</b>	<b>314,106</b>	
<b>Hainan Province</b>										
53	Clearwater Bay Hainan	City with high growth potential	272.74	70%	9,096,570	9,854,037	—	—	159,227	
<b>Northeast China</b>										
54	Shenyang Puhé New City Project	City outskirts	723.00	100%	38,010	76,020	—	—	—	
<b>Grand-Total (note 3)</b>						<b>27,252,083</b>	<b>36,610,665</b>	<b>5,405,327</b>	<b>278,701</b>	<b>1,869,372</b>

Notes:

- Total GFA of the Project = Completed in or before 2007 + Completed in the First Half of 2008 + Estimated to be Completed in the Second Half of 2008 + Estimated to be Completed in 2009 + Estimated to be Completed in 2010 or later
- Land bank (GFA) = A + B : A = Completed For Sale (A1) + Under-Development (A2) + Held for Future Development (A3) ; B = Residential & Ancillary Facilities (B1) + Hotel (B2) + Commercial & Office (B3)
- There was no land newly acquired by the Group from the period of 1 July 2008 to 10 September 2008

Estimated to be Completed in 2009	Estimated to be Completed in 2010 or later	Estimated Quarter of Overall Completion	Land Bank (sq.m.)							
			GFA <small>(note 2)</small> (sq.m.)	Development Stage (A)			Planning Nature (B)			
				Completed for Sale (A1)	Under Development (A2)	Held for Future Development (A3)	Residential & Ancillary facilities (B1)	Hotel (B2)	Commercial & Office (B3)	
98,926	584,741	2Q 2011	929,513	26,430	303,055	600,028	913,471	16,042	—	
51,370	1,076,886	4Q 2013	1,128,256	—	—	1,128,256	1,128,256	—	—	
—	10,410	2Q 2010	10,410	—	—	10,410	10,410	—	—	
69,141	6,962	4Q 2010	127,096	—	51,043	76,053	102,873	—	24,223	
69,294	84,783	4Q 2010	154,077	—	—	154,077	154,077	—	—	
—	26,000	2Q 2010	26,000	—	—	26,000	26,000	—	—	
—	—	4Q 2006	2,493	2,493	—	—	2,493	—	—	
55,049	47,891	4Q 2010	129,415	26,448	—	102,967	129,415	—	—	
—	78,768	4Q 2010	78,768	—	—	78,768	78,768	—	—	
—	—	4Q 2008	54,864	—	54,864	—	54,864	—	—	
15,487	9,347	3Q 2010	24,834	—	—	24,834	24,834	—	—	
—	88,466	4Q 2010	88,466	—	—	88,466	—	—	88,466	
25,726	85,954	1Q 2010	111,680	—	—	111,680	111,680	—	—	
—	—	4Q 2008	82,912	3,673	79,239	—	82,912	—	—	
29,293	54,867	1Q 2010	84,160	—	—	84,160	84,160	—	—	
14,298	514,624	4Q 2012	528,922	—	—	528,922	528,922	—	—	
92,524	154,934	4Q 2010	252,480	5,022	—	247,458	252,480	—	—	
—	143,333	4Q 2010	143,333	—	—	143,333	143,333	—	—	
78,514	766,119	4Q 2011	1,029,480	41,131	278,649	709,700	954,639	37,420	37,421	
100,002	262,343	4Q 2011	440,280	22,042	234,584	183,654	440,280	—	—	
114,005	289,731	4Q 2010	590,229	189,398	64,562	336,269	590,229	—	—	
—	—	4Q 2006	28,858	28,858	—	—	—	—	28,858	
—	—	4Q 2002	1,647	1,647	—	—	1,647	—	—	
—	—	2Q 2007	1,432	1,432	—	—	1,432	—	—	
—	—	4Q 2006	361	361	—	—	361	—	—	
—	—	4Q 2005	4,610	4,610	—	—	4,610	—	—	
47,417	435,480	4Q 2012	715,853	21,259	246,978	447,616	715,853	—	—	
—	—	4Q 2008	141,856	37,056	104,800	—	141,856	—	—	
—	859,751	4Q 2014	880,934	—	21,183	859,751	880,934	—	—	
21,547	10,389	1Q 2010	31,936	—	—	31,936	31,936	—	—	
—	95,175	4Q 2010	95,175	—	—	95,175	95,175	—	—	
—	1,448,000	4Q 2014	1,448,000	—	—	1,448,000	1,448,000	—	—	
82,826	—	2Q 2010	82,826	—	—	82,826	82,826	—	—	
15,346	636,884	4Q 2012	652,230	—	—	652,230	652,230	—	—	
—	246,808	4Q 2010	246,808	—	—	246,808	246,808	—	—	
—	87,801	4Q 2010	87,801	—	—	87,801	—	21,854	65,947	
—	130,356	4Q 2010	155,684	25,338	—	130,346	155,684	—	—	
—	—	4Q 2005	28,751	28,751	—	—	492	20,278	7,981	
3,000	130,657	4Q 2010	133,657	—	53,014	80,643	80,643	—	53,014	
121,945	162,641	4Q 2010	303,141	18,555	199,669	84,917	303,141	—	—	
101,379	298,632	4Q 2011	458,327	12,268	177,359	268,700	458,327	—	—	
48,962	439,538	4Q 2011	488,500	—	—	488,500	430,500	25,000	33,000	
—	1,946,784	4Q 2020	1,946,784	—	—	1,946,784	1,946,784	—	—	
<b>1,256,051</b>	<b>11,215,055</b>		<b>13,952,839</b>	<b>496,772</b>	<b>1,868,999</b>	<b>11,587,068</b>	<b>13,493,335</b>	<b>120,594</b>	<b>338,910</b>	
88,868	2,367,625	4Q 2018	2,629,633	40,280	148,139	2,441,214	2,527,036	60,000	42,597	
277,813	1,564,739	4Q 2016	1,984,040	48,153	383,943	1,551,944	1,869,021	97,082	17,937	
<b>366,681</b>	<b>3,932,364</b>		<b>4,613,673</b>	<b>88,433</b>	<b>532,082</b>	<b>3,993,158</b>	<b>4,396,057</b>	<b>157,082</b>	<b>60,534</b>	
128,316	45,067	4Q 2010	365,624	—	190,001	175,623	365,624	—	—	
21,268	38,332	2Q 2011	59,600	—	—	59,600	30,000	—	29,600	
114,358	—	4Q 2010	93,330	—	93,330	—	—	60,980	32,350	
—	232,268	4Q 2011	232,268	—	—	232,268	—	—	232,268	
<b>263,942</b>	<b>315,667</b>		<b>750,822</b>	<b>—</b>	<b>283,331</b>	<b>467,491</b>	<b>395,624</b>	<b>60,980</b>	<b>294,218</b>	
155,261	1,083,134	4Q 2013	1,575,411	22,910	497,873	1,054,628	1,535,411	40,000	—	
92,823	141,616	4Q 2010	234,439	—	139,663	94,776	234,439	—	—	
63,413	400,429	4Q 2011	463,842	—	—	463,842	463,842	—	—	
<b>311,497</b>	<b>1,625,179</b>		<b>2,273,692</b>	<b>22,910</b>	<b>637,536</b>	<b>1,613,246</b>	<b>2,233,692</b>	<b>40,000</b>	<b>—</b>	
300,236	9,394,574	4Q 2017	9,854,037	—	193,265	9,660,772	9,259,235	544,842	49,960	
—	76,020	2Q 2012	76,020	—	—	76,020	76,020	—	—	
<b>2,498,407</b>	<b>26,558,858</b>		<b>31,521,083</b>	<b>608,115</b>	<b>3,515,213</b>	<b>27,397,755</b>	<b>29,853,963</b>	<b>923,498</b>	<b>743,622</b>	

# Management Discussion and Analysis

## Business Review

In the first half of 2008, the property market in China has undergone significant adjustment as a result of macroeconomic fluctuations. The macroeconomic tightening measures implemented by the Central Government to prevent overheating of the economy and to control property prices at an affordable level have resulted in uncertainties in the property market. Accordingly, property sales volume contracted with different degrees as customers adopted a wait-and-see attitude. In such a complicated market situation, the Group has foreseen changes in both the economic environment and property market situation of mainland China in 2008 after the exuberance in property market in 2007. During the first half year of 2008, the Group reached an agreement with an institutional investor to jointly develop Clearwater Bay Hainan, in order to enhance its capability in balancing market risk and achieve stable and sustainable business growth.

The Group has successfully overcome a complicated yet challenging market environment and the adverse effects of natural disasters including the snowstorm in Southern China and the Sichuan earthquake. Backing on its strong brand and applying competitive strategies, the Group has managed to achieve a satisfactory result in profit attributable to the shareholders, which was amounted to RMB4,433.1 million, including the profit of approximately RMB4,144.6 million arising from the disposal of 30% equity interest in the Clearwater Bay Hainan project.

The property market is anticipated to experience a continuous adjustment in the second half of 2008. The Group will further enhance the product quality, improve customer services and excel our strong brand competitive edge. The Group will also adopt effective sales and marketing strategies according to various development stages and characteristics of different projects with an aim to achieve better sales performance. Moreover, the Group will continue to implement cost control measures, which include ensuring cost budget during the project development stage, imposing monitoring measures during the construction period and reviewing the result in the post-development stage so as to achieve a stable profit margin.

The Group gives high priority in fulfilling corporate social responsibility. For example, we responded promptly to the Sichuan earthquake by actively making donations to the victims and participating in the rebuilding works of the affected area.

## Overall performance

Due to the slowdown of the property market, during the period under review, the sales of the Group was RMB2,343.3 million (the corresponding period in 2007: RMB3,196.1 million), representing a decrease of 26.7% as compared with the corresponding period in 2007. Operating profit was RMB4,777.9 million (the corresponding period in 2007: RMB1,191.9 million), including the gain of approximately RMB4,144.6 million arising from the disposal of 30% equity interest in the Clearwater Bay Hainan project. Profit attributable to the shareholders amounted to RMB4,433.1 million (the corresponding period in 2007: RMB598.1 million), including the gain of approximately RMB4,144.6 million arising from the disposal of 30% equity interest in the Clearwater Bay Hainan project. Basic earnings per share was RMB1.184 (the corresponding period in 2007: RMB0.16), taking into account of the gain of approximately RMB4,144.6 million arising from the disposal of 30% equity interest in the Clearwater Bay Hainan project.

## Land bank

The Group continued to make appropriate replenishment and adjustment to its land portfolio based on its development needs and the market conditions. As at 30 June 2008, the land bank of the Group amounted to 31.52 million sq.m. of GFA in 20 cities and districts, spanning across Pearl River Delta Region, Eastern Guangdong, Yangtze River Delta Region, Western China, Hainan Province and Northeast China. Among these, 6 land sites amounting to a total GFA of approximately 7.6 million sq.m. were newly acquired. These newly acquired sites are mainly situated in cities such as Conghua, Zhongshan, Shanghai and Hainan. We believe that the existing land bank is sufficient for the Group's future 8–10 years' development.

## Management Discussion and Analysis

City/Province	Land Bank (sq.m.)			
	GFA	Development Stage		
		Completed for sale	Under development	Held for future development
<b>Pearl River Delta Region</b>				
Panyu/Guangdong	2,375,352	26,430	354,098	1,994,824
Guangzhou/Guangdong	378,840	28,941	54,864	295,035
Zengcheng/Guangdong	111,680	—	—	111,680
Huadu/Guangdong	695,994	3,673	79,239	613,082
Conghua/Guangdong	395,813	5,022	—	390,791
Zhongshan/Guangdong	6,480,316	347,794	950,756	5,181,766
Nanhai/Guangdong	318,092	54,089	53,014	210,989
Foshan/Guangdong	303,141	18,555	199,669	84,917
Sanshui/Guangdong	458,327	12,268	177,359	268,700
Shunde/Guangdong	488,500	—	—	488,500
Enping/Guangdong	1,946,784	—	—	1,946,784
<b>Subtotal</b>	<b>13,952,839</b>	<b>496,772</b>	<b>1,868,999</b>	<b>11,587,068</b>
<b>Eastern Guangdong</b>				
Heyuan/Guangdong	2,629,633	40,280	148,139	2,441,214
Huizhou/Guangdong	1,984,040	48,153	383,943	1,551,944
<b>Subtotal</b>	<b>4,613,673</b>	<b>88,433</b>	<b>532,082</b>	<b>3,993,158</b>
<b>Yangtze River Delta Region</b>				
Nanjing/Jiangsu	425,224	—	190,001	235,223
Shanghai	325,598	—	93,330	232,268
<b>Subtotal</b>	<b>750,822</b>	<b>—</b>	<b>283,331</b>	<b>467,491</b>
<b>Western China</b>				
Chengdu/Sichuan	1,575,411	22,910	497,873	1,054,628
Xi'an/Shaanxi	234,439	—	139,663	94,776
Chongqing	463,842	—	—	463,842
<b>Subtotal</b>	<b>2,273,692</b>	<b>22,910</b>	<b>637,536</b>	<b>1,613,246</b>
<b>Hainan Province</b>				
Clearwater Bay/Hainan	9,854,037	—	193,265	9,660,772
<b>Northeast China</b>				
Shenyang/Liaoning	76,020	—	—	76,020
<b>Grand Total</b>	<b>31,521,083</b>	<b>608,115</b>	<b>3,515,213</b>	<b>27,397,755</b>

## Management Discussion and Analysis

Details of sites acquired during the period under review are as follows:

<b>Project Name</b>	<b>Total GFA (sq.m.)</b>
<b>Pearl River Delta Region</b>	
Conghua Liangkou Town Project	43,000
Zhongshan Wuguishan Project	51,125
Zhongshan Zhangjiabian Project	246,808
Zhongshan Kunlun Hotel Project	87,801
<b>Subtotal</b>	<b>428,734</b>
<b>Yangtze River Delta Region</b>	
Shanghai Nanhui Project	232,268
<b>Hainan Province</b>	
Clearwater Bay Hainan	6,900,333
<b>Grand Total</b>	<b>7,561,335</b>

### Property development and sales

During the period under review, recognised GFA sold was 278,519 sq.m. and the corresponding recognised sales was approximately RMB2,250.8 million, representing a decrease of 47.0% and 27.9% respectively as compared with the corresponding period in 2007. Total recognised sales in Zhongshan reached RMB803.6 million, accounting for 35.7% of total recognised sales and representing a decrease of 46.8% when compared with that of the corresponding period in last year. The total recognised GFA sold in Zhongshan was 116,232 sq.m., representing a decrease of 57.1% when compared with the corresponding period in 2007. Total recognised sales in Guangzhou reached RMB743.3 million, accounting for 33% of total recognised sales and representing a decrease of 29.7% when compared with that of the corresponding period in last year. The total recognised GFA sold in Guangzhou was 86,709 sq.m., representing a decrease of 49.3% when compared with the corresponding period in 2007. Total recognised sales in Foshan, Nanhai and Sanshui amounted to RMB564 million, accounting for 25.1% of the total recognised sales and representing an increase of 2.2% over the corresponding period in 2007. The total recognised GFA sold in Foshan, Nanhai and Sanshui was 62,038 sq.m., representing a decrease of 25.5% over the corresponding period in 2007.

For the six months ended 30 June 2008, the average selling price of the Group increased by 36.0% to RMB8,081 per sq.m. from RMB5,942 per sq.m. in the corresponding period in 2007.

## Management Discussion and Analysis

The following table sets forth the projects expected to be completed in the second half of 2008:

City	Project Name	Total GFA (sq.m.)
<b>Pearl River Delta Region</b>		
Panyu	Agile Garden Guangzhou	219,416
Panyu	Hongxi Huating Panyu	50,993
Guangzhou	Lishang International Mansion Guangzhou	54,864
Huadu	Majestic Garden Huadu	68,997
Zhongshan	La Cite Greenville Zhongshan	143,176
Zhongshan	La Nobleu Zhongshan	60,628
Zhongshan	The Century Zhongshan	211,697
Zhongshan	Agile Garden Dachong Zhongshan	104,800
Zhongshan	Zhongshan No.1 Ever Creator Project	21,183
Zhongshan	Zhongshan Kuchong Project	82,826
Foshan	Agile Garden Foshan	37,537
<b>Subtotal</b>		<b>1,056,117</b>
<b>Eastern Guangdong</b>		
Heyuan	Agile Garden Heyuan	132,856
Huizhou	Agile Egret Lake Huizhou	93,335
<b>Subtotal</b>		<b>226,191</b>
<b>Yangtze River Delta Region</b>		
Nanjing	Agile Garden Nanjing	192,241
<b>Western China</b>		
Chengdu	Agile Garden Chengdu	314,166
<b>Hainan Province</b>		
Hainan	Clearwater Bay Hainan	159,227
<b>Grand Total</b>		<b>1,947,942</b>

## Management Discussion and Analysis

The following table sets forth the GFA sold and recognised sales of each project in the first half of 2008:

<b>Project Name</b>	<b>City</b>	<b>Total GFA (sq.m.)</b>	<b>Sales (RMB'000)</b>
<b>Pearl River Delta Region</b>			
Agile Garden Guangzhou	Panyu	39,647	354,528
South Lagoon Guangzhou	Guangzhou	32,847	307,732
Majestic Garden Huadu	Huadu	5,657	29,964
Agile Binjiang Garden Conghua	Conghua	8,558	51,119
La Cite Greenville Zhongshan	Zhongshan	50,926	389,091
La Nobleu Zhongshan	Zhongshan	600	8,319
Metro Agile Zhongshan	Zhongshan	41,552	255,557
Metropolis Zhongshan	Zhongshan	5,392	27,105
Majestic Garden Zhongshan	Zhongshan	18	146
Grand Garden Zhongshan	Zhongshan	313	2,411
Star Palace Zhongshan	Zhongshan	691	3,928
The Riverside Zhongshan	Zhongshan	12,009	99,392
Agile Garden Dachong Zhongshan	Zhongshan	4,731	17,619
Majestic Garden Nanhai	Nanhai	22,689	140,912
Majestic Metropolis Nanhai	Nanhai	118	3,171
Agile Garden Foshan	Foshan	35,064	365,823
Agile Garden Sanshui	Sanshui	4,167	54,298
<b>Subtotal</b>		<b>264,979</b>	<b>2,111,115</b>
<b>Eastern Guangdong</b>			
Agile Garden Heyuan	Heyuan	8,473	61,385
Agile Egret Lake Huizhou	Huizhou	3,099	51,062
<b>Subtotal</b>		<b>11,572</b>	<b>112,447</b>
<b>Western China</b>			
Agile Garden Chengdu	Chengdu	1,968	27,250
<b>Grand Total</b>		<b>278,519</b>	<b>2,250,812</b>

### Property management

The Group provides after sales property management and services to the residents of each of the developed projects. During the review period, the property management services companies of the Group recorded property management fee income of RMB92.5 million, representing an increase of 22.2% over the corresponding period in 2007. As at 30 June 2008, the property management services companies of the Group managed a total GFA of over 7.6 million sq.m. in mainland China.

### Gross profit

Gross profit of the Group decreased by 23.2% to approximately RMB1,116.1 million for the six months ended 30 June 2008 from approximately RMB1,454 million for the corresponding period in 2007. Gross profit margin for the first half of 2008 increased to 47.6% from 45.5% for the corresponding period in 2007, which was primarily attributable to the increase in the average selling price of properties sold greater than the increase in the cost of the properties sold.

### Other gains

Other gains of the Group increased by 58.1 times to RMB4,201.9 million for the six months ended 30 June 2008 from RMB71.1 million of gain for the corresponding period in 2007, which was mainly attributable to the gain of RMB4,144.6 million generated from the disposal of 30% equity interest in the Clearwater Bay Hainan project.

### Selling and marketing costs

Selling and marketing costs of the Group increased by 70.3% to RMB170.4 million for the six months ended 30 June 2008 from RMB100.1 million for the corresponding period in 2007, which was primarily attributable to the increase in advertising costs by 69.4% to RMB131.3 million for the six months ended 30 June 2008 from RMB77.5 million for the corresponding period in 2007.

### Administrative expenses

Administrative expenses of the Group increased by 90% to approximately RMB329.6 million for the six months ended 30 June 2008 from approximately RMB173.5 million for the corresponding period in 2007, which was primarily attributable to the increase in staff costs resulted from the new recruitment of a large number of talents, to meet the rapid development of the Group. Accordingly, the salaries and wages expenses included in administrative expenses increased substantially by 65.6% to approximately RMB144.1 million for the six months ended 30 June 2008 from approximately RMB87.0 million for the corresponding period in 2007.

### Profit attributable to the shareholders

Profit attributable to the equity holders of the Group for the six months ended 30 June 2008 increased to approximately RMB4,433.1 million from approximately RMB598.1 million for the corresponding period in 2007.



### Liquidity, financial and capital resources

#### Cash position and fund available

The Group's cash and bank deposits (including the restricted cash) amounted to approximately RMB3,566.8 million as at 30 June 2008 (31 December 2007: RMB3,945.5 million).

As at 30 June 2008, the carrying amount of the restricted cash was approximately RMB1,361.5 million (31 December 2007: RMB1,362.9 million).

As at 30 June 2008, the undrawn borrowing facilities amounted to RMB493.7 million.

#### Borrowings and gearing ratio

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

As at 30 June 2008, the Group's bank loans and senior notes were RMB7,307.5 million and RMB2,678.2 million (equivalent) respectively. Amongst the bank loans, RMB3,361.9 million were repayable within one year, RMB1,772.6 million were repayable in the second to third year and RMB2,173 million were repayable in the third to fifth year. The senior notes were repayable over 5 years.

The Group's bank borrowings of RMB4,849.2 million as at 30 June 2008 were secured by the Group's land use right, completed properties held for sale and bank deposits with an aggregate carrying value of RMB2,515.9 million. The senior notes were 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 RMB5,328.7 million as at 30 June 2008.

The gearing ratio is measured by the net borrowings (total borrowings net of cash and cash equivalents) over the total capital and reserves attributable to equity holders. As at 30 June 2008, the gearing ratio was 60.2% (31 December 2007: 60.3%).

The Group transacted its business almost exclusively in Renminbi. Other than the foreign currency denominated bank deposits, the senior notes denominated in US dollar and the dual-currency revolving credit facility denominated in HK dollar and US dollar, the Group does not have any material exposure directly due to foreign exchange fluctuations.

#### Finance cost

As at 30 June 2008, the Group's total cost of borrowing was RMB373.6 million, representing an increase of RMB148.6 million over the corresponding period in 2007. The increase was attributable to bank loans with balance of 30 June 2008 increased by RMB3,036.6 million compared with the corresponding period of the previous year.

## Management Discussion and Analysis

### Contingent liability

As at 30 June 2008, the Group had contingent liabilities relating to buy-back guarantees to banks in respect of mortgage facilities for certain purchasers amounting to approximately RMB5,251.6 million (31 December 2007: approximately RMB6,544.7 million).

### 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. The return on equity for the review period of 2008 was 34.3% (including gain on partial disposal of a subsidiary) (the corresponding period in 2007: 7.8%).

### Commitments

As at 30 June 2008, commitments in connection with the property development activities amounted to approximately RMB4,026.6 million (31 December 2007: approximately RMB2,480.4 million). The Group had also committed to pay the land premium on land acquisitions amounting to approximately RMB1,143.4 million (as at 31 December 2007: RMB1,785.5 million).

### Human resources

As at 30 June 2008, the Group had a total of 8,730 employees, among which the Group's senior and middle management aggregated to 252 and 616 respectively. In terms of geographical location, there were 8,688 employees in mainland China and 42 in Hong Kong and Macau. Total staff costs, including directors' emoluments, for the period ended 30 June 2008 was RMB244.9 million.

### Prospect

We are optimistic about the future of China property market. Those austerity measures will facilitate the China property market to turn into a sensible, reasonable development direction. We believe that despite the macroeconomic tightening measures, the demand for housing in China will remain huge. We will continue to persistently enhance our competitive advantages through improvement in our management capability, product structure and branding, thus strive to become a property developer with a strong competitive capability in the nation.

# Condensed Consolidated Interim Balance Sheet

	<i>Note</i>	As at	
		30 June 2008 (Unaudited) RMB'000	31 December 2007 (Audited) RMB'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	4	148,996	127,798
Land use rights	4	4,865,780	5,384,418
Intangible assets	4	5,652	3,152
Deferred income tax assets		57,908	33,100
		<b>5,078,336</b>	<b>5,548,468</b>
<b>Current assets</b>			
Land use rights	4	6,332,825	3,584,556
Properties under development	5	7,135,879	4,661,599
Completed properties held for sale	6	1,963,926	1,740,137
Prepayments for acquisition of land use rights	7	7,007,624	6,004,034
Prepayments for acquisition of subsidiaries	8	189,053	2,164,771
Trade and other receivables	9	3,014,890	1,056,880
Restricted cash	10	1,361,520	1,362,945
Cash and cash equivalents	11	2,205,262	2,582,513
		<b>29,210,979</b>	<b>23,157,435</b>
<b>Total assets</b>		<b>34,289,315</b>	<b>28,705,903</b>
<b>EQUITY</b>			
<b>Capital and reserves attributable to the shareholders of the Company</b>			
Share capital and premium	12	5,102,222	5,102,222
Other reserves	13	684,062	684,062
Retained earnings			
— proposed dividend		886,625	514,058
— unappropriated retained earnings		6,261,055	2,714,555
		<b>12,933,964</b>	<b>9,014,897</b>
<b>Minority interests</b>		<b>903,932</b>	<b>18,808</b>
<b>Total equity</b>		<b>13,837,896</b>	<b>9,033,705</b>

## Condensed Consolidated Interim Balance Sheet

	<i>Note</i>	As at	
		30 June 2008 (Unaudited) <i>RMB'000</i>	31 December 2007 (Audited) <i>RMB'000</i>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Borrowings	<i>14</i>	6,623,870	6,647,311
Deferred income tax liabilities		921,707	833,298
		<b>7,545,577</b>	<b>7,480,609</b>
<b>Current liabilities</b>			
Borrowings	<i>14</i>	3,361,857	1,375,100
Trade and other payables	<i>15</i>	7,178,203	8,428,464
Current income tax liabilities	<i>16</i>	2,365,782	2,388,025
		<b>12,905,842</b>	<b>12,191,589</b>
<b>Total liabilities</b>		<b>20,451,419</b>	<b>19,672,198</b>
<b>Total equity and liabilities</b>		<b>34,289,315</b>	<b>28,705,903</b>
<b>Net current assets</b>		<b>16,305,137</b>	<b>10,965,846</b>
<b>Total assets less current liabilities</b>		<b>21,383,473</b>	<b>16,514,314</b>

The notes on page 23 to 43 form an integral part of this condensed consolidated interim financial information.

# Condensed Consolidated Interim Income Statement

	<i>Note</i>	<b>Six months ended 30 June</b>	
		<b>2008</b> <b>(Unaudited)</b> <b>RMB'000</b>	<b>2007</b> <b>(Unaudited)</b> <b>RMB'000</b>
Sales	3	2,343,303	3,196,083
Cost of sales		(1,227,227)	(1,742,078)
<b>Gross profit</b>		<b>1,116,076</b>	1,454,005
Other gains	18	4,201,898	71,075
Selling and marketing costs		(170,432)	(100,087)
Administrative expenses		(329,609)	(173,519)
Other expenses	19	(103,674)	(3,920)
Exchange gain/(losses), net	20	63,682	(55,596)
<b>Operating profit</b>		<b>4,777,941</b>	1,191,958
Finance income/(costs)	21	14,573	(31,531)
<b>Profit before income tax</b>		<b>4,792,514</b>	1,160,427
Income tax expenses	22	(358,921)	(558,855)
<b>Profit for the period</b>		<b>4,433,593</b>	601,572
<b>Attributable to:</b>			
Shareholders of the Company		4,433,125	598,111
Minority interests		468	3,461
		<b>4,433,593</b>	601,572
<b>Basic earnings per share for profit attributable to the shareholders of the Company during the period</b> (expressed in RMB per share)	23	<b>1.184</b>	0.160
<b>Dividends</b>	24	<b>886,625</b>	199,007

The notes on page 23 to 43 form an integral part of this condensed consolidated interim financial information.

# Condensed Consolidated Interim Statement of Changes in Equity

	Unaudited					Total <i>RMB'000</i>
	Attributable to the shareholders of the Company					
	Share capital and premium <i>RMB'000</i> <i>(note 12)</i>	Other reserves <i>RMB'000</i> <i>(note 13)</i>	Retained earnings <i>RMB'000</i>	Sub-total <i>RMB'000</i>	Minority interests <i>RMB'000</i>	
<b>Balance as at 1 January 2007</b> (Audited)	5,102,222	554,725	1,712,584	7,369,531	14,659	7,384,190
Profit for the period	—	—	598,111	598,111	3,461	601,572
Transfer to statutory reserve and enterprise expansion fund	—	55,018	(55,018)	—	—	—
Dividends	—	—	(258,451)	(258,451)	—	(258,451)
<b>Balance as at 30 June 2007</b>	5,102,222	609,743	1,997,226	7,709,191	18,120	7,727,311
<b>Balance at 1 January 2008</b> (Audited)	5,102,222	684,062	3,228,613	9,014,897	18,808	9,033,705
Profit for the period	—	—	4,433,125	4,433,125	468	4,433,593
Partial disposal of interest in a subsidiary (note 18(a))	—	—	—	—	884,656	884,656
Dividends (note 24(a))	—	—	(514,058)	(514,058)	—	(514,058)
<b>Balance as at 30 June 2008</b>	5,102,222	684,062	7,147,680	12,933,964	903,932	13,837,896

The notes on page 23 to 43 form an integral part of this condensed consolidated interim financial information.

# Condensed Consolidated Interim Cash Flow Statement

	<i>Note</i>	<b>Six months ended 30 June</b>	
		<b>2008</b> <b>(Unaudited)</b> <b>RMB'000</b>	<b>2007</b> <b>(Unaudited)</b> <b>RMB'000</b>
<b>Net cash used in operating activities</b>		<b>(3,062,587)</b>	<b>(3,669,131)</b>
<b>Net cash generated from/(used in) investing activities</b>		<b>1,418,903</b>	<b>(709,130)</b>
<b>Net cash generated from financing activities</b>		<b>1,426,204</b>	<b>1,555,257</b>
<b>Decrease in cash and cash equivalents</b>		<b>(217,480)</b>	<b>(2,823,004)</b>
Exchange losses on cash and cash equivalents		<b>(159,771)</b>	<b>(55,596)</b>
Cash and cash equivalents as at 1 January	<i>11</i>	<b>2,582,513</b>	<b>5,194,508</b>
<b>Cash and cash equivalents as at 30 June</b>	<i>11</i>	<b>2,205,262</b>	<b>2,315,908</b>

The notes on page 23 to 43 form an integral part of this condensed consolidated interim financial information.

# Notes to the Condensed Consolidated Interim Financial Information

## 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.

The condensed consolidated interim financial information was approved for issue by the Board on 10 September 2008.

## 2 Basis of preparation and accounting policies

### 2.1 Basis of preparation

This condensed consolidated interim financial information for the six months ended 30 June 2008 has been prepared in accordance with Hong Kong Accounting Standard 34 (“HKAS 34”) “Interim Financial Reporting”. The condensed consolidated interim financial information should be read in conjunction with the annual accounts for the year ended 31 December 2007, which have been prepared in accordance with Hong Kong Financial Reporting Standards (the “HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants.

### 2.2 Accounting policies

Except as described below, the accounting policies adopted are consistent with those of the annual accounts for the year ended 31 December 2007, as described in those annual accounts.

Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual earnings.

*(a) The following new standards, amendments to standards or interpretations are mandatory for the first time for the financial year beginning 1 January 2008 but are not currently relevant to the Group*

- HK (IFRIC)-Int 11, “HKFRS 2 — Group and treasury share transactions”;
- HK (IFRIC)-Int 12, “Service concession arrangements”; and
- HK (IFRIC)-Int 14, “HKAS 19 — the limit on a defined benefit asset, minimum funding requirements and their interaction”.



## 2 Basis of preparation and accounting policies (continued)

### 2.2 Accounting policies (continued)

(b) *The following new standards, amendments to standards and interpretations have been issued but are not effective for the financial year beginning 1 January 2008 and have not been early adopted by the Group*

- HKFRS 8, “Operating segments”, effective for annual periods beginning on or after 1 January 2009. HKFRS 8 replaces HKAS 14, “Segment reporting”, and 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;
- HKAS 23 (amendment), “Borrowing costs”, effective for annual periods beginning on or after 1 January 2009. This amendment is not relevant to the Group, as the Group currently applies a policy of capitalising borrowing costs;
- HKFRS 2 (amendment) “Share-based payment”, effective for annual periods beginning on or after 1 January 2009. 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;
- HKFRS 3 (amendment), “Business combinations” and consequential amendments to HKAS 27, “Consolidated and separate financial statements”, HKAS 28, “Investments in associates” and HKAS 31, “Interests in joint ventures”, effective prospectively to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1 July 2009. The Group will apply HKFRS 3 (amendment) from 1 January 2010;
- HKAS 1 (amendment), “Presentation of financial statements”, effective for annual periods beginning on or after 1 January 2009;
- HKAS 32 (amendment), “Financial instruments: presentation”, and consequential amendments to HKAS 1, “Presentation of financial statements”, effective for annual periods beginning on or after 1 January 2009. This is not relevant to the Group as the Group does not have any puttable instruments; and
- HK(IFRIC)-Int 13, “Customer loyalty programmes”, effective for annual periods beginning on or after 1 July 2008. This is not relevant to the Group’s operations because none of the Group’s companies operate any loyalty programmes.

### 3 Segment information

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

The segment assets and liabilities as at 30 June 2008 and 2007, and segment results, capital expenditure for the six months ended 30 June 2008 and 2007 are as follows:

#### Six months ended 30 June 2008 and 2007

	Property development		Property management		Decoration		Elimination		Group	
	2008 RMB'000	2007 RMB'000	2008 RMB'000	2007 RMB'000	2008 RMB'000	2007 RMB'000	2008 RMB'000	2007 RMB'000	2008 RMB'000	2007 RMB'000
Gross segment sales	2,250,812	3,120,402	100,765	87,456	86,865	60,969	—	—	2,438,442	3,268,827
Inter-segment sales	—	—	(8,274)	(11,775)	(86,865)	(60,969)	—	—	(95,139)	(72,744)
Sales	2,250,812	3,120,402	92,491	75,681	—	—	—	—	2,343,303	3,196,083
Segment results	4,760,235	1,173,239	(8,241)	(671)	30,344	16,927	(4,397)	2,463	4,777,941	1,191,958
Finance income/(costs)									14,573	(31,531)
Profit before income tax									4,792,514	1,160,427
Income tax expenses									(358,921)	(558,855)
Profit for the period									4,433,593	601,572
Segment assets	34,288,372	21,572,025	128,473	175,250	139,827	84,628	(267,357)	(297,104)	34,289,315	21,534,799
Segment liabilities	20,495,553	13,869,532	170,278	197,792	27,195	26,641	(241,607)	(286,477)	20,451,419	13,807,488
Capital expenditure	32,744	18,305	3,122	1,115	626	306	—	—	36,492	19,726
Depreciation	8,158	5,054	3,323	3,128	404	421	—	—	11,885	8,603
Amortisation of land use rights and intangible assets	93,998	56,879	292	15	—	—	—	—	94,290	56,894

## 4 Land use rights, property, plant and equipment and intangible assets

	Land use rights <i>RMB'000</i>	Property, plant and equipment <i>RMB'000</i>	Intangible assets <i>RMB'000</i>
<b>Six months ended 30 June 2007</b>			
Opening net book amount as at 1 January 2007	4,965,376	92,937	2,679
Acquisition of subsidiaries	342,445	373	—
Additions	2,408,037	19,199	154
Disposals	—	(402)	—
Depreciation/amortisation charges			
— capitalised in properties under development	(29,837)	—	—
— recognised as expenses	(26,681)	(8,603)	(376)
Transfer to cost of properties sold	(161,826)	—	—
Closing net book amount as at 30 June 2007	7,497,514	103,504	2,457
<b>Six months ended 30 June 2008</b>			
Opening net book amount as at 1 January 2008	8,968,974	127,798	3,152
Acquisition of subsidiaries	1,802,994	577	—
Additions	680,659	32,943	2,972
Disposals	—	(437)	—
Depreciation/amortisation charges			
— capitalised in properties under development	(41,969)	—	—
— recognised as expenses	(51,849)	(11,885)	(472)
Transfer to cost of properties sold	(160,204)	—	—
Closing net book amount as at 30 June 2008	11,198,605	148,996	5,652
Land use rights included in non-current assets	4,865,780		
Land use rights will be realised within one normal operating cycle	6,332,825		
	<b>11,198,605</b>		

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

As at 30 June 2008, land use rights of RMB1,419,955,000 (31 December 2007: RMB956,168,000) were pledged as collateral for the Group's bank borrowings.

## 5 Properties under development

	<b>30 June 2008</b>	31 December 2007
	<i>RMB'000</i>	<i>RMB'000</i>
Properties under development comprises:		
— construction costs and capitalised expenditures	<b>6,833,504</b>	4,438,172
— interest capitalised	<b>302,375</b>	223,427
	<b>7,135,879</b>	4,661,599

All properties under development are located in the PRC.

The capitalisation rate of borrowings was 8.40% for the six months ended 30 June 2008 (for six months ended 30 June 2007: 6.73%).

## 6 Completed properties held for sale

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

As at 30 June 2008, completed properties held for sale of approximately RMB51,452,000 (31 December 2007: RMB39,314,000) were pledged as collateral for the Group's bank borrowings.

## 7 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 lands.

## 8 Prepayments for acquisition of subsidiaries

Amounts represent prepayments made for the acquisition of certain subsidiaries whose principal activities are property development.

## 9 Trade and other receivables

	<b>30 June 2008</b>	31 December 2007
	<i>RMB'000</i>	<i>RMB'000</i>
Trade receivables (note (a))	<b>339,091</b>	799,332
Other receivables due from:		
— related parties (note 28(c))	—	150
— minority interest (note (b))	<b>1,719,336</b>	—
— third parties	<b>939,742</b>	232,613
Prepayments for construction costs	<b>16,721</b>	24,785
	<b>3,014,890</b>	1,056,880

As at 30 June 2008, the fair value of trade and other receivables approximated their carrying amounts.

*Note:*

- (a) Trade receivables mainly arise from sale of properties. Considerations in respect of properties sold are paid in accordance with the terms of the related sales and purchase agreements. As at 30 June 2008 and 31 December 2007, the ageing analysis of the trade receivables is as follows:

	<b>30 June 2008</b>	31 December 2007
	<i>RMB'000</i>	<i>RMB'000</i>
Within 90 days	<b>266,520</b>	782,384
Over 90 days and within 365 days	<b>72,571</b>	16,948
	<b>339,091</b>	799,332

*Note:*

- (b) The amount represents receivable from a minority shareholder of outstanding consideration for subscription of new shares issued by a subsidiary of the Group (note 18(a)).

## 10 Restricted cash

	<b>30 June 2008 RMB'000</b>	31 December 2007 RMB'000
Guarantee deposits for mortgage loans (note (a))	<b>20,837</b>	30,608
Guarantee deposits for construction of pre-sold properties (note (b))	<b>281,190</b>	472,211
Deposits for accident compensation (note (c))	<b>15,054</b>	81,451
Collateral for borrowings (note (d))	<b>1,044,439</b>	778,675
	<b>1,361,520</b>	1,362,945

*Notes:*

- (a) The amount represents guarantee deposits placed with certain banks for mortgage loan facilities granted by the banks to the purchasers of the Group's properties.
- (b) In accordance with relevant regulations stipulated by local State-Owned Land and Resource Bureau, certain property development companies of the Group are required to place certain amount of pre-sale proceeds at designated bank accounts. The deposits can only be used for payments of construction materials or construction fee of the relevant property projects when approval from local State-Owned Land and Resource Bureau is obtained. These deposits will only be released upon completion of construction of related properties or issuance of the real estate ownership certificate, which is earlier.
- (c) In accordance with local government regulations, certain property development companies of the Group are required to maintain certain amount of deposits at designated bank accounts for compensation payments to workers when they are injured in accident occurs in construction projects.
- (d) As at 30 June 2008, certain of the Group's bank deposits were pledged as collateral for the Group's borrowings. Such guarantee will be released after the repayment of the relevant borrowings.

## 11 Cash and cash equivalents

	<b>30 June 2008</b>	31 December 2007
	<i>RMB'000</i>	<i>RMB'000</i>
Cash and cash equivalents comprises the following:		
— cash at bank and in hand	2,500,194	2,980,927
— short-term bank deposits	1,064,674	962,493
— high liquidity investment	1,914	2,038
	<b>3,566,782</b>	3,945,458
Less: Restricted cash (note 10)	<b>(1,361,520)</b>	(1,362,945)
	<b>2,205,262</b>	2,582,513
Denominated in RMB (note (a))	<b>920,394</b>	1,532,921
Denominated in other currencies	<b>2,646,388</b>	2,412,537
	<b>3,566,782</b>	3,945,458

Note:

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

## 12 Share capital and premium

	Number of ordinary shares of HK\$0.1 each	Nominal value of ordinary shares <i>HK\$'000</i>	Equivalent nominal value of ordinary shares <i>RMB'000</i>	Share Premium <i>RMB'000</i>	Total <i>RMB'000</i>
<b>Six months ended</b>					
<b>30 June 2007</b>					
Balances as at					
1 January 2007 and					
30 June 2007	3,745,660,000	374,566	389,135	4,713,087	5,102,222
<b>Six months ended</b>					
<b>30 June 2008</b>					
Balances as at					
1 January 2008 and					
30 June 2008	3,745,660,000	374,566	389,135	4,713,087	5,102,222

### 13 Other reserves

	Merger reserve <i>(note (a))</i> <i>RMB'000</i>	Statutory reserve and enterprise expansion fund <i>(note (b))</i> <i>RMB'000</i>	Total <i>RMB'000</i>
<b>Six months ended 30 June 2007</b>			
Balance as at 1 January 2007	442,395	112,330	554,725
Transfer from retained earnings	—	55,018	55,018
Balance as at 30 June 2007	442,395	167,348	609,743
<b>Six months ended 30 June 2008</b>			
Balance as at 1 January 2008 and 30 June 2008	<b>442,395</b>	<b>241,667</b>	<b>684,062</b>

*Notes:*

- (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 Stock Exchange over the nominal value of the shares of the Company issued in exchange.
- (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.

### 14 Borrowings

	30 June 2008 <i>RMB'000</i>	31 December 2007 <i>RMB'000</i>
Borrowings included in non-current liabilities:		
Senior notes	2,678,200	2,851,641
Long-term bank loans		
— secured	4,049,170	2,417,420
— unsecured	1,097,000	1,561,000
Less: Amount due within one year	(1,200,500)	(182,750)
	<b>6,623,870</b>	<b>6,647,311</b>



**14 Borrowings** (continued)

	<b>30 June 2008</b>	31 December 2007
	<i>RMB'000</i>	<i>RMB'000</i>
Borrowings included in current liabilities:		
Short-term bank loans — secured	<b>800,000</b>	800,000
Short-term bank loans — unsecured	<b>9,190</b>	50,000
Short-term syndicated loans — unsecured	<b>1,352,167</b>	342,350
Current portion of long-term bank loans	<b>1,200,500</b>	182,750
	<b>3,361,857</b>	1,375,100

As at 30 June 2008, 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 RMB5,328,713,000 as at 30 June 2008 (31 December 2007: RMB963,923,000).

As at 30 June 2008, the Group's bank borrowings of RMB4,849,170,000 (31 December 2007: RMB3,217,420,000) are secured by its land use rights, properties and bank deposit.

Movements in bank borrowings and syndicated loans are analysed as follows:

	<b>Six months ended 30 June</b>	
	<b>2008</b>	2007
	<i>RMB'000</i>	<i>RMB'000</i>
<b>Opening amount as at 1 January</b>	<b>5,170,770</b>	2,314,200
Additions of borrowings	<b>2,542,007</b>	2,128,131
Repayments of borrowings	<b>(405,250)</b>	(171,450)
<b>Closing amount as at 30 June</b>	<b>7,307,527</b>	4,270,881

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

	<b>Six months ended 30 June</b>	
	<b>2008</b>	2007
	<i>RMB'000</i>	<i>RMB'000</i>
<b>Carrying amount as at 1 January</b>	<b>2,851,641</b>	3,045,442
Amortisation of issuance cost (note 21)	<b>4,759</b>	4,337
Exchange gain	<b>(178,200)</b>	(78,320)
<b>Carrying amount as at 30 June</b>	<b>2,678,200</b>	2,971,459

**14 Borrowings** (continued)

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

	30 June 2008		31 December 2007	
	<i>RMB'000</i>	<i>Effective interest rate</i>	<i>RMB'000</i>	<i>Effective interest rate</i>
Bank borrowings — RMB	5,955,360	7.15%	4,828,420	6.04%
Senior notes — US\$	2,678,200	9.51%	2,851,641	9.51%
Syndicated loans — HK\$	1,352,167	3.77%	342,350	5.98%
	<b>9,985,727</b>		<b>8,022,411</b>	

The carrying amounts of short-term and long-term bank borrowings approximate their fair value. The fair values of senior notes is RMB2,318,376,000 and are determined directly by reference to the price quotations published by The Singapore Exchange Securities Trading Limited on 30 June 2008.

The Group has the following undrawn borrowing facilities:

	30 June 2008	31 December 2007
	<i>RMB'000</i>	<i>RMB'000</i>
Floating rate		
— expiring beyond one year	<b>493,706</b>	1,681,054

## 15 Trade and other payables

	<b>30 June 2008</b>	31 December 2007
	<i>RMB'000</i>	<i>RMB'000</i>
Trade payables (note (a))	3,336,165	3,647,572
Other payables due to:		
— related parties (note 28(c))	3,825	4,089
— third parties	1,639,314	4,010,765
Advances from customers	1,710,482	440,226
Staff welfare benefit payable	5,305	7,765
Accrued expenses	104,328	142,780
Other taxes payable	83,327	175,267
Dividend payable	295,457	—
	<b>7,178,203</b>	<b>8,428,464</b>

Note:

(a) The ageing analysis of trade payables of the Group as at 30 June 2008 and 31 December 2007 is as follows:

	<b>30 June 2008</b>	31 December 2007
	<i>RMB'000</i>	<i>RMB'000</i>
Within 90 days	2,038,233	3,003,691
Over 90 days and within 180 days	662,810	162,411
Over 180 days and within 365 days	266,981	317,223
Over 365 days	368,141	164,247
	<b>3,336,165</b>	<b>3,647,572</b>

## 16 Current income tax liabilities

Current income tax liabilities are analysed as follows:

	<b>30 June 2008</b>	31 December 2007
	<i>RMB'000</i>	<i>RMB'000</i>
Income tax payables		
— PRC corporate income tax payables	97,228	310,637
— PRC land appreciation tax payables	2,268,554	2,077,388
	<b>2,365,782</b>	<b>2,388,025</b>

## 17 Expenses by nature

	Six months ended 30 June	
	2008 RMB'000	2007 RMB'000
Employee benefit expenses excluding directors' emoluments	235,413	134,955
Auditors' remuneration	2,124	1,500
Advertising costs	131,341	77,459
Depreciation (note 4)	11,885	8,603
Amortisation of intangible assets (note 4)	472	376
Amortisation of land use rights (note 4)	51,849	26,681
Cost of properties sold	1,019,402	1,484,047
Business taxes and other levies on sales of properties (note (a))	111,984	158,628
Cost of properties management	50,708	45,828
Commission fee	11,391	8,835

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.

## 18 Other gains

	Six months ended 30 June	
	2008 RMB'000	2007 RMB'000
Gain on partial disposal of a subsidiary (note (a))	4,144,639	—
Interest income	42,391	57,706
Forfeited deposits from customers	3,776	2,318
Rental income	6,765	4,445
Miscellaneous	4,327	6,606
	<b>4,201,898</b>	<b>71,075</b>

Note:

- (a) On 27 June 2008, the Group entered into a subscription agreement with Crystal I Limited ("Crystal I"), an independent third party, whereby Crystal I acquired 30% shares of a subsidiary of the Group. As at 30 June 2008, the Group has received deposits amounting to approximately US\$482,000,000, with the remaining consideration to be received amounting to approximately RMB1,719,336,000. This partial disposal of a subsidiary resulted in a gain of approximately RMB4,144,639,000 to the Group.

**19 Other expenses**

The amounts mainly represented the charitable donations of approximately RMB95,560,000 made by the Group.

**20 Exchange gain/(losses), net**

Exchange gain or loss are mainly resulted from translation at period-end exchange rate of foreign currency denominated bank deposits and financial liabilities except for the senior notes and syndicated loans as a result of appreciation of Renminbi during the six months ended 30 June 2008.

**21 Finance income/(costs)**

	Six months ended 30 June	
	2008	2007
	<i>RMB'000</i>	<i>RMB'000</i>
Exchange gain of senior notes and syndicated loans	233,934	78,320
Amortisation of issue costs of senior notes	(4,759)	(4,337)
Interest expenses:		
— bank loans	(246,933)	(86,492)
— senior notes	(126,633)	(138,476)
Interest capitalised	158,964	119,454
	<b>14,573</b>	<b>(31,531)</b>

**22 Income tax expenses**

	Six months ended 30 June	
	2008	2007
	<i>RMB'000</i>	<i>RMB'000</i>
Current income tax		
— PRC corporate income tax	377,032	314,356
PRC land appreciation tax	271,519	321,539
Deferred income tax		
— PRC corporate income tax	(289,630)	(77,040)
	<b>358,921</b>	<b>558,855</b>

**22 Income tax expenses** (continued)**PRC corporate income tax**

PRC corporate income tax is provided for the profit for the PRC statutory financial reporting purpose, adjusted for those items, which are not assessable or deductible for the PRC corporate income tax purpose. Pursuant to the Corporate Income Tax Law of the PRC approved on 16 March 2007, from 1 January 2008, the corporate income tax rate applicable to foreign invested enterprises is 25%, replacing the previous applicable tax rate of 33%.

**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 29).

**23 Earnings per share**

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

	<b>Six months ended 30 June</b>	
	<b>2008</b>	2007
Profit attributable to shareholders of the Company (RMB'000)	<b>4,433,125</b>	598,111
Weighted average number of ordinary shares in issue (thousands)	<b>3,745,660</b>	3,745,660
Basic earnings per share (expressed in RMB per share)	<b>1.184</b>	0.160

No diluted earnings per share is presented as there was no potential dilutive share in issue during the six months ended 30 June 2008 and 2007.

## 24 Dividends

	Six months ended 30 June	
	2008 RMB'000 <i>note (b)</i>	2007 RMB'000
Proposed interim dividend of HK\$0.271 per ordinary share	886,625	199,007
	886,625	199,007

### Notes:

- (a) A final dividend in respect of 2007 of HK\$0.153 per ordinary share, totalling approximately HK\$573,086,000 (equivalent to RMB514,058,000) was declared in the Company's Annual General Meeting on 5 June 2008.
- (b) An interim dividend in respect of six months ended 30 June 2008 of HK\$0.271 per ordinary share totalling HK\$1,013,286,000 (equivalent to RMB886,625,000) was proposed at the board meeting on 10 September 2008. The condensed consolidated interim financial information does not reflect this dividend payable.

## 25 Contingencies

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 30 June 2008, the outstanding guarantees amounted to RMB5,251,556,000 (31 December 2007: RMB6,544,723,000). Such guarantees terminate upon earlier of (i) issuance of the real estate ownership certificate which will generally be available within one year 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.

## 26 Commitments

### (a) Operating leases commitments

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

	<b>30 June 2008</b>	31 December 2007
	<i>RMB'000</i>	<i>RMB'000</i>
Property, plant and equipment:		
— not later than one year	<b>6,887</b>	4,780
— later than one year and not later than five years	<b>3,929</b>	4,892
— later than five years	<b>—</b>	18
	<b>10,816</b>	9,690
Lease of areas adjacent to the property development projects:		
— not later than one year	<b>400</b>	400
— later than one year and not later than five years	<b>1,600</b>	1,600
— later than five years	<b>36,300</b>	36,500
	<b>38,300</b>	38,500

### (b) Other commitments

	<b>30 June 2008</b>	31 December 2007
	<i>RMB'000</i>	<i>RMB'000</i>
Properties under development:		
— contracted but not provided for	<b>4,026,620</b>	2,480,425
Acquisition of land use rights:		
— contracted but not provided for	<b>1,143,368</b>	1,785,476
	<b>5,169,988</b>	4,265,901



## 27 Business combination

Pursuant to the agreements entered into between Clear Fortune Investments Limited (晴福投資有限公司), a wholly-owned subsidiary of the Company, and Mr. Chen Qingwei and Mr. Lu Zanchu on 8 March 2007, the Group effectively acquired 100% equity interest in Zhongshan Yafeng Trading investments Limited (中山市雅豐貿易投資有限公司) (“Zhongshan Yafeng”) on 29 February 2008.

The principal business operation of Zhongshan Yafeng is investment holding. Zhongshan Yafeng holds 100% equity interest in Shanghai Jinchang Real Estate Development Ltd. (上海金昌房地產開發有限公司) (“Shanghai Jinchang”) whose principal business activities include property development, property management and lease in Shanghai.

There was no income contributed to the Group by Zhongshan Yafeng and Shanghai Jinchang during the period from 29 February 2008 to 30 June 2008 as the property was still under construction as at 30 June 2008.

	<i>RMB'000</i>
Consideration per contract	5,000
Liabilities in the acquired subsidiaries assumed by the Group	1,972,290
Less: fair value of net assets acquired	(1,977,290)
Goodwill	—

	<b>Acquiree's book value <i>RMB'000</i></b>	<b>Preliminary fair value <i>RMB'000</i></b>
Cash and cash equivalents	272,386	272,386
Property, plant and equipment	577	577
Prepayment and other receivables	338,350	338,350
Land use rights	390,069	1,802,994
Properties under development	298,218	298,218
Bank loans	(220,000)	(220,000)
Other payables	(162,004)	(162,004)
Deferred tax liabilities	—	(353,231)
Net assets acquired	917,596	1,977,290
Total amounts settled in cash		1,977,290
Cash and cash equivalents in subsidiaries acquired		(272,386)
Cash outflow on acquisition (note(a))		1,704,904

Note:

(a) The Group already paid approximately RMB1,972,290,000 out of the total consideration of RMB1,977,290,000 in 2007.

## 28 Related party transactions

### (a) Name and relationship with related parties

Name	Relationship
Top Coast Investment Limited	The ultimate holding company of the Group
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 Course (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 companies referred to in these condensed consolidated financial information represent management's best efforts at translating their Chinese names into English as no English names have been registered or available.

**28 Related party transactions** (continued)**(b) Transactions with related parties**

During the six months ended 30 June 2008 and 2007, the Group had the following significant transactions with related parties:

	Six months ended 30 June	
	2008	2007
	<i>RMB'000</i>	<i>RMB'000</i>
Restaurant and hotel service fee charged by Zhongshan Agile Hotel Company Limited (note (i))	<b>283</b>	301
Golf facilities service fee charged by Zhongshan Changjiang Golf Course (note (i))	<b>1,588</b>	1,021
Restaurant and hotel service fee charged by Zhongshan Agile Changjiang Hotel Company Limited (note (i))	<b>2,295</b>	2,126
Key management compensation		
— salaries and other short-term employee benefits	<b>9,070</b>	9,568
— retirement scheme contributions	<b>32</b>	35
	<b>9,102</b>	9,603

*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 of the Company, the fees were determined with reference to the market price at the prescribed period, and 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.

**28 Related party transactions** (continued)**(c) Balances with related parties**

As at 30 June 2008 and 31 December 2007, the Group had the following significant non-trade balances with related parties:

	<b>30 June 2008 RMB'000</b>	31 December 2007 RMB'000
Due from related parties (note (i)):		
— Agile International Company Limited	—	150
	—	150
Due to related parties:		
— Zhongshan Changjiang Golf Course (note (i))	<b>3,825</b>	4,074
— Zhongshan Agile Hotel Company Limited (note (i))	—	15
— Top Coast Investment Limited (note (ii))	<b>293,320</b>	—
	<b>297,145</b>	4,089

*Notes:*

- (i) Amounts due from/to related parties as at 30 June 2008 are unsecured, interest-free and have no fixed terms of repayment; which are cash advances in nature.
- (ii) Amount due to Top Coast Investment Limited is dividend payable in nature, which was settled on 14 July 2008.

**29 Presentation of land appreciation tax and reclassification of comparative figures**

Within the comparative figures stated in the condensed consolidated interim financial information, land appreciation tax expense of approximately RMB321,539,000 previously included in cost of sales for the six months ended 30 June 2007 was reclassified as income tax expenses in the condensed consolidated interim income statement and provision for land appreciation tax previously included in other payables was reclassified as current income tax liabilities in the condensed consolidated interim 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 six months ended 30 June 2007 and 2008.

# Corporate Governance

The Board is committed to achieving and maintaining high standards of corporate governance and has adopted a Statement of Corporate Governance Policy since 2006, which gives guidance on how corporate governance principles are applied to the Company (see the Company's web-site at <http://www.agile.com.cn>) which included, inter alia, guidelines to the Board, Audit Committee, Nomination Committee, Remuneration Committee and internal control, and trading of securities by the directors and employees of the Company.

Currently, the Board comprises nine directors of which six are executive directors and three are independent non-executive directors. The directors are high-calibre personnel who possess professional knowledge and rich experience. The Board meets at least once a quarter to review and enhance its practices from time to time with an aim at improving on a continuous basis, so as to achieve the best practices at an international level. The Board highly values each annual general meeting. The Chairman reports the current position and future development of the Company at the annual general meeting, with a question-and-answer session available to ensure that the shareholders are able to deliver opinions to the Board.

## **Review of interim results**

The unaudited interim results for the six months ended 30 June 2008 have been reviewed by PricewaterhouseCoopers in accordance with Hong Kong Standard on Review Engagement 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants. The audit committee has reviewed the accounting principles and practices adopted by the Group, as well as the unaudited interim results for the six months ended 30 June 2008 and has recommended their adoption by the Board.

## **Compliance with the model code set out in appendix 10 to the listing rules**

The Company has adopted Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") contained in Appendix 10 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") (the "Listing Rules"). The Company has made specific enquiry to all Directors regarding any non-compliance with the Model Code during the six months ended 30 June 2008 and all Directors confirmed that they have fully complied with the required standard set out in the Model Code during the period.

## **Compliance with the code on corporate governance practices**

The Company has complied with the provisions of the Code on Corporate Governance Practices contained in Appendix 14 to the Listing Rules during the six months ended 30 June 2008.

# Other Information

## Share options

On 23 November 2005, the Company adopted a share option scheme. No options have been granted under the Share Option Scheme since its adoption.

## Directors' interest

As at 30 June 2008, the interests of each Director and chief executive of the Company in the equity or debt securities of the Company or any associated corporation (within the meaning of the Securities and Futures Ordinance ("SFO")) which (a) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which the Director has taken or deemed to have under such provisions of the SFO); or (b) were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (c) were required, pursuant to the Model Code as set out in Appendix 10 to the Listing Rules to be notified to the Company and the Stock Exchange were as follows:

Name of Director	Capacity	Number of Shares of the Company (note 4)	Total	Approximate shareholding percentage %
Chen Zhuo Lin	Beneficiary of a trust	2,180,530,000	2,185,530,000	58.35
	Interest of controlled corporation (note 1)	5,000,000		
Chan Cheuk Yin	Beneficiary of a trust	2,180,530,000	2,180,530,000	58.21
Luk Sin Fong, Fion	Beneficiary of a trust	2,180,530,000	2,185,530,000	58.35
	Interests of controlled corporation (note 1)	5,000,000		
Chan Cheuk Hung	Beneficiary of a trust	2,180,530,000	2,180,530,000	58.21
Chan Cheuk Hei	Beneficiary of a trust	2,180,530,000	2,185,530,000	58.35
	Beneficial Interests (note 2)	5,000,000		
Chan Cheuk Nam	Beneficiary of a trust	2,180,530,000	2,186,558,000	58.38
	Beneficial Interests (note 3)	6,028,000		

### Notes:

1. The shares of the Company (the "Shares") were held by Brilliant Hero Capital Limited. Chen Zhuo Lin and Luk Sin Fong, Fion were shareholders of the Company, holding a total of 100% of its equity interest.
2. The Shares were jointly held by Chan Cheuk Hei and his spouse, Lu Yanping.
3. The Shares were jointly held by Chan Cheuk Nam and/or his spouse, Chan Siu Na.
4. All interest in the Shares were long positions.

## Other Information

As at 30 June 2008, other than the interests as disclosed before, none of the Directors and the chief executive of the Company had any interest in the share capital of the Company or any associated corporations (within the meaning of the SFO) which (a) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which the Director has taken or deemed to have under such provisions of the SFO); or (b) were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (c) were required, pursuant to the Model Code to be notified to the Company and the Stock Exchange.

### Substantial shareholders

As at 30 June 2008, the interests of those persons in the share capital of the Company as recorded in the register maintained under section 336 of the SFO were as follows:

Name of shareholder	Capacity	Number of Shares of the Company	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)	2,180,530,000 (L)	2,185,530,000 (L)	58.35
	Beneficial Interests (note 4)	5,000,000 (L)		
Chan Siu Na	Family Interests (note 5)	2,180,530,000 (L)	2,180,530,000 (L)	58.21
UBS AG	Beneficial Interests	240,386,091 (L)	281,738,448 (L)	7.52
	Securities Interests	35,223,847 (L)		
	Interests of Controlled Corporation (note 6)	6,128,510 (L)		
	Beneficial Interests	87,809,646 (S)	91,993,646 (S)	2.46
	Interests of Controlled Corporation (note 7)	4,184,000 (S)		
JP Morgan Chase & Co	Beneficial Interests	32,985,077 (L)	191,409,333 (L)	5.11
	Investments Manager	115,788,000 (L)		
	Custodian (note 5)	42,636,256 (L)		
	Beneficial Interests	8,886,000 (S)	8,886,000 (S)	0.24

(L) denotes long position

(S) denotes short position

## Other Information

### Notes:

1. *Zheng Huiqiong, spouse of Chan Cheuk Yin, director of the Company.*
2. *Lu Liqing, spouse of Chan Cheuk Hung, director of the Company.*
3. *Lu Yanping, spouse of Chan Cheuk Hei, director of the Company.*
4. *The shares were jointly held by Lu Yanping and her spouse Chan Cheuk Hei, director of the Company. Lu Yanping was deemed or taken to be interested in such Shares.*
5. *Chan Siu Na, spouse of Chan Cheuk Nam, director of the Company.*
6. *UBS AG was deemed to be interested in 4,883,000 Shares, 527,510 Shares, 474,000 Shares and 244,000 Shares held by UBS Securities LLC, UBS Global Asset Management Life Ltd, UBS Global Asset Management (Japan) Ltd and UBS Fund Management (Switzerland) AG respectively by virtue of its 100% interest therein.*
7. *UBS AG was deemed to be interested in 4,046,000 Shares and 138,000 Shares held by UBS O Connor LLC and UBS Fund Services (Luxembourg) SA respectively by virtue of its 100% interest therein.*
8. *JP Morgan 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.*
  - i. *JP Morgan Chase Bank, N.A. held 49,254,256 Shares. JP Morgan Chase Bank, N.A. was a wholly-owned subsidiary of JP Morgan Chase & Co.*
  - ii. *JP Morgan Investment Management Inc. held 18,414,000 Shares. JP Morgan Investment Management Inc. was a wholly-owned subsidiary of JP Morgan Asset Management Holdings Inc.. JP Morgan Asset Management Holdings Inc. was a wholly-owned subsidiary of JP Morgan Chase & Co.*
  - iii. *JP Morgan Whitefriars Inc. held 32,985,077 Shares in long position and 8,112,000 Shares in short position. JP Morgan Whitefriars Inc. was a wholly-owned subsidiary of JP Morgan Overseas Capital Corporation. JP Morgan Overseas Capital Corporation was a wholly-owned subsidiary of JP Morgan International Finance Limited. JP 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 JP Morgan International Inc.. JP Morgan International Inc. was a wholly-owned subsidiary of JP Morgan Chase Bank, N.A.. JP Morgan Chase Bank, N.A. was a wholly-owned subsidiary of JP Morgan Chase & Co.*
  - iv. *JP Morgan Asset Management (Japan) Limited held 2,044,000 Shares. JP Morgan Asset Management (Japan) Limited was a wholly-owned subsidiary of JP Morgan Asset Management (Asia) Inc.. JP Morgan Asset Management (Asia) Inc. was a wholly-owned subsidiary of JP Morgan Asset Management Holdings Inc.. JP Morgan Asset Management Holdings Inc. was a wholly-owned subsidiary of JP Morgan Chase & Co..*
  - v. *JP Morgan Asset Management (Canada) Inc. held 2,352,000 Shares. JP Morgan Asset Management (Canada) Inc. was a wholly-owned subsidiary of JP Morgan Asset Management Holdings Inc..*
  - vi. *JP Morgan Asset Management (UK) Limited held 86,218,000 Shares. JP Morgan Asset Management (UK) Limited was a wholly-owned subsidiary of JP Morgan Asset Management Holdings (UK) Limited. JP Morgan Asset Management Holdings (UK) Limited was a wholly-owned subsidiary of JP Morgan Asset Management International Limited. JP Morgan Asset Management International Limited was a wholly-owned subsidiary of JP Morgan Asset Management Holdings Inc..*
  - vii. *JP Morgan Asset Management (London) Limited held 142,000 Shares. JP Morgan Asset Management (London) Limited was a wholly-owned subsidiary of JP Morgan Asset Management (UK) Limited. JP Morgan Asset Management (UK) Limited was a wholly-owned subsidiary of JP Morgan Asset Management Holdings (UK) Limited. JP Morgan Asset Management Holdings (UK) Limited was a wholly-owned subsidiary of JP Morgan Asset Management International Limited. JP Morgan Asset Management International Limited was a wholly-owned subsidiary of JP Morgan Asset Management Holdings Inc..*
  - viii. *JP Morgan International Derivatives Ltd. held 774,000 Shares in short position. JP Morgan International Derivatives Ltd. was a wholly-owned subsidiary of JP Morgan International Finance Limited.*



## **Other Information**

### **Purchase, sale or redemption of shares**

During the six months ended 30 June 2008, the Company or any of its subsidiaries had not redeemed, purchased or sold any of the Company's shares.

### **Specific performance obligations on controlling shareholder**

As disclosed in the Company's announcement dated 27 June 2007, the Company as the borrower, has obtained a USD200,000,000 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.

### **Interim dividend**

The Board declared an interim dividend of HK27.1 cents (2007: HK5.5 cents) per Share payable in cash on 10 October 2008 to shareholders whose names appear on the Register of Members as at 2 October 2008.

### **Closure of register of members**

The Register of Members will be closed from 29 September 2008 to 2 October 2008, both dates inclusive. In order to qualify for the interim dividend, all transfer forms accompanied by the relevant share certificates must be lodged with the Company's branch registrars, Tricor Investor Services Limited, 26th Floor Tesbury Centre, 28 Queen's Road East, Hong Kong for registration not later than 4:00 p.m. on 26 September 2008.

# Projects at a Glance 項目巡禮



La Cite Greenville Zhongshan  
中山凱茵新城



GFA  
建築面積 2,084,093 sq.m.  
平方米



GFA  
建築面積 9,854,037 sq.m.  
平方米



Clearwater Bay Hainan  
海南清水灣





Agile Egret Lake Huizhou  
惠州雅居樂白鷺湖



GFA  
建築面積 2,000,000 sq.m.  
平方米

Agile Garden Chengdu  
成都雅居樂花園



GFA  
建築面積

1,606,751

sq.m.  
平方米

Agile Garden Xi'an  
西安雅居樂花園

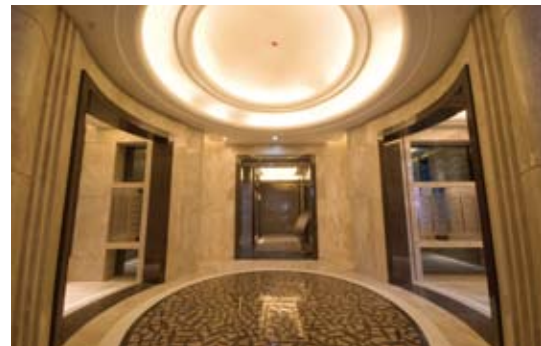


GFA  
建築面積 234,439 sq.m.  
平方米





Agile Garden Nanjing  
南京雅居樂花園



GFA 365,624 sq.m.  
建築面積 365,624 平方米



Agile Garden Guangzhou  
廣州雅居樂花園

GFA 1,846,814 sq.m.  
建築面積 1,846,814 平方米



The Century  
Zhongshan  
中山世紀新城



GFA  
建築面積

754,469

sq.m.  
平方米



Lishang International Mansion  
Guangzhou  
廣州荔尚國際大廈

GFA 54,864 sq.m.  
建築面積 54,864 平方米



Hongxi Huating  
Panyu  
番禺鴻禧華庭



GFA  
建築面積

127,096

sq.m.  
平方米

