



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



Interim Report 2010  
二零一零中期報告

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

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# Corporate Information and Information for Shareholders

## 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

## Authorised Representatives

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

## 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

## Committees

### Nomination Committee

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

### Remuneration Committee

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

### Audit Committee

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

## Principal Bankers

Bank of China Limited  
 Industrial and Commercial Bank of China Limited  
 China Construction Bank Corporation  
 Agricultural Bank of China Limited  
 The Bank of East Asia, Limited  
 The Hongkong and Shanghai Banking Corporation Limited  
 Bank of America Merrill Lynch

## 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 and Information for Shareholders

## Branch Share Registrar and Transfer Office in Hong Kong

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 Office in the PRC

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

## Place of Office in Hong Kong

20th Floor  
238 Nathan Road  
Kowloon  
Hong Kong

## Investor Relations

Corporate Communications Department  
E-mail : ir@agile.com.cn  
Telephone : (852) 2780 8688  
(86) 760 8668 6868  
Facsimile : (852) 2780 8822  
(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 has issued 10%, 7-year (due 2016) and 8.875%, 7-year (due 2017) senior notes in 2009 and 2010 respectively, both of which are listed on The Singapore Exchange Securities Trading Limited.

## Financial Calendar

Closure of register of members:  
20 September 2010 to 22 September 2010 (both dates inclusive)

## Interim Dividends

Interim Dividend	: HK6.1 cents per share
Ex-dividend Date	: 16 September 2010
Dividend Record Date	: 22 September 2010
Dividend Payment Date	: 4 October 2010

# Financial Highlights

## Income statement highlights

	For the six months ended 30 June		
	2010	2009	Change
Turnover (RMB million)	<b>7,081</b>	5,613	+26.2%
Gross profit (RMB million)	<b>3,305</b>	1,915	+72.6%
Gross profit margin	<b>46.7%</b>	34.1%	+12.6%
Profit attributable to the shareholders (RMB million)	<b>932*</b>	706	+32.0%
Net profit margin	<b>15.1%*</b>	12.6%	+2.5%
Basic earnings per share (RMB)	<b>0.266*</b>	0.195	+36.4%
Interim dividend per share (HK cents)	<b>6.1</b>	5.6	+8.9%

## Balance sheet highlights

	As at	As at	Change
	30 June 2010	31 December 2009	
Total assets (RMB million)	<b>57,255</b>	44,178	+29.6%
Cash and cash equivalents (RMB million)	<b>4,190</b>	4,372	-4.2%
Short-term loans (RMB million)	<b>2,867</b>	2,229	+28.6%
Long-term loans (RMB million)	<b>13,702</b>	9,851	+39.1%
Shareholders' equity (RMB million)	<b>13,812*</b>	14,062	-1.8%
Return on equity (ROE)	<b>6.8%*</b>	13.3%	-6.5%
Total debt/total assets	<b>28.9%</b>	27.3%	+1.6%
Net debt/shareholders' equity	<b>61.4%</b>	54.8%	+6.6%

\* Excluding after tax revaluation gains on investment properties for the six months ended 30 June 2010.

# 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 2010.

For the six months ended 30 June 2010, the Group's turnover and gross profit amounted to approximately RMB7,081 million and RMB3,305 million, representing an increase of 26.2% and 72.6% respectively when compared with the corresponding period of last year. Net profit (including after tax revaluation gains on investment properties) was approximately RMB3,384 million and earnings per share were RMB0.917, representing an increase of 380.2% and 370.3% respectively when compared with the corresponding period of last year.

## Dividend

In order to strike a balance between the Group's overall business development needs and shareholders' investment returns, the board of directors (the “Board”) declared the payment of an interim dividend of HK6.1 cents per share, representing an increase of 8.9% when compared with HK5.6 cents per share of the corresponding period in 2009.

## Business review

The Central Government promulgated a series of macro-control measures in the first half of the year to curb the overheating property market in certain cities, and the market sentiment remained cautious, which posed a challenge against the overall capability of property developers. The Group believes that these measures will further optimise the structure of property market and will foster a long-term healthy development of the industry. As mainland China maintains its rapid economic development and urbanisation process, the Group expected that the demand for housings will continue to expand among Chinese citizens.

While the property market is still in its consolidation period, the Group has timely adjusted its strategies in response to the launching of property tightening measures. The Group has implemented a diversified development strategy and further expanded business in Pearl River Delta so as to mitigate its operation risk. During the review period, the Group had 29 projects on sale including 2 newly-launched projects, namely Agile International Garden Chongqing and Agile Garden Huadu. The Group's total contracted sales amounted to approximately RMB10,500 million with an accumulated contracted GFA sold of approximately 1.03 million sq.m.. Among which, Agile Garden Nanjing continued to maintain the title of the City's Best Selling Property with an excellent contracted sales amount of approximately RMB1,200 million; Agile Cambridgeshire Guangzhou recorded a contracted sales amount of approximately RMB900 million, ranking the second place in the Guangzhou property market in terms of sales amount; the contracted sales of Hainan Clearwater Bay amounted to approximately RMB3,200 million, laying a solid foundation for its development in the second half of the year.

# Chairman's Statement

## Land bank

In the first half of the year, the Group acquired 2 pieces of land with a total GFA of approximately 0.65 million sq.m. in Jiangning District of Nanjing City and Shenbei New District of Shenyang for a total consideration of RMB1,270 million. Moreover, during the review period, we have also successfully invited Shimao Property Holdings Limited and Citic Real Estate Company Limited to be new joint venture partners of the Guangzhou Asian Games City Project, which was jointly acquired by the Group, Guangzhou R&F Properties Co., Ltd. and Country Garden Holdings Company Limited in 2009. By doing so, the project's competitiveness and attractiveness shall be enhanced further.

As at 30 June 2010, the Group had a land bank with a total GFA of 31.15 million sq.m., which is sufficient to meet its development needs in the next 8 to 10 years. Most of the land bank is situated in cities and regions with relatively stable and reasonable property price. The average unit cost is only RMB1,326 per sq.m. By acquiring quality land with great potential in low prices, the Group has effectively dispersed market risk. In the second half of the year, the Group will prudently identify opportunities for land acquisition based on the overall market condition and its financial condition.

## Financial strategy

The Group is committed to implementing a dynamic cost control system, while actively upgrading its levels in financial governance and fund management, as well as continuously optimising the debt structure and implementing the strategies for financing cost minimisation. In January 2010, the Group obtained a syndicated loan of US\$125 million. In April 2010, the Group successfully issued 8.875% senior notes due 2017 in the aggregate principal amount of US\$650 million, and the proceeds were mainly used to finance the redemption of 9% senior notes due 2013 in the aggregate principal amount of US\$400 million, which not only lowered the financing cost, but also extended the repayment period of senior notes by 4 years. In July 2010, the Group was granted a term loan of HK\$800 million by The Bank of East Asia, Limited.

## Hotel and commercial properties

The Group has been committed to the prudent development strategy and has appropriately allocated its resources on the development of hotel and commercial properties so as to establish a more diversified business portfolio, while increasing revenue stream and dispersing business risks. In this connection, certain properties held for development were designated as properties held for long-term leasing or intended to hold for future capital appreciation. For the six months ended 30 June 2010, the Group recorded revaluation gains on investment properties of approximately RMB3,090 million. After deducting related deferred income tax of RMB773 million, after tax revaluation gains were approximately RMB2,317 million.

The operation of the Group's three self-operated hotels was sound. Besides, Shanghai Marriott Hotel City Centre, Raffles Sanya Clearwater Bay and Sheraton Egret Lake Resort Huizhou are expected to commence operation in the coming two years respectively. The Group will also develop and launch its commercial properties consecutively in the next few years, such as the grade A office building in Guangzhou Zhujiang New City and the shopping mall of Agile International Plaza Shanghai. By then, it will generate stable cash flow for the Group and provide the communities nearby with comprehensive ancillary facilities.

# Chairman's Statement

## Investor relations

In the first half of the year, the Group continued to maintain an effective mutual communication with its shareholders and investors through various means including press releases, monthly newsletters, corporate announcements, roadshows and project visits, so as to keep the shareholders and investors abreast of the Group's latest information, including development strategies, sales performance, operation management and business development. Moreover, the Group also has actively participated in various investor relations activities to strengthen the relationship with investors and strive to maintain an appropriate degree of corporate transparency. During the review period, the Group had organised 9 rounds of roadshows in Hong Kong, Shanghai, Beijing, Singapore, England, United States and so on, presenting the Group's operating results, development strategies, and latest business performance to the shareholders and investors. Meanwhile, the Group has participated in 10 investor summits or seminars in mainland China and overseas, organised by investment banks or brokerage firms including Credit Suisse, HSBC, BoA-Merrill Lynch, BNP Paribas, Taifook Securities, Citibank, Deutsche Bank and UBS. During the review period, the Group has arranged communication meetings with 109 shareholders and investors.

During the review period, the Group had received various honours and awards including "List of Hurun Top Brands 2010", "Outstanding Domestic Real Estate Developers", "Top 100 Overseas Chinese Enterprises", and "Top 30 Real Estate Developers of China 2009". Our excellence in corporate governance and investor relations was highly recognised, as the Group's Annual Report of 2009 was awarded the "Top 100 Annual Report (Ranked 48)", Silver Award in "Asia Pacific Region (Written Text — Finance category)", and Gold Award in "Annual Report of the Property Industry" by the League of American Communications Professionals.

## Corporate social responsibilities

The Group upholds the belief of "Benefiting from the Society, Giving back to the Society", strived to fulfill the corporate social responsibilities and obligations. In mainland China, 7 out of 16 schools funded by the Group in the earthquake-stricken areas of Sichuan Province in a year ago have been put into use. Right after the outbreak of the Yushu earthquake in Qinghai Province, the Group donated RMB20 million to support the reconstruction of the damaged schools in the stricken region. Besides, the Group continued the sponsorship of the "Lifeline Express", the support of the Chinese Language Education Foundation for the promotion of Chinese culture and the organisation of volunteer activities. In Hong Kong and Macau, the Group became the main sponsor of the "World Vision 30 Hours Famine". Furthermore, the Group made donations to the New Home Association which helps new immigrants to integrate into the Hong Kong society, and co-organised the "Walk to Guangzhou" activity with Sowers Action.

As a leading developer in the real estate industry, the Group was also committed to introducing environmental-friendly elements into every possible aspect of property development, aiming to promote the concept of green and environmentally friendly architecture and the building of green homeland. During the review period, the Group had held the programme "Agile Ecological Environmental Protection Day" which included activities such as tree-planting and housecleaning in each of its projects. Through this programme, the awareness of environmental protection among employees and residents could then be enhanced and the green and healthy lifestyle can also be promoted.



# Chairman's Statement

## Development strategies and prospect

In the first half of 2010, the property market adjustment measures imposed by the Central Government have made an impact on the property industry to a certain extent. Nevertheless, such measures were positive for the healthy growth of the property industry in the long run, given the fact that they were introduced to suppress the speculation in home purchases and curb the soaring property prices in certain cities. We are cautiously optimistic about the market in the short term, and we remain confident of the future prospect. The Group will further strengthen its risk resistance capability in the long term. We believe that the property market in mainland China is still at its initial growth stage. With the vigorous economic development, rapid urbanisation, improvement in national income and increasing taste of the people, the demand for quality housing will continue to grow. Therefore, we are strongly confident that the property market in mainland China will sustain a stable and sound development in the long term.

The Group will adhere to the idea of “Better Value for Money” in developing quality properties. It will continue to upgrade the quality of various products and focus on the construction of sophisticated, high-end, and medium-to high-end properties. Utilising its exclusive dynamic cost tracking system and existing internal resources in a flexible manner, the Group will maximise its profitability while providing superior and promising residences to its property owners.

In the second half of the year, the Group will gradually launch a number of quality projects including Guangzhou Asian Games City Project, Agile Royal Mount Zhongshan, Agile Xiyue Zhongshan (formerly known as Zhongshan Kuchong Project), and Zhongshan Zhangjiabian Project. With the experiences of cooperation in the projects of Hainan Clearwater Bay and Guangzhou Asian Games City, the Group will seek for more partnership opportunities with other competent developers or strategic partners who share the same vision, thus further strengthening our competitive advantages and achieving more prominent results.

The Group's pursuit for high-quality property, coupled with innovative and practical designs, as well as its market-oriented development strategy, have made us a successful and highly reputable developer in the market over the years. Looking ahead, we regard the innovation in product design, humanisation of overall project planning, sophistication of construction, internationalisation of the intelligence property management as the key drivers to impel the long-term development of Agile. Capitalising on our extensive property development experience, stable financial status and outstanding brand recognition, we will continue to focus on the development of large-scale residential complex, and take the development of hotels and commercial properties as a complement, in order to maximise the values for our shareholders.

# Chairman's Statement

## Acknowledgement

On behalf of the Board, I would like to extend my wholehearted gratitude to all of our customers, shareholders, investors and business partners for their tremendous trust and support as well as those of the concerted effort of all our staff for their contribution to the steady growth of Agile.

**CHEN Zhuo Lin**  
*Chairman*

Hong Kong, 20 August 2010

# Land Bank

## of the Group (as at 20 August 2010)

No.	Project Name	City/District	Classified by Location	Unit Land Cost (RMB/sq. m.)	Interests Attributable to the Group	Total Site Area (sq. m.)	Address
<b>Pearl River Delta</b>							
1	Agile Garden Guangzhou	Panyu	City outskirts	289	100%	1,518,417	Nanda Road, Nancun Town, Panyu District, Guangzhou
2	Agile Cambridgeshire Guangzhou	Panyu	City outskirts	259	100%	624,701	Caotang Village, Nanda Road, Nancun Town, Panyu District, Guangzhou
3	Jiacheng Mansion Panyu	Panyu	City centre	3,650	100%	4,070	Dabei Road, Beicheng District, Shiqiao Street, Panyu District, Guangzhou
4	Hongxi Huating Panyu	Panyu	City centre	3,905	100%	55,999	West of Guangmingbei Road & South of Donghuan Road, Shiqiao Town, Panyu District, Guangzhou
5	Panyu Southern District Qingxin Road Project	Panyu	City centre	5,409	100%	60,747	Qingxin Road, South Zone, Central Area, Panyu District, Guangzhou
6	Panyu Shilou Town Project	Panyu	City outskirts	2,972	100%	14,388	Chigang Village, Shilou Town, Panyu District, Guangzhou
7	Panyu Southern District Project	Panyu	City centre	3,536	100%	103,825	North of Binjiang Avenue & East of Guangmingnai Road, South Zone, Central Area, Panyu District, Guangzhou
8	South Lagoon Guangzhou	Baiyun	City centre	357	100%	304,422	No. 998, Tonghe Road, Baiyun District, Guangzhou
9	Royal Hillside Villa Guangzhou	Baiyun	City centre	400	100%	122,742	No. 1168, Tonghe Road, Baiyun District, Guangzhou
10	Guangzhou Royal Hillside Villa No. 3 Land	Baiyun	City centre	361	100%	39,384	Tonghe Road, Baiyun District, Guangzhou
11	Lishang International Mansion Guangzhou	Liwan	City centre	5,700	100%	6,862	No. 97-137, Wen Changnan Road, Liwan District, Guangzhou
12	Guangzhou Haizhu Project	Haizhu	City centre	5,700	100%	4,642	Tong Fuzhong Road, Haizhu District, Guangzhou
13	Guangzhou Science City Project	Luogang	City outskirts	7,074	100%	306,812	Guangzhou Science City
14	Guangzhou Asian Games City Project	Panyu	City outskirts	5,822	20%	2,640,000	Asian Games City, Southern Part of Lianhuashan, Panyu, Guangzhou
15	Guangzhou Zhujiang New City B1-7 Project	Tianhe	City centre	3,674	100%	5,729	B Zone, Zhujiang New City, Guangzhou
16	Zengcheng Project	Zengcheng	City centre	1,791	100%	44,672	Yangxi Shanggao City, Qingfeng Village, Licheng Street, Guangzhou
17	Majestic Garden Huadu	Huadu	City centre	345	100%	154,081	No. 108, Tiangui Road, Huadu District, Guangzhou
18	No. 2 Huadu Project (Furong Town)	Huadu	City centre	375	100%	52,600	Furong Xinshuang Village, Huadu District, Guangzhou
19	Agile Garden Huadu (formerly known as Huadu No. 107 National Road Project)	Huadu	City centre	1,781	100%	274,384	No. 107 National Road, Huadu District, Guangzhou
20	Agile Binjiang Garden Conghua	Conghua	City with high growth potential	396	100%	303,358	Yanjiang South Road, Jianguo Street, Conghua City, Guangzhou
21	Conghua Liangkou Town Project	Conghua	City with high growth potential	1,148	100%	131,091	Adjacent to No. 105 Subway, Liangkou Town, Conghua City, Guangzhou
22	Conghua Jiekou Town Project	Conghua	City with high growth potential	3,018	100%	442,866	Jiekoujie Office, Conghua City
23	La Cité Greenville Zhongshan	Zhongshan	City outskirts	187	100%	1,970,275	Changjiang Resort & Development Zone, Zhongshan
24	La Nobleu Zhongshan	Zhongshan	City outskirts	250	100%	541,546	Changjiang Resort & Development Zone, Zhongshan
25	Metro Agile Zhongshan	Zhongshan	City outskirts	117	100%	667,663	Sanxiang Town, Zhongshan
26	Majestic Garden Zhongshan	Zhongshan	City centre	565	100%	143,377	Junction of Bo'ai Road and Qiguan West Road, East District, Zhongshan
27	Grand Garden Zhongshan	Zhongshan	City centre	250	100%	96,374	Junction of Bo'ai Road and Xingzhong Road, East District, Zhongshan
28	Star Palace Zhongshan	Zhongshan	City centre	278	100%	112,155	Junction of Bo'ai Road and Chenggui Road, East District, Zhongshan
29	The Riverside Zhongshan	Zhongshan	City centre	739	100%	102,226	Henghai Road, Zhongshan
30	The Century Zhongshan	Zhongshan	City centre	394	100%	487,871	Junction of Bo'ai Road and Qijiang River, Zhongshan
31	Agile Garden Dachong Zhongshan	Zhongshan	City outskirts	337	100%	122,000	Nanwen Village, Dayong Town, Zhongshan
32	Zhongshan No. 1 Ever Creator Project	Zhongshan	City outskirts	65	100%	587,289	Quanyan and Yagang Administration Zone, Sanxiang Town, Zhongshan
33	Phase II The Landmark Zhongshan	Zhongshan	City centre	1,112	100%	15,968	Junction of Bo'ai Road and Qiguan West Road, Zhongshan
34	Zhongshan Minzhong Town Project	Zhongshan	City outskirts	260	100%	63,450	Xinsheng Village, Minzhong Town, Zhongshan
35	Zhongshan Western District Bo'ai Road Project	Zhongshan	City centre	601	100%	375,357	Junction of Bo'ai Road and Qiguan West Road, Zhongshan
36	Agile Xiyue Zhongshan (formerly known as Zhongshan Kuchong Project)	Zhongshan	City centre	2,054	100%	37,648	Xingwen Road, East District, Zhongshan
37	Agile Royal Mount Zhongshan	Zhongshan	City outskirts	355	100%	434,820	Guinan Village, Wuguishan Town, Zhongshan
38	Zhongshan Zhangjiabian Land	Zhongshan	City outskirts	800	100%	164,539	Zhang Jianbian Administration, Huojo Development Zone, Zhongshan
39	Zhongshan Kunlun Hotel Project	Zhongshan	City outskirts	1,429	100%	29,267	8 Nanqi North Road, Nanlang Town, Zhongshan
40	Zhongshan Nanlang Binhai Project	Zhongshan	City outskirts	671	100%	347,323	Linguo Station, Cuiheng Village, Nanlang Town, Zhongshan
41	Zhongshan Tanzhou Yuzhoucun Project	Zhongshan	City centre	520	100%	124,345	Tanzhou Town, Zhongshan
42	Majestic Garden Nanhai	Nanhai	City outskirts	510	100%	601,230	Xiqiao Town, Nanhai District, Foshan
43	Nanhai Xiqiao Commercial Project	Nanhai	City outskirts	1,223	100%	52,950	Xiqiao Town, Nanhai District, Foshan
44	Nanhai Yanbu Project	Nanhai	City outskirts	3,004	100%	106,524	Site of Guangzhou-Foshan New Expressway, Yanbu, Dali Town, Nanhai District, Foshan
45	Agile Garden Foshan	Foshan	City centre	2,202	100%	184,373	Junction of Lvjing Road and Wenhua Road, Chancheng District, Foshan
46	Agile Garden Sanshui	Sanshui	City with high growth potential	318	100%	266,672	East of Xi'nan Guanghai Road, Sanshui District, Foshan
47	Agile Garden Shunde	Shunde	City centre	962	100%	212,410	No. 18, Nan Zone, Daliang, Shunde District, Foshan
48	Shunde Lecong Project	Shunde	City outskirts	3,454	100%	97,474	South Zone, Lecong Town, Shunde District, Foshan
<b>Sub-total</b>				<b>1,864</b>		<b>15,160,918</b>	

Total GFA of the Project (note 1) (sq.m.)	Total GFA of the Project (sq.m.)						Estimated Quarter of Overall Completion	Land Bank (sq. m.)		Real Estate Development					Investment Property
	Completed in or before 2009	Completed		Estimated to be Completed in 2010	Estimated to be Completed in 2010 or later	Total GFA (note 2) (sq. m.)		Development Stage (A)			Planning Nature (B)		Under Construction (C)		
		Completed in 1H 2010	Completed in 2H 2010					Completed for Sale (A1)	Under Development (A2)	Held for Future Development (A3)	Residential & Ancillary Facilities (B1)	Commercial & Office (B3)			
		Hotel (B2)	Commercial & Office (B3)												
1,655,026	1,334,415	—	—	—	320,611	4Q2011	325,546	4,935	204,268	116,343	325,546	—	—	—	
1,128,255	—	32,980	61,894	94,874	1,033,381	4Q2013	1,110,304	15,029	270,023	825,252	1,110,304	—	—	—	
10,410	—	—	—	—	10,410	1Q2013	10,410	—	—	10,410	10,410	—	—	—	
117,791	51,043	—	13,259	13,259	53,489	2Q2011	67,242	494	48,471	—	43,019	—	24,223	18,277	
154,077	—	—	—	—	154,077	4Q2011	154,077	—	154,077	—	154,077	—	—	—	
25,898	—	—	—	—	25,898	4Q2012	25,898	—	25,898	—	25,898	—	—	—	
134,607	—	—	—	—	134,607	1Q2014	134,607	—	—	134,607	134,607	—	—	—	
274,951	274,951	—	—	—	—	4Q2006	1,473	1,473	—	—	1,473	—	—	—	
179,354	141,902	37,452	—	37,452	—	4Q2010	4,522	4,522	—	—	4,522	—	—	—	
78,768	—	—	—	—	78,768	4Q2012	78,768	—	—	78,768	78,768	—	—	—	
54,864	40,487	—	14,377	14,377	—	4Q2010	15,057	680	14,377	—	15,057	—	—	—	
24,834	—	—	—	—	24,834	3Q2011	24,834	—	—	24,834	24,834	—	—	—	
613,624	—	—	—	—	613,624	2Q2014	613,624	—	—	613,624	613,624	—	—	—	
4,380,000	—	—	—	—	4,380,000	3Q2016	876,000	—	181,052	694,948	834,480	—	41,520	—	
88,466	—	—	—	—	88,466	2Q2012	88,466	—	—	—	—	—	88,466	88,466	
111,680	—	—	—	—	111,680	4Q2011	111,680	—	—	111,680	111,680	—	—	—	
250,948	250,948	—	—	—	—	2Q2009	107	107	—	—	107	—	—	—	
84,160	—	—	—	—	84,160	4Q2011	84,160	—	84,160	—	84,160	—	—	—	
652,102	—	—	115,454	115,454	536,648	4Q2012	652,102	—	216,535	435,567	652,102	—	—	—	
346,674	316,430	3,609	26,635	30,244	—	4Q2011	30,820	4,185	26,635	—	30,820	—	—	—	
47,438	—	—	—	—	47,438	2Q2012	47,438	—	—	47,438	47,438	—	—	—	
434,023	—	—	—	—	434,023	3Q2013	434,023	—	—	434,023	434,023	—	—	—	
1,889,961	1,271,867	66,784	26,949	93,733	524,361	4Q2011	563,297	11,987	330,302	221,008	525,876	—	37,421	—	
368,017	188,857	169,649	—	169,649	9,511	4Q2011	80,489	70,978	—	9,511	80,489	—	—	—	
1,260,274	741,883	96,438	—	96,438	421,953	4Q2012	515,050	93,097	107,018	314,935	515,050	—	—	—	
236,926	236,926	—	—	—	—	4Q2002	359	359	—	—	359	—	—	—	
150,357	150,357	—	—	—	—	2Q2007	742	742	—	—	742	—	—	—	
176,226	176,226	—	—	—	—	4Q2006	405	405	—	—	405	—	—	—	
72,645	72,645	—	—	—	—	4Q2005	3,850	3,850	—	—	3,850	—	—	—	
916,486	326,425	12,864	184,248	197,112	392,949	4Q2012	594,193	16,996	184,248	392,949	594,193	—	—	—	
203,567	203,567	—	—	—	—	3Q2009	94,770	94,770	—	—	94,770	—	—	—	
880,934	22,064	—	—	—	858,870	4Q2014	858,870	—	—	858,870	858,870	—	—	—	
16,144	—	—	—	—	16,144	4Q2011	16,144	—	—	16,144	16,144	—	—	—	
95,175	—	—	—	—	95,175	4Q2012	95,175	—	—	95,175	95,175	—	—	—	
1,444,668	—	—	—	—	1,444,668	4Q2014	1,444,668	—	—	1,444,668	1,444,668	—	—	—	
82,732	—	—	82,732	82,732	—	4Q2010	82,732	—	82,732	—	82,732	—	—	—	
841,837	—	27,803	20,540	48,343	821,297	4Q2012	841,837	—	248,855	592,982	841,837	—	—	—	
246,808	—	—	—	—	246,808	4Q2012	246,808	—	21,074	225,734	246,808	—	—	—	
87,801	—	—	—	—	87,801	4Q2012	87,801	—	—	87,801	—	21,854	65,947	—	
491,859	—	—	—	—	491,859	4Q2014	491,859	—	—	491,859	491,859	—	—	—	
373,035	—	—	—	—	373,035	2Q2014	373,035	—	—	373,035	373,035	—	—	—	
859,757	845,094	—	14,663	14,663	—	4Q2010	58,870	44,207	14,663	—	58,870	—	—	—	
153,034	—	—	60,635	60,635	92,399	4Q2012	153,034	—	5,184	92,499	100,020	—	53,014	55,351	
372,834	—	—	—	—	372,834	2Q2013	372,834	—	—	372,834	372,834	—	—	—	
365,181	188,891	—	127,877	127,877	48,413	4Q2011	177,255	965	127,877	48,413	177,255	—	—	—	
480,316	203,910	18,225	48,034	66,259	210,147	1Q2012	259,139	958	249,135	9,046	259,139	—	—	—	
488,500	72,161	56,979	—	56,979	359,360	4Q2012	360,130	770	160,037	199,323	302,130	25,000	33,000	—	
292,422	—	—	—	—	292,422	4Q2012	292,422	—	—	292,422	292,422	—	—	—	
<b>23,695,446</b>	<b>7,111,049</b>	<b>522,783</b>	<b>797,297</b>	<b>1,320,080</b>	<b>15,292,120</b>		<b>12,956,926</b>	<b>371,509</b>	<b>2,756,621</b>	<b>9,666,702</b>	<b>12,566,481</b>	<b>46,854</b>	<b>343,591</b>	<b>162,094</b>	

# Land Bank

## of the Group (as at 20 August 2010)

No.	Project Name	City/District	Classified by Location	Unit Land Cost (RMB/sq. m.)	Interests Attributable to the Group	Total Site Area (sq. m.)	Address
<b>Eastern Guangdong</b>							
49	Agile Garden Heyuan	Heyuan	City with high growth potential	267	100%	1,364,741	Middle Part, Huangsha Road, Heyuan
50	Agile Egret Lake Huizhou	Huizhou	City outskirts	325	100%	2,000,000	Jiaodong Reservoir, Ruhu Town, Huicheng District, Huizhou
<b>Sub-total</b>				<b>292</b>		<b>3,364,741</b>	
<b>Yangtze River Delta</b>							
51	Agile Garden Nanjing	Nanjing	City centre	4,242	100%	141,178	No. 33 Longpan South Road, Nanjing
52	No. 2 Nanjing Qinhuai Project	Nanjing	City centre	11,745	100%	59,900	Mendong Chang Ledu, Qinhuai District, Nanjing
53	Nanjing Jiangning District Project	Nanjing	City centre	4,407	100%	114,020	Jiangning District, Nanjing
54	Changzhou Longcheng Dadao Project	Changzhou	City centre	1,679	100%	223,906	Longcheng Road, Xinbei District, Changzhou
55	Agile International Plaza Shanghai	Shanghai	City centre	15,285	100%	13,192	No. 559, Tibetan Zhong Road, Huangpu District, Shanghai
56	Shanghai Pudong New District Project (formerly known as Shanghai Nanhui Project)	Shanghai	City outskirts	1,877	100%	541,084	No. 5333, Dagong Road, Binhai Town East, Pudong New District, Shanghai (formerly: West of binhai Road, Nanhui District, Shanghai)
<b>Sub-total</b>				<b>3,863</b>		<b>1,093,280</b>	
<b>Western China</b>							
57	Agile Garden Chengdu	Chengdu	City outskirts	1,163	100%	1,338,960	Tianping Village & Hanpoling, Wan'an Town, Shuangliu County, Chengdu
58	Agile Garden Xi'an	Xi'an	City outskirts	450	100%	90,644	East of Donghuan Road, Guodu Industrial Zone, Chang'an District, Xi'an
59	Agile International Garden Chongqing	Chongqing	City outskirts	880	100%	321,073	Huilong Road, Nanping Jingkai District, Chongqing
<b>Sub-total</b>				<b>1,034</b>		<b>1,750,677</b>	
<b>Hainan Province</b>							
60	Hainan Clearwater Bay	Hainan	City with high growth potential	273	70%	9,096,570	Clearwater Bay, Lingshui li Minority Autonomous County, Hainan Province
<b>Northeast China</b>							
61	Shenyang Puhe New City	Shenyang	City outskirts	565	100%	533,392	West Side, No. 101 National Road, Shenbei District, Shenyang
<b>Grand Total (note 3)</b>				<b>1,326</b>		<b>30,999,578</b>	

## Notes:

- Total GFA of the Project = Completed in or before 2009 + Estimated to be Completed in 2010+ Estimated to be Completed in 2011 or later
- Land bank (Total GFA) = A+C = B
- Total site area and total GFA of Guangzhou Asian Games City Project are the total area of the overall projects; while the area set out in the column of Land Bank is the area attributable to the Group holding 20% of equity in this project

Total GFA of the Project (note 1) (sq.m.)	Total GFA of the Project (sq.m.)						Estimated Quarter of Overall Completion	Land Bank (sq. m.)							Investment Property
	Completed in or before 2009	Completed		Estimated to be Completed in 2010	Estimated to be Completed in 2010 or later	Total GFA (note 2) (sq. m.)		Real Estate Development			Planning Nature (B)				
		Completed in 1H 2010	Completed in 2H 2010					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)	Under Construction (C)	
2,729,481	314,770	72,471	70,159	142,630	2,272,081	4Q2014	2,368,845	26,605	176,683	2,165,557	2,266,248	60,000	42,597	—	
2,000,000	212,162	—	160,086	160,086	1,627,752	4Q2016	1,793,426	5,588	449,928	1,321,440	1,678,407	97,082	17,937	16,470	
<b>4,729,481</b>	<b>526,932</b>	<b>72,471</b>	<b>230,245</b>	<b>302,716</b>	<b>3,899,833</b>		<b>4,162,271</b>	<b>32,193</b>	<b>626,611</b>	<b>3,486,997</b>	<b>3,944,655</b>	<b>157,082</b>	<b>60,534</b>	<b>16,470</b>	
358,980	191,689	—	167,291	167,291	—	3Q2011	167,672	381	167,291	—	167,672	—	—	—	
59,600	—	—	—	—	59,600	4Q2011	59,600	—	—	59,600	30,000	—	29,600	—	
228,040	—	—	—	—	228,040	3Q2013	228,040	—	—	228,040	228,040	—	—	—	
559,765	—	—	—	—	559,765	4Q2015	559,765	—	—	559,765	559,765	—	—	—	
93,330	—	—	93,330	93,330	—	4Q2010	93,330	—	72,108	—	—	60,980	32,350	21,222	
289,119	—	—	—	—	289,119	4Q2011	289,119	—	—	289,119	56,851	—	232,268	—	
<b>1,588,834</b>	<b>191,689</b>	<b>—</b>	<b>260,621</b>	<b>260,621</b>	<b>1,136,524</b>		<b>1,397,526</b>	<b>381</b>	<b>239,399</b>	<b>1,136,524</b>	<b>1,042,328</b>	<b>60,980</b>	<b>294,218</b>	<b>21,222</b>	
1,606,752	373,982	11,362	275,397	286,759	946,011	4Q2013	1,336,949	115,541	275,397	946,011	1,296,949	40,000	—	—	
234,439	—	145,492	—	145,492	88,947	4Q2011	95,909	6,962	88,947	—	95,909	—	—	—	
463,843	—	—	99,540	99,540	364,303	4Q2011	463,843	—	191,578	272,265	463,843	—	—	—	
<b>2,305,034</b>	<b>373,982</b>	<b>156,854</b>	<b>374,937</b>	<b>531,791</b>	<b>1,399,261</b>		<b>1,896,701</b>	<b>122,503</b>	<b>555,922</b>	<b>1,218,276</b>	<b>1,856,701</b>	<b>40,000</b>	<b>—</b>	<b>—</b>	
9,854,037	255,015	20,289	564,918	585,207	9,013,815	4Q2018	9,612,677	33,944	1,267,158	8,311,575	9,017,875	544,842	49,960	—	
1,122,735	—	—	—	—	1,122,735	4Q2013	1,122,735	—	—	1,122,735	1,122,735	—	—	—	
<b>43,295,567</b>	<b>8,458,667</b>	<b>772,397</b>	<b>2,228,018</b>	<b>3,000,415</b>	<b>31,864,288</b>		<b>31,148,836</b>	<b>560,530</b>	<b>5,445,711</b>	<b>24,942,809</b>	<b>29,550,775</b>	<b>849,758</b>	<b>748,303</b>	<b>199,786</b>	

# Management Discussion and Analysis

## Overall performance

During the review period, the turnover of the Group was RMB7,080.5 million (the corresponding period in 2009: RMB5,612.7 million), representing an increase of 26.2% compared with the corresponding period of last year. The operating profit was RMB5,510.8 million (the corresponding period in 2009: RMB1,324.3 million). Profit attributable to shareholders amounted to RMB3,211.9 million which included after tax revaluation gains on investment properties (the corresponding period in 2009: RMB706.1 million). Earnings per share were RMB0.917 (the corresponding period in 2009: RMB0.195), representing an increase of 370.3% compared with the corresponding period in 2009. Earnings per share excluding the gains arising from revaluation were RMB0.266, representing an increase of 36.4% compared with the corresponding period in 2009.

## Land bank

The Group continued to undertake appropriate expansion and adjustment of its land portfolio in accordance with its development needs and market conditions. As at 30 June 2010, the Group had a land bank of total GFA of 31.15 million sq.m. in 24 cities or districts located in Pearl River Delta, Eastern Guangdong, Yangtze River Delta, Western China, Hainan Province and Northeast China. In the first half of 2010, the Group newly acquired two land sites situated in Jiangning District of Nanjing City and Shenbei New District of Shenyang with a total GFA of approximately 0.65 million sq.m.. We believed that our existing land bank was sufficient to cope with the development needs for the next 8 to 10 years.

## Property development and sales

During the review period, total recognised GFA sold was approximately 852,300 sq.m. and the corresponding recognised sales was approximately RMB6,922 million, representing a decrease of 2.7% and increase 26.1% respectively as compared with the corresponding period in 2009. In which, total recognised sales in Zhongshan reached RMB2,264.1 million, accounting for 32.7% of the total recognised sales and representing an increase of 31.6% compared with the corresponding period of last year. The total recognised GFA sold in Zhongshan was 332,999 sq.m., representing a decrease of 2.7% compared with the corresponding period in 2009.

Total recognised sales in Guangzhou reached RMB1,045.6 million, accounting for 15.1% of total recognised sales and representing a decrease of 12.4% compared with the corresponding period of last year. The total recognised GFA sold in Guangzhou was 72,403 sq.m., representing a decrease of 58.4% compared with the corresponding period in 2009.

Total recognised sales in Foshan amounted to RMB632.3 million, accounting for 9.1% of the total recognised sales and representing an increase of 10.3% compared with the corresponding period in 2009. The total recognised GFA sold in Foshan was 106,960 sq.m., representing an increase of 0.5% compared with corresponding period in 2009.

Total recognised sales in Eastern Guangdong such as Heyuan and Huizhou amounted to RMB367.9 million, accounting for 5.3% of the total recognised sales and representing a decrease of 46.1% compared with the corresponding period in 2009. The total recognised GFA sold in Eastern Guangdong was 107,709 sq.m., representing a decrease of 20.2% compared with the corresponding period in 2009.

Total recognised sales in Western China such as Chengdu and Xi'an amounted to RMB948.7 million, accounting for 13.7% of the total recognised sales and representing an increase of 200.4% compared with the corresponding period in 2009. The total recognised GFA sold in Western China was 176,699 sq.m., representing an increase of 349.3% compared with the corresponding period in 2009.

Total recognised sales in Nanjing amounted to RMB27.7 million and the total recognised GFA sold was 2,071 sq.m..

Total recognised sales in Hainan Clearwater Bay amounted to RMB1,635.7 million, accounting for 23.6% of the total recognised sales and representing an increase of 342.4% compared with the corresponding period in 2009. The total recognised GFA sold in Hainan Clearwater Bay was 53,459 sq.m., representing an increase of 88.4% compared with corresponding period in 2009.

The growing number of projects outside of Guangdong Province proved the success of the Group's strategic position. Given the effects of the Central Government's policy towards the real estate market, the Group has moderately increased the proportion of high-end property in its portfolio to response to the changing market.

## Management Discussion and Analysis

During the reporting period, the average selling price of the Group increased by 29.6% to RMB8,122 per sq.m. in the first half of this year from RMB6,267 per sq.m. in the corresponding period in 2009, which was mainly due to the increasing proportion of the high-end property in the total recognised sales.

*The following table sets forth the projects expected to be completed in the second half of 2010:*

Project Name	City/District	Total GFA (sq.m.)
<b>Pearl River Delta</b>		
Agile Cambridgeshire Guangzhou	Panyu	61,894
Hongxi Huating Panyu	Panyu	13,259
Lishang International Mansion Guangzhou	Liwan	14,377
Agile Garden Huadu (formerly known as Huadu No. 107 National Road Project)	Huadu	115,454
Agile Binjiang Garden Conghua	Conghua	26,635
La Cité Greenville Zhongshan	Zhongshan	26,949
The Century Zhongshan	Zhongshan	184,248
Agile Xiyue Zhongshan (formerly known as Zhongshan Kuchong Project)	Zhongshan	82,732
Agile Royal Mount Zhongshan	Zhongshan	20,540
Majestic Garden Nanhai	Nanhai	14,663
Nanhai Xiqiao Commercial Project	Nanhai	60,635
Agile Garden Foshan	Foshan	127,877
Agile Garden Sanshui	Sanshui	48,034
<b>Sub-total</b>		<b>797,297</b>
<b>Eastern Guangdong</b>		
Agile Garden Heyuan	Heyuan	70,159
Agile Egret Lake Huizhou	Huizhou	160,086
<b>Sub-total</b>		<b>230,245</b>
<b>Yangtze River Delta</b>		
Agile Garden Nanjing	Nanjing	167,291
Agile International Plaza Shanghai	Shanghai	93,330
<b>Sub-total</b>		<b>260,621</b>
<b>Western China</b>		
Agile Garden Chengdu	Chengdu	275,397
Agile International Garden Chongqing	Chongqing	99,540
<b>Sub-total</b>		<b>374,937</b>
<b>Hainan Province</b>		
Hainan Clearwater Bay	Hainan	564,918
<b>Grand Total</b>		<b>2,228,018</b>



# Management Discussion and Analysis

The following table sets forth the recognised GFA sold and recognised sales of each project during the review period:

Project Name	City/District	Recognised GFA sold (sq.m.)	Recognised Sales (RMB'000)
<b>Pearl River Delta</b>			
Agile Garden Guangzhou	Panyu	3,123	15,819
Hongxi Huating Panyu	Panyu	2,043	19,682
Agile Cambridgeshire Guangzhou	Panyu	21,724	590,984
Royal Hillside Villa Guangzhou	Baiyun	36,021	353,434
Majestic Garden Huadu	Huadu	1,161	8,854
Agile Binjiang Garden Conghua	Conghua	8,331	56,797
Metro Agile Zhongshan	Zhongshan	96,576	495,028
Majestic Garden Zhongshan	Zhongshan	1,492	4,465
Grand Garden Zhongshan	Zhongshan	1,143	3,729
Star Palace Zhongshan	Zhongshan	884	2,236
The Riverside Zhongshan	Zhongshan	60	497
The Century Zhongshan	Zhongshan	8,830	123,822
La Cité Greenville Zhongshan	Zhongshan	202,933	1,269,264
La Nobleu Zhongshan	Zhongshan	7,321	323,497
Agile Garden Dachong Zhongshan	Zhongshan	13,760	41,564
Majestic Garden Nanhai	Nanhai	4,091	14,902
Agile Garden Foshan	Foshan	7,846	65,174
Agile Garden Sanshui	Sanshui	29,887	138,407
Agile Garden Shunde	Shunde	65,136	413,794
<b>Sub-total</b>		<b>512,362</b>	<b>3,941,949</b>
<b>Eastern Guangdong</b>			
Agile Garden Heyuan	Heyuan	104,357	347,728
Agile Egret Lake Huizhou	Huizhou	3,352	20,131
<b>Sub-total</b>		<b>107,709</b>	<b>367,859</b>
<b>Yangtze River Delta</b>			
Agile Garden Nanjing	Nanjing	2,071	27,683
<b>Western China</b>			
Agile Garden Chengdu	Chengdu	35,291	193,691
Agile Garden Xi'an	Xi'an	141,408	755,050
<b>Sub-total</b>		<b>176,699</b>	<b>948,741</b>
<b>Hainan Province</b>			
Hainan Clearwater Bay	Hainan	53,459	1,635,737
<b>Grand Total</b>		<b>852,300</b>	<b>6,921,969</b>

# Management Discussion and Analysis

## Property management

The Group provides the residents with safe, modern, comfortable, convenient and excellent property management services. Its service quality has been accredited with ISO9001:2008 International Quality System Certificate. During the review period, the Group's property management companies recorded property management fee income of RMB134.3 million, representing an increase of 26.7% compared with the corresponding period in 2009. As at 30 June 2010, the Group's property management companies managed a total GFA of over 11.22 million sq.m. in mainland China.

Upholding 17 years of experience in housing property management with the "Customer-oriented" service philosophy, the Group emphasised on communication with the residents in order to collect their opinions and to improve the quality of our services. For instance, we have hosted more than 200 different cultural activities in the community in the first half of the year and published seasonal magazine "Agile Property Club" for residents. In addition, the Group continued to optimise the property services mode and facilities of high-end projects. During the review period, the Group has applied Intelligent Security System to its new property projects such as Hainan Clearwater Bay, Agile Garden Nanjing, Agile Cambridgeshire Guangzhou, Agile Xiyue Zhongshan (formerly known as Zhongshan Kuchong Project) and Agile Garden Foshan. Moreover, it cooperated with The Bank of East Asia (China) Limited to provide our residents with convenient, one-stop "Two Region" financial services for meeting the demand of residents on the high-end tailored management services during the period.

## Hotel

The Group continued to develop its hotel business in a prudent and cautious manner with a target to develop a diversified business portfolio and generating a stable and reliable revenue stream for the Group. During the review period, the hotel operations segment of the Group recorded a revenue of RMB24.3 million, representing an increase of 36.4% compared with the corresponding period in 2009, which was primarily attributable to the revenues generated from Guangzhou Agile Hotel and Foshan Agile Hotel. Shanghai Marriott Hotel City Centre is expected to commence operation within the year, while Raffles Sanya Clearwater Bay has undergone top-out, and is expected to open in 2011. The Sheraton Egret Lake Resort Huizhou will also be put into operation in 2011. Meanwhile, a number of other hotels and auxiliaries are under different stages of development and will be in operation over the next few years. It is expected that these hotels and auxiliaries will generate stable cash flow for the Group helping to mitigate the volatility risks of the property market.

## Investment properties

To continue the prudent development strategy of the Group and to further diversify the business portfolio so as to generate a stable income and hence to offset the risk brought by the uncertain property market, the Group designated certain properties held for development as properties held for long-term leasing or intended to hold for future capital appreciation, such as a grade A office building in Guangzhou Zhujiang New City and the shopping mall of Agile International Plaza Shanghai. The revaluation gains on investment properties of the Group were approximately RMB3,089.9 million for the six months ended 30 June 2010.

# Management Discussion and Analysis

## Gross profit

Gross profit of the Group increased by 72.6% to approximately RMB3,305.4 million for the six months ended 30 June 2010 from approximately RMB1,915.0 million in the corresponding period in 2009. Gross profit margin for the first half of 2010 increased to 46.7% from 34.1% in the corresponding period in 2009. The significant increase was due to (i) the higher overall average selling price than that in the corresponding period in 2009; (ii) the higher gross profit margin of certain projects than that in the corresponding period in 2009, such as the gross profit margin relatively high in the sales of villa in Hainan Clearwater Bay Project and Panyu Projects; and (iii) further improvement in the development and construction management cost.

## Revaluation gains on investment properties

For the six months ended 30 June 2010, the Group recorded revaluation gains on investment properties of approximately RMB3,089.9 million. After deducting the amount of RMB772.5 million for deferred income tax on revaluation gains, after tax revaluation gains were approximately RMB2,317.4 million.

## Other gains

Other gains on the Group increased by 62.7% to approximately RMB54.3 million for the six months ended 30 June 2010 from approximately RMB33.3 million for the corresponding period in 2009, which was mainly due to increase in the interest income.

## Selling and marketing costs

Selling and marketing costs of the Group increased by 1.9% to approximately RMB252.3 million for the six months ended 30 June 2010 from approximately RMB247.6 million for the corresponding period in 2009. The increase was primarily attributable to the sizeable promotional campaigns for the sales of new properties, Agile Garden Xi'an and Hainan Clearwater Bay.

## Administrative expenses

Administrative expenses of the Group increased by 12.3% to approximately RMB366.3 million for the six months ended 30 June 2010 from approximately RMB326.1 million for the corresponding period in 2009. The salaries and wages increased by 14.2% to approximately RMB160.2 million for the six months ended 30 June 2010 from approximately RMB140.3 million for the corresponding period in 2009.

## Other expenses

Other expenses of the Group increased by 475.5% to approximately RMB292.7 million for the six months ended 30 June 2010 from approximately RMB50.9 million for the corresponding period in 2009, which was mainly due to the premium of approximately RMB184.9 million paid for early redemption of 9% senior notes due 2013 in the aggregate principal amount of US\$400 million.

# Management Discussion and Analysis

## Profit attributable to shareholders

For the six months ended 30 June 2010, the profit attributable to shareholders of the Company amounted to RMB3,211.9 million (the corresponding period in 2009: RMB706.1 million), representing an increase of 354.9%. After deduction of revaluation gains on investment properties, the Group's profit attributable to shareholders was RMB932.3 million, representing an increase of 32% compared with the corresponding period of last year.

## Liquidity, financial and capital resources

### Cash position and fund available

The Group's cash and bank deposits (including the restricted cash) were approximately RMB8,037.9 million as at 30 June 2010 (31 December 2009: RMB6,127.7 million).

As at 30 June 2010, the carrying amount of the restricted cash was approximately RMB3,848.3 million (31 December 2009: RMB1,755.5 million).

As at 30 June 2010, the undrawn borrowing facilities amounted to RMB1,716.8 million (31 December 2009: 1,345.6 million).

### Borrowings and gearing ratio

On 28 April 2010, the Company issued 8.875% senior notes with an aggregated nominal value of US\$650 million (equivalent to approximately RMB4,437.0 million) at 100% of the face value.

As at 30 June 2010, the Group's bank loans and senior notes were RMB10,303.3 million and RMB6,266.3 million (equivalent) respectively. Amongst the loans, RMB2,867.3 million were repayable within one year, RMB1,081 million were repayable between 1 and 2 years, RMB5,425.7 million were repayable between 2 and 5 years and RMB929.3 million were repayable over five years. The senior notes were repayable over five years.

The Group's bank borrowings and syndicated loans of RMB5,446.2 million as at 30 June 2010 were secured by the Group's land use rights, investment properties and completed properties held for sale and the Group's bank borrowings of RMB2,495.3 million were secured by its bank deposits. The senior notes were jointly and severally guaranteed by certain subsidiaries of the Group and were secured by the pledges of their shares. The net assets of these subsidiaries were approximately RMB5,209.4 million as at 30 June 2010.

The gearing ratio is calculated by the net borrowings over the capital and reserves attributable to the shareholders of the Company. As at 30 June 2010, the gearing ratio was 61.4% (31 December 2009: 54.8%). The EBITDA (excluding the revaluation gains on investment properties) for the first half of 2010 was approximately RMB2,453.9 million (the corresponding period in 2009: RMB1,378.9 million). As a result, the ratio of net borrowings to EBITDA for the six months ended 30 June 2010 was 4 times (the corresponding period in 2009: 2.1 times).

The Group conducts its business almost exclusively in Renminbi. Other than the foreign currency denominated bank deposits, the senior notes and the bank loans denominated in US dollar, the Group does not have any material exposure directly due to foreign exchange fluctuations.

# Management Discussion and Analysis

## Cost of borrowings

As at 30 June 2010, the Group's total cost of borrowings was RMB579.0 million, representing an increase of RMB244.1 million compared with the corresponding period in 2009. This was attributable to the increase of loans when compared with the corresponding period of last year.

## Contingencies

The Group has in cooperation with certain financial institutions arranged mortgage loan facility for its purchasers of property and provided guarantees to secure obligations of such purchasers for repayments. As at 30 June 2010, the outstanding guarantees amounted to RMB12,680.7 million (31 December 2009: RMB11,234.2 million). 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 delivers possession of the relevant property to its purchasers; and (ii) the satisfaction of relevant mortgage loan by purchasers.

## Return on equity

Return on equity is calculated by dividing the profit attributable to the shareholders of the Company by the capital and reserves attributable to the shareholders of the Company. The return on equity for the first half of 2010 was 20.0%, including the revaluation gains on investment properties. After the deduction of revaluation gains on investment properties, the return on equity was 6.8% (the corresponding period in 2009: 5.4%).

## Commitments

As at 30 June 2010, commitments in connection with the property development activities amounted to approximately RMB8,587.9 million (31 December 2009: approximately RMB6,254.7 million). The Group's commitment in paying the land premium on land acquisitions and other assets amounted to approximately RMB3,070.4 million (31 December 2009: approximately RMB4,619.8 million). Besides, the Group's commitment in paying the land premium of Lihe amounted to RMB2,550.0 million.

## Human resources

As at 30 June 2010, the Group had a total of 8,715 employees, among which 264 were senior management and 594 were middle management. By geographical location, there were 8,652 employees in mainland China and 63 in Hong Kong and Macau. Total staff costs, including directors' remunerations, for the period ended 30 June 2010 amounted to RMB299.6 million (the corresponding period in 2009: RMB235.2 million).

# Condensed Consolidated Interim Balance Sheet

	Note	As at	
		30 June 2010 (Unaudited) RMB'000	31 December 2009 (Audited) RMB'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	5	1,876,439	1,868,698
Land use rights	5	10,936,432	8,865,005
Intangible assets	5	8,185	9,506
Investment properties	5	4,821,600	—
Prepayments for acquisition of properties	6, 30(c)	126,820	126,820
Other non-current assets	7	1,800,000	2,040,000
Deferred income tax assets		46,219	48,356
		<b>19,615,695</b>	12,958,385
<b>Current assets</b>			
Land use rights	5	10,086,815	5,597,873
Properties under development	8	8,936,526	7,759,404
Completed properties held for sale	9	1,905,748	1,738,984
Prepayments for acquisition of land use rights	10	6,155,851	8,584,925
Trade and other receivables	11	2,070,431	1,290,724
Prepaid taxes		446,238	120,196
Restricted cash	12	3,848,337	1,755,536
Cash and cash equivalents	13	4,189,517	4,372,155
		<b>37,639,463</b>	31,219,797
<b>Total assets</b>		<b>57,255,158</b>	44,178,182
<b>EQUITY</b>			
<b>Capital and reserves attributable to the shareholders of the Company</b>			
Share capital and premium	14	3,795,047	4,597,107
Other reserves	15	755,355	699,773
Retained earnings			
— Proposed dividend		186,458	383,008
— Unappropriated retained earnings		11,354,629	8,381,867
		<b>16,091,489</b>	14,061,755
<b>Minority interests</b>		<b>1,382,850</b>	1,011,424
<b>Total equity</b>		<b>17,474,339</b>	15,073,179

# Condensed

## Consolidated Interim Balance Sheet (continued)

	Note	As at	
		30 June 2010 (Unaudited) RMB'000	31 December 2009 (Audited) RMB'000
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Borrowings	16	13,702,281	9,851,434
Deferred income tax liabilities		1,504,256	1,008,863
		<b>15,206,537</b>	10,860,297
<b>Current liabilities</b>			
Borrowings	16	2,867,270	2,228,830
Trade and other payables	17	17,585,338	12,536,175
Current income tax liabilities	18	4,121,674	3,479,701
		<b>24,574,282</b>	18,244,706
<b>Total liabilities</b>		<b>39,780,819</b>	29,105,003
<b>Total equity and liabilities</b>		<b>57,255,158</b>	44,178,182
<b>Net current assets</b>		<b>13,065,181</b>	12,975,091
<b>Total assets less current liabilities</b>		<b>32,680,876</b>	25,933,476

The notes on page 27 to 53 form an integral part of this condensed consolidated interim financial information.

# Condensed Consolidated Interim Income Statement

	Note	Six months ended 30 June	
		2010 (Unaudited) RMB'000	2009 (Unaudited) RMB'000
Turnover	4	7,080,544	5,612,688
Cost of sales		(3,775,171)	(3,697,665)
<b>Gross profit</b>		<b>3,305,373</b>	1,915,023
Fair value gains on investment properties	5	3,089,945	—
Other gains	20	54,261	33,341
Selling and marketing costs		(252,343)	(247,639)
Administrative expenses		(366,319)	(326,102)
Other expenses	21	(292,717)	(50,861)
Exchange (losses)/gains, net	22	(27,398)	576
<b>Operating profit</b>		<b>5,510,802</b>	1,324,338
Finance costs	23	(13,612)	(36,150)
<b>Profit before income tax</b>		<b>5,497,190</b>	1,288,188
Income tax expenses	24	(2,113,599)	(583,570)
<b>Profit for the period</b>		<b>3,383,591</b>	704,618
<b>Attributable to:</b>			
Shareholders of the Company		3,211,929	706,149
Minority interests		171,662	(1,531)
		<b>3,383,591</b>	704,618
<b>Basic and diluted earnings per share for profit attributable to the shareholders of the Company during the period</b> (expressed in RMB per share)	25	<b>0.917</b>	0.195
<b>Dividends</b>	26	<b>186,458</b>	176,537

The notes on page 27 to 53 form an integral part of this condensed consolidated interim financial information.



# Condensed

## Consolidated Interim Statement of Comprehensive Income

	Six months ended 30 June	
	2010 (Unaudited) RMB'000	2009 (Unaudited) RMB'000
<b>Profit for the period</b>	<b>3,383,591</b>	704,618
<b>Other comprehensive income for the period, net of tax</b>	<b>—</b>	—
<b>Total comprehensive income for the period</b>	<b>3,383,591</b>	704,618
<b>Total comprehensive income attributable to:</b>		
Shareholders of the Company	<b>3,211,929</b>	706,149
Minority interests	<b>171,662</b>	(1,531)
	<b>3,383,591</b>	704,618

The notes on page 27 to 53 form an integral part of this condensed consolidated interim financial information.

# Condensed Consolidated Interim Statement of Changes in Equity

	Unaudited					
	Attributable to the shareholders of the Company					
	Share capital and premium (note 14) RMB'000	Other reserves (note 15) RMB'000	Retained earnings RMB'000	Sub-total RMB'000	Minority interests RMB'000	Total RMB'000
<b>Balance at 1 January 2009</b> <b>(Audited)</b>	4,937,054	684,062	7,294,835	12,915,951	878,675	13,794,626
Repurchase of shares of the Company	(240,161)	—	—	(240,161)	—	(240,161)
Profit for the period	—	—	706,149	706,149	(1,531)	704,618
Other comprehensive income	—	—	—	—	—	—
Dividends	—	—	(202,869)	(202,869)	—	(202,869)
<b>Balance at 30 June 2009</b>	4,696,893	684,062	7,798,115	13,179,070	877,144	14,056,214
<b>Balance at 1 January 2010</b> <b>(Audited)</b>	4,597,107	699,773	8,764,875	14,061,755	1,011,424	15,073,179
Repurchase of shares of the Company (note 14(a))	(802,060)	—	—	(802,060)	—	(802,060)
Profit for the period	—	—	3,211,929	3,211,929	171,662	3,383,591
Other comprehensive income	—	—	—	—	—	—
Acquisition of subsidiaries (note 27)	—	—	—	—	199,764	199,764
Transfer to statutory reserve and enterprise expansion funds	—	55,582	(55,582)	—	—	—
Dividends (note 26(a))	—	—	(380,135)	(380,135)	—	(380,135)
<b>Balance at 30 June 2010</b>	<b>3,795,047</b>	<b>755,355</b>	<b>11,541,087</b>	<b>16,091,489</b>	<b>1,382,850</b>	<b>17,474,339</b>

The notes on page 27 to 53 form an integral part of this condensed consolidated interim financial information.

# Condensed

## Consolidated Interim Cash Flow Statement

	Note	Six months ended 30 June	
		2010 (Unaudited) RMB'000	2009 (Unaudited) RMB'000
<b>Net cash (used in)/generated from operating activities</b>		<b>(772,773)</b>	3,447,223
<b>Net cash used in investing activities</b>		<b>(401,343)</b>	(65,685)
<b>Net cash generated from/(used in) financing activities</b>		<b>996,974</b>	(1,513,006)
<b>(Decrease)/increase in cash and cash equivalents</b>		<b>(177,142)</b>	1,868,532
Exchange losses on cash and cash equivalents		(5,496)	(468)
Cash and cash equivalents at 1 January	13	4,372,155	3,044,292
<b>Cash and cash equivalents at 30 June</b>	13	<b>4,189,517</b>	4,912,356

The notes on page 27 to 53 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”) since 15 December 2005.

The condensed consolidated interim financial information was approved for issue by the Board of Directors on 20 August 2010.

This condensed consolidated interim financial information has not been audited.

## 2 Basis of preparation

This condensed consolidated interim financial information for the six months ended 30 June 2010 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 financial statements for the year ended 31 December 2009, which have been prepared in accordance with Hong Kong Financial Reporting Standards (the “HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”).

## 3 Accounting policies and critical accounting estimates and judgements

### 3.1 Accounting policies

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

Except as described below, the accounting policies applied are consistent with those of the annual financial statements for the year ended 31 December 2009 as described in those annual financial statements.

#### (a) *Investment property*

During the six months ended 30 June 2010, the directors of the Company have designated certain properties held for development as properties held for long-term rental yields or capital appreciation. Accordingly, Hong Kong Accounting Standard 40 “Investment Property” (“HKAS 40”) is applied in accounting for the investment properties.

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the Group, is classified as investment property.

Investment property comprises land held under operating leases. Land held under operating leases are classified and accounted for as investment property when the rest of the definition of investment property is met.

Investment property is measured initially at its cost, including related transaction costs and capitalised finance costs.

# Notes to the Condensed Consolidated Interim Financial Information

## 3 Accounting policies and critical accounting estimates and judgements (continued)

### 3.1 Accounting policies (continued)

#### (a) Investment property (continued)

After initial recognition at cost, investment property is carried at fair value. Fair value is based on active market prices, adjusted, if necessary, for any difference in the nature, location or condition of the specific asset. If this information is not available, the Group uses alternative valuation methods such as recent prices on less active markets or discounted cash flow projections. These valuations are performed periodically by independent valuers.

Fair value measurement on property under construction is only applied if the fair value is considered to be reliably measurable.

It may sometimes be difficult to determine reliably the fair value of the investment property under construction. In order to evaluate whether the fair value of an investment property under construction can be determined reliably, management considers the following factors, among others:

- The provisions of the construction contract
- The stage of completion
- Whether the project/property is standard (typical for the market) or non-standard
- The level of reliability of cash inflows after completion
- The development risk specific to the property
- Past experience with similar constructions

The fair value of investment property reflects, among other things, rental income from current leases and assumptions about rental income from future leases in light of current market conditions.

The fair value also reflects, on a similar basis, any cash outflows that could be expected in respect of the property. Some of those outflows are recognised as a liability, including finance lease liabilities in respect of land, if any, classified as investment property; others, including contingent rent payments, are not recognised in the financial statements.

Subsequent expenditure is charged to the asset's carrying amount only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed in the income statement during the financial period in which they are incurred.

Changes in fair values are recognised in the income statement as "fair value gains on investment properties".

If an investment property becomes owner-occupied, it is reclassified as property, plant and equipment, and its fair value at the date of reclassification becomes its cost for accounting purposes.

If an item of property, plant and equipment becomes an investment property because its use has changed, any difference resulting between the carrying amount and the fair value of this item at the date of transfer is recognised as a revaluation under HKAS 16. The resulting increase in the carrying amount is recognised in other comprehensive income and increases revaluation surplus within equity. However, if a fair value gain reverses a previous impairment loss, the gain is recognised in the income statement, and the remaining part of the increase is recognised in other comprehensive income and increases revaluation surplus within equity.

# Notes to the Condensed Consolidated Interim Financial Information

## 3 Accounting policies and critical accounting estimates and judgements (continued)

### 3.1 Accounting policies (continued)

*(b) The following new standards and amendments to standards are mandatory for the first time for the financial year beginning 1 January 2010*

- HKFRS 3 (revised), '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', are 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 revised standard continues to apply the acquisition method to business combinations but with some significant changes compared with HKFRS 3. For example, all payments to purchase a business are recorded at fair value at the acquisition date, with contingent payments classified as debt subsequently re-measured through the income statement. There is a choice on an acquisition-by-acquisition basis to measure the non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets. All acquisition-related costs are expensed. The Group will adopt HKFRS 3 (revised) to the business combination with acquisition date after 1 January 2010. There is no material impact on the Group's consolidated interim financial information as there is no business combination during the six months ended 30 June 2010.

As the Group has adopted HKFRS 3 (revised), it is required to adopt HKAS 27 (revised), 'consolidated and separate financial statements', at the same time. HKAS 27 (revised) requires the effects of all transactions with non-controlling interests to be recorded in equity if there is no change in control and these transactions will no longer result in goodwill or gains and losses. The standard also specifies the accounting when control is lost. Any remaining interest in the entity is re-measured to fair value, and a gain or loss is recognised in profit or loss.

*(c) New standards, amendments to standards and interpretations to existing standards effective in 2010 not relevant to the Group*

- HK(IFRIC)-Int 17, 'Distributions of non-cash assets to owners' is effective for annual periods beginning on or after 1 July 2009. This is not currently applicable to the Group, as it has not made any non-cash distributions.
- 'Additional exemptions for first-time adopters' (Amendment to HKFRS 1) is effective for annual periods beginning on or after 1 January 2010. This is not relevant to the Group, as it is an existing HKFRS preparer.
- HKAS 39 (Amendment), 'Eligible hedged items' is effective for annual period on or after 1 July 2009. That is not currently applicable to the Group, as it has no hedging.
- HKFRS 2 (Amendment), 'Group cash-settled share-based payment transaction' is effective for annual periods beginning on or after 1 January 2010. This is not currently applicable to the Group, as it has no such share-based payment transactions.

# Notes to the Condensed Consolidated Interim Financial Information

## 3 Accounting policies and critical accounting estimates and judgements (continued)

### 3.1 Accounting policies (continued)

#### (c) *New standards, amendments to standards and interpretations to existing standards effective in 2010 not relevant to the Group (continued)*

- First improvements to Hong Kong Financial Reporting Standards (2008) were issued in October 2008 by the HKICPA. The improvement related to HKFRS 5 “Non-current assets held for sale and discontinued operations” is effective for annual period on or after 1 July 2009.
- Second improvements to Hong Kong Financial Reporting Standards (2009) were issued in May 2009 by the HKICPA. All improvements are effective in the financial year of 2010.

### 3.2 Critical accounting estimates and judgements

Estimates and judgements used are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions applied in the preparation of the interim financial information are consistent with those used in the annual accounts for the year ended 31 December 2009 except as stated below.

#### *Estimated fair value of investment properties*

The best evidence of fair value is current prices in an active market for the properties with similar lease and other contracts. In the absence of such information, the Group determines the amount within a range of reasonable fair value estimates. In making its judgement, the Group considers information from a variety of sources including:

- (i) current prices in an active market for properties of different nature, condition or location (or subject to different lease or other contracts), adjusted to reflect those differences;
- (ii) recent prices of similar properties in less active markets, with adjustments to reflect any changes in economic conditions since the date of the transactions that occurred at those prices; and
- (iii) discounted cash flow projections based on reliable estimates of future cash flows, derived from the terms of any existing lease and other contracts and (where possible) from external evidence such as current market rents for similar properties in the same location and condition, and using discount rates that reflect current market assessments of the uncertainty in the amount and timing of the cash flows.

The Group assesses the fair value of its investment properties based on valuations determined by independent and professional qualified valuers.

## Notes to the Condensed Consolidated Interim Financial Information

### 4 Segment information

The Board of Directors of the Company, which is the chief operating decision-maker of the Group, reviews the Group's internal reporting in order to assess performance and allocate resources. Management has determined the operating segments based on reports reviewed by the Board of Directors of the Company that are used to make strategy decision.

According to the Group's development strategy the Group determined to designate certain properties held for development as properties held for long-term rental yields or capital appreciation. To reflect the change in the Group's strategy, the chief operating decision-maker of the Group started to designate business segment of investment properties as a new segment in the interim financial information.

The Group is organised into four business segments: property development, property management, hotel operations and property investment. As the Board of Director of the Company considers most of the Group's consolidated revenue and results are attributable to the market in the PRC and less than 10% of the Group's consolidated assets are located outside the PRC, geographical segment information is not necessary to be prepared.

The Board of Directors of the Company assesses the performance of the operating segments based on a measure of segment results. Interest income and finance costs are not included in the result of each operating segment.

Segment results for the six months ended 30 June 2010 and 2009 are as follows:

#### Six months ended 30 June 2010

	Property development RMB'000	Property management RMB'000	Hotel operations RMB'000	Property investment RMB'000	Group RMB'000
Gross segment sales	6,921,969	161,815	24,309	—	7,108,093
Inter-segment sales	—	(27,549)	—	—	(27,549)
Sales to external customers	6,921,969	134,266	24,309	—	7,080,544
Segment results	2,413,236	15,154	(7,533)	3,089,945	5,510,802
Finance costs (note 23)					(13,612)
Profit before income tax					5,497,190
Income tax expenses (note 24)					(2,113,599)
Profit for the period					3,383,591
Capital expenditure	13,594	1,624	169,479	—	184,697
Depreciation	17,333	2,583	1,539	—	21,455
Amortisation of land use rights and intangible assets	118,974	12	21,364	—	140,350
Fair value gains on investment properties (note 5)	—	—	—	3,089,945	3,089,945



## Notes to the Condensed Consolidated Interim Financial Information

### 4 Segment information (continued)

Six months ended 30 June 2009

	Property development RMB'000	Property management RMB'000	Hotel operations RMB'000	Group RMB'000
Gross segment sales	5,488,931	125,359	17,819	5,632,109
Inter-segment sales	—	(19,421)	—	(19,421)
Sales to external customers	5,488,931	105,938	17,819	5,612,688
Segment results	1,321,194	2,653	491	1,324,338
Finance costs (note 23)				(36,150)
Profit before income tax				1,288,188
Income tax expenses (note 24)				(583,570)
Profit for the period				704,618
Capital expenditure	111,493	1,018	361	112,872
Depreciation	19,981	3,197	1,580	24,758
Amortisation of land use rights and intangible assets	179,990	2	24	180,016

Segment assets and liabilities as at 30 June 2010 are as follows:

	Property development RMB'000	Property management RMB'000	Hotel operations RMB'000	Property investment RMB'000	Elimination RMB'000	Group RMB'000
Segment assets	48,704,945	239,790	3,398,677	4,827,195	(222,184)	56,948,423
Unallocated assets						492,457
Total assets						57,440,880
Segment liabilities	15,161,108	263,696	2,230,679	337,761	(222,184)	17,771,060
Unallocated liabilities						22,195,481
Total liabilities						39,966,541

## Notes to the Condensed Consolidated Interim Financial Information

### 4 Segment information (continued)

Segment assets and liabilities as at 31 December 2009 are as follows:

	Property development RMB'000	Property management RMB'000	Hotel operations RMB'000	Property investment RMB'000	Group RMB'000
Segment assets	40,180,304	227,744	3,928,737	(327,155)	44,009,630
Unallocated assets					168,552
Total assets					44,178,182
Segment liabilities	9,889,696	268,082	2,705,552	(327,155)	12,536,175
Unallocated liabilities					16,568,828
Total liabilities					29,105,003

Segment assets and liabilities as at 30 June 2010 and 31 December 2009 are reconciled to total assets and liabilities as follows:

	30 June 2010		31 December 2009	
	Assets RMB'000	Liabilities RMB'000	Assets RMB'000	Liabilities RMB'000
Segment assets/liabilities	<b>56,948,423</b>	<b>17,771,060</b>	44,009,630	12,536,175
Unallocated:				
Deferred income taxes	<b>46,219</b>	<b>1,504,256</b>	48,356	1,008,863
Prepaid income taxes	<b>446,238</b>	—	120,196	—
Current income taxes	—	<b>4,121,674</b>	—	3,479,701
Current borrowings	—	<b>2,867,270</b>	—	2,228,830
Non-current borrowings	—	<b>13,702,281</b>	—	9,851,434
Total	<b>57,440,880</b>	<b>39,966,541</b>	44,178,182	29,105,003

Inter-segment transfers or transactions are entered into at terms and conditions agreed upon by respective parties.

Segment assets consist primarily of property, plant and equipment, land use rights, properties under development, completed properties held for sale, investment properties, receivables and cash balances. Unallocated assets comprise deferred tax assets and prepaid taxes.

Segment liabilities comprise operating liabilities. Unallocated liabilities comprise taxation and borrowings.

Capital expenditure comprises additions to property, plant and equipment, investment properties and intangible assets, including additions resulting from acquisitions of subsidiaries.

## Notes to the Condensed Consolidated Interim Financial Information

### 5 Land use rights, property, plant and equipment, intangible assets and investment properties

	Land use rights (note (a)) RMB'000	Property, plant and equipment RMB'000	Intangible assets RMB'000	Investment properties (note (b)) RMB'000
<b>Six months ended 30 June 2009</b>				
Opening net book amount as at 1 January 2009	12,765,126	260,813	10,718	—
Transfer from properties under development	—	106,188	—	—
Additions	1,942,100	5,650	1,034	—
Disposals	—	(780)	—	—
Depreciation/amortisation charges	(178,549)	(24,758)	(1,467)	—
Transfer to cost of properties sold	(632,057)	—	—	—
Closing net book amount as at 30 June 2009	13,896,620	347,113	10,285	—
<b>Six months ended 30 June 2010</b>				
Opening net book amount as at 1 January 2010	14,462,878	1,868,698	9,506	—
Additions	8,060,681	30,676	215	—
Disposals	—	(1,480)	—	—
Reclassification of land use rights to investment properties	(935,026)	—	—	935,026
Reclassification of property under development and completed properties held for sale to investment properties	—	—	—	796,629
Fair value gains on investment properties	—	—	—	3,089,945
Depreciation/amortisation charges	(138,814)	(21,455)	(1,536)	—
Transfer to cost of properties sold	(426,472)	—	—	—
Closing net book amount as at 30 June 2010	21,023,247	1,876,439	8,185	4,821,600
Land use rights included in non-current assets	10,936,432			
Land use rights to be realised within one normal operating cycle	10,086,815			
	21,023,247			

## Notes to the Condensed Consolidated Interim Financial Information

### 5 Land use rights, property, plant and equipment, intangible assets and investment properties (continued)

Notes:

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

As at 30 June 2010, land use rights of RMB6,315,469,000 (31 December 2009: RMB5,252,993,000) were pledged as collateral for the Group's bank borrowings (note 16).

- (b) On 30 June 2010, certain land use rights, properties under development and completed properties held for sale were classified as investment properties as the directors of the Company confirmed its intention to hold these properties for long-term rental yields or capital appreciation.

The fair values of the Group's investment properties as at 30 June 2010 were assessed by Vigers Appraisal & Consulting Limited, an independent qualified valuer. Valuations were based on either: (i) direct comparison approach assuming sale of each of these properties in its existing state with the benefit of vacant possession by making reference to comparable sales transactions as available in the relevant market; or (ii) residual method of valuation which is common in valuing development sites by establishing the market value of the properties on an "as-if" completed basis with appropriate deduction on construction costs, professional fees and interest payments to be incurred as well as developer's profits; or (iii) capitalisation of net rental income derived from the existing tenancies with allowance for the reversionary income potential of the properties, using discount rates that reflect current market assessments of the uncertainty in the amount and timing of the cash flows. The resultant figures are adjusted back to present values to reflect the existing state of the properties on 30 June 2010.

As at 30 June 2010, investment properties of RMB1,251,699,000 were pledged as collateral for the Group's bank borrowings (note 16).

### 6 Prepayments for acquisition of properties

Amounts represent prepayments for acquisition of a hotel building from Zhongshan Agile Hotel Co., Ltd., a related party of the Group, and a commercial building from Mr. Chen Zhuo Lin and Ms. Luk Sin Fong, Fion, respectively. These acquisitions have not yet been completed as at 30 June 2010.

### 7 Other non-current assets

In December 2009, the Group together with certain real estate developers jointly bid a tract of land in Guangzhou, and the Group made prepayments representing the Group's share of first instalment of the land premium. In April 2010, Guangzhou Lihe Property Development Company Limited ("Lihe"), the project company principally engaged in development of this project has been set up and thereafter undertook a reorganisation of its shareholding structure which is yet to be completed as at 30 June 2010. After the restructuring, the Group will hold 20% equity interests in Lihe.

## Notes to the Condensed Consolidated Interim Financial Information

### 8 Properties under development

	30 June 2010 RMB'000	31 December 2009 RMB'000
Properties under development comprise:		
— Construction costs and capitalised expenditures	<b>8,186,706</b>	7,194,801
— Interest capitalised	<b>749,820</b>	564,603
	<b>8,936,526</b>	7,759,404

All properties under development are located in the PRC.

As at 30 June 2010 and 31 December 2009, no properties under development were pledged as collateral for the Group's borrowings.

The capitalisation rate of borrowings was 7.18% for the six months ended 30 June 2010 (for six months ended 30 June 2009: 7.12%).

### 9 Completed properties held for sale

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

As at 30 June 2010, completed properties held for sale of approximately RMB12,893,000 (31 December 2009: RMB35,064,000) were pledged as collateral for the Group's bank borrowings (note 16).

### 10 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 when the Group obtains contractual usage rights of the lands.

## Notes to the Condensed Consolidated Interim Financial Information

### 11 Trade and other receivables

	30 June 2010 RMB'000	31 December 2009 RMB'000
Trade receivables (note (a))	710,544	527,077
Other receivables and prepayments	1,323,864	725,084
Prepayments for construction costs	36,023	38,563
	<b>2,070,431</b>	1,290,724

As at 30 June 2010, the fair value of trade and other receivables approximated their carrying amounts.

Note:

- (a) Trade receivables mainly represent un-settled proceeds 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 2010 and 31 December 2009, the ageing analysis of the trade receivables is as follows:

	30 June 2010 RMB'000	31 December 2009 RMB'000
Within 90 days	632,201	474,711
Over 90 days and within 365 days	78,343	52,366
	<b>710,544</b>	527,077

As at 30 June 2010, trade receivables of RMB23,034,000 (31 December 2009: RMB27,258,000) were past due but not impaired. These accounts are related to a number of customers who did not have a recent history of default. The ageing analysis of these trade receivables is as follows:

	30 June 2010 RMB'000	31 December 2009 RMB'000
Over 90 days and within 365 days	23,034	27,258

## Notes to the Condensed Consolidated Interim Financial Information

### 12 Restricted cash

	30 June 2010 RMB'000	31 December 2009 RMB'000
Guarantee deposits for mortgage loans (note (a))	33,453	48,114
Guarantee deposits for construction of pre-sold properties (note (b))	1,220,820	1,149,553
Deposits for accident compensation (note (c))	81,431	79,895
Collateral for borrowings (note (d))	2,512,633	477,974
	<b>3,848,337</b>	1,755,536
Denominated in RMB	1,335,704	1,277,562
Denominated in other currencies	2,512,633	477,974
	<b>3,848,337</b>	1,755,536

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 documents issued by local State-Owned Land and Resource Bureau, certain property development companies of the Group are required to place certain amount of proceeds from pre-sales of properties at designated bank accounts as guarantee deposits for constructions of related properties. The deposits can only be used for purchase of construction materials and payments of construction fee of the relevant property projects when approval from local State-Owned Land and Resource Bureau is obtained. Such guarantee deposits will only be released after completion of construction of related pre-sold properties or issuance of the real estate ownership certificate, which is earlier.
- (c) In accordance with regulation issued by local government in 2005, certain property development companies of the Group are required to maintain certain amount of cash at designated bank accounts solely for payments of medical expenses and compensations to the workers who are injured during carrying out construction projects of the Group.
- (d) Amount represents the foreign currency deposits placed to the bank as the collateral for the loans of RMB2,495,270,000 (note 16(d)). Such guarantee will be released after repayment of the relevant borrowings.

## Notes to the Condensed Consolidated Interim Financial Information

### 13 Cash and cash equivalents

	30 June 2010 RMB'000	31 December 2009 RMB'000
Cash and cash equivalents comprise the following:		
— Cash at bank and in hand	4,172,783	4,245,924
— Short-term bank deposits	16,734	126,231
	<b>4,189,517</b>	4,372,155
Denominated in RMB	3,766,659	3,173,255
Denominated in other currencies	422,858	1,198,900
	<b>4,189,517</b>	4,372,155

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

### 14 Share capital and premium

	Number of ordinary shares	Nominal value of ordinary shares HK\$'000	Equivalent nominal value of ordinary shares RMB'000	Share premium RMB'000	Total RMB'000
<b>Six months ended 30 June 2009</b>					
At 1 January 2009	3,679,832,000	367,983	383,358	4,553,696	4,937,054
Repurchase of shares of the Company	(93,484,000)	(9,348)	(8,244)	(231,917)	(240,161)
At 30 June 2009	3,586,348,000	358,635	375,114	4,321,779	4,696,893
<b>Six months ended 30 June 2010</b>					
At 1 January 2010	3,575,508,000	357,551	374,165	4,222,942	4,597,107
Repurchase of shares of the Company (note (a))	(102,786,000)	(10,279)	(9,044)	(793,016)	(802,060)
At 30 June 2010	3,472,722,000	347,272	365,121	3,429,926	3,795,047

Note:

- (a) For the six months ended 30 June 2010, the Company has acquired 102,786,000 of its own shares through purchases on the Stock Exchange at a consideration of approximately HK\$909,891,000 (equivalent to RMB802,060,000). As at 30 June 2010, all the repurchased shares have been cancelled.



## Notes to the Condensed Consolidated Interim Financial Information

### 15 Other reserves

	Merger reserve (note (a)) RMB'000	Statutory reserve and enterprise expansion funds (note (b)) RMB'000	Total RMB'000
<b>Six months ended 30 June 2009</b>			
Balance at 1 January 2009 and 30 June 2009	442,395	241,667	684,062
<b>Six months ended 30 June 2010</b>			
Balance at 1 January 2010	442,395	257,378	699,773
Transfer from retained earnings	—	55,582	55,582
Balance at 30 June 2010	442,395	312,960	755,355

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 the 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.

# Notes to the Condensed Consolidated Interim Financial Information

## 16 Borrowings

	30 June 2010 RMB'000	31 December 2009 RMB'000
Borrowings included in non-current liabilities:		
Senior notes (note (a))		
— Senior notes issued in 2006 (“2006 Senior Notes”) (note (a)(i))	—	2,681,517
— Senior notes issued in 2009 (“2009 Senior Notes”) (note (a)(ii))	1,943,713	1,949,946
— Senior notes issued in 2010 (“2010 Senior Notes”) (note (a)(iii))	4,322,581	—
Long-term syndicated loans		
— Secured (note (b))	650,000	350,000
— Unsecured (note (c))	834,637	—
Bank borrowings		
— Secured (note (d))	5,254,214	4,381,040
— Unsecured (note (e))	1,527,136	1,506,971
Less: Current portion of long-term borrowings		
— Secured	(675,000)	(525,370)
— Unsecured	(155,000)	(492,670)
	<b>13,702,281</b>	9,851,434
Borrowings included in current liabilities:		
Bank borrowings — secured (note (d))	2,037,270	—
Short-term syndicated loans — unsecured	—	1,210,790
Current portion of long-term borrowings	830,000	1,018,040
	<b>2,867,270</b>	2,228,830
Total borrowings	<b>16,569,551</b>	12,080,264

# Notes to the Condensed Consolidated Interim Financial Information

## 16 Borrowings (continued)

Notes:

(a) **Senior notes**

The senior notes are jointly guaranteed by certain subsidiaries of the Group and are secured by pledges of the shares of these subsidiaries. The net assets of these subsidiaries are approximately RMB5,209,390,000 as at 30 June 2010 (31 December 2009: RMB5,201,208,000).

(i) *2006 Senior Notes*

The 2006 Senior Notes recognised in the balance sheet are calculated as follows:

	Six months ended 30 June	
	2010	2009
	RMB'000	RMB'000
<b>Carrying amount as at 1 January</b>	<b>2,681,517</b>	2,673,385
Amortisation of issuance costs	<b>49,763</b>	5,222
Exchange loss/(gain)	<b>40</b>	(1,080)
Redemption	<b>(2,731,320)</b>	—
<b>Carrying amount as at 30 June</b>	<b>—</b>	2,677,527

The 2006 Senior Notes were bearing interest rate of 9% per annum, denominated in US\$ and with a maturity of 7 years.

On 7 June 2010 (the "Redemption Date"), the Company redeemed the outstanding 2006 Senior Notes in full at a redemption price equal to 100% of the principal amount of the 2006 Senior Notes outstanding thereof which is US\$400,000,000 (equivalent to approximately RMB2,731,320,000), plus the applicable premium of US\$27,076,000 (equivalent to approximately RMB184,872,000) as of the Redemption Date, and the accrued and unpaid interest of US\$7,500,000 (equivalent to approximately RMB51,212,000) to the Redemption Date. The premium of approximately RMB184,872,000 was recognised as "other expenses" in the condensed consolidated interim income statement (note 21).

(ii) *2009 Senior Notes*

In November 2009, the Company issued 10% senior notes with an aggregated nominal value of US\$300,000,000 (equivalent to approximately RMB2,048,430,000) at 97.562% of the face value. The net proceeds, after deducting the issuance costs, amounted to US\$285,384,000 (equivalent to RMB1,948,633,000). The 2009 Senior Notes will mature in November 2016. The Company, at its option, can redeem all or a portion of the 2009 Senior Notes at any time prior to the maturity date at the redemption prices plus accrued and unpaid interest to the redemption date.

The 2009 Senior Notes recognised in the balance sheet are calculated as follows:

	Six months
	ended 30 June
	2010
	RMB'000
<b>Carrying amount as at 1 January</b>	1,949,946
Amortisation of issuance costs	4,957
Exchange gain	(11,190)
<b>Carrying amount as at 30 June</b>	1,943,713

# Notes to the Condensed Consolidated Interim Financial Information

## 16 Borrowings (continued)

Notes: (continued)

(a) **Senior notes (continued)**

(iii) *2010 Senior Notes*

In April 2010, the Company issued 8.875% senior notes with an aggregated nominal value of US\$650,000,000 (equivalent to approximately RMB4,436,965,000) at face value. The net proceeds, after deducting the issuance costs, amounted to US\$636,600,000 (equivalent to RMB4,343,810,000). The 2010 Senior Notes will mature in April 2017. The Company, at its option, can redeem all or a portion of the 2010 Senior Notes at any time prior to the maturity date at the redemption prices plus accrued and unpaid interest to the redemption date.

The 2010 Senior Notes recognised in the balance sheet are calculated as follows:

	Six months ended 30 June 2010 RMB'000
<b>Face value of senior notes issued on 28 April</b>	<b>4,436,965</b>
Issuance costs	(93,155)
Fair value at the date of issuance	<b>4,343,810</b>
Amortisation of issuance costs	<b>1,651</b>
Exchange gain	<b>(22,880)</b>
<b>Carrying amount as at 30 June</b>	<b>4,322,581</b>

- (b) A group company has entered into a bank loan agreement with a group of banks pursuant to which a loan facility of RMB1,000,000,000 has been granted to the group company which will be expired on 3 January 2019. The facility is secured by certain properties of the group company. As at 30 June 2010, the loan drawn down by the group company amounted to RMB650,000,000.
- (c) The Company has entered into a bank loan agreement with a group of banks pursuant to which a loan facility of US\$125,000,000 has been granted to the Company which will be expired on 25 January 2013. The facility is jointly guaranteed by certain subsidiaries of the Group and is secured by pledges of the shares of these subsidiaries. As at 30 June 2010, the loan drawn down by the Company amounted to RMB834,637,000.
- (d) As at 30 June 2010, the Group's bank borrowings of RMB4,796,214,000 (31 December 2009: RMB3,923,040,000) are secured by its land use rights and properties (note 5 and 9) and the Group's bank borrowing of RMB2,495,270,000 (31 December 2009: RMB458,000,000) are secured by its bank deposits. (note 12(d))
- (e) As at 30 June 2010, the Group's unsecured bank borrowings of RMB1,002,136,000 (31 December 2009: RMB1,003,971,000) are jointly guaranteed by certain subsidiaries of the Group.

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

	Six months ended 30 June	
	2010 RMB'000	2009 RMB'000
<b>Opening amount as at 1 January</b>	<b>7,448,801</b>	7,395,188
Additions of borrowings	<b>4,944,066</b>	2,185,180
Repayments of borrowings	<b>(2,089,610)</b>	(3,937,467)
<b>Closing amount as at 30 June</b>	<b>10,303,257</b>	5,642,901

## Notes to the Condensed Consolidated Interim Financial Information

### 16 Borrowings (continued)

The Group has the following undrawn borrowing facilities:

	30 June 2010 RMB'000	31 December 2009 RMB'000
Floating rate		
— Expiring beyond one year	<b>1,716,785</b>	1,345,550

### 17 Trade and other payables

	30 June 2010 RMB'000	31 December 2009 RMB'000
Trade payables (note (a))	<b>4,807,838</b>	4,126,202
Other payables due to:		
— Related parties (note 30(c))	<b>783,689</b>	863,205
— Third parties	<b>1,240,452</b>	1,367,239
Advances from customers	<b>10,440,224</b>	5,770,559
Staff welfare benefit payable	<b>20,810</b>	31,582
Accruals	<b>210,681</b>	239,267
Other taxes payable	<b>81,644</b>	138,121
	<b>17,585,338</b>	12,536,175

Note:

(a) The ageing analysis of trade payables of the Group as at 30 June 2010 and 31 December 2009 is as follows:

	30 June 2010 RMB'000	31 December 2009 RMB'000
Within 90 days	<b>4,042,717</b>	3,448,199
Over 90 days and within 180 days	<b>215,869</b>	213,731
Over 180 days and within 365 days	<b>388,756</b>	314,849
Over 365 days	<b>160,496</b>	149,423
	<b>4,807,838</b>	4,126,202

## Notes to the Condensed Consolidated Interim Financial Information

### 18 Current income tax liabilities

Current income tax liabilities are analysed as follows:

	30 June 2010 RMB'000	31 December 2009 RMB'000
Income tax payables		
— PRC corporate income tax	41,849	163,793
— PRC land appreciation tax	4,079,825	3,315,908
	<b>4,121,674</b>	3,479,701

### 19 Expenses by nature

Operating profit has been arrived after deducting the following major expenses.

	Six months ended 30 June	
	2010 RMB'000	2009 RMB'000
Employee benefit expenses — excluding directors' emoluments	290,232	225,860
Auditors' remuneration	2,300	2,250
Advertising costs	187,343	198,872
Depreciation (note 5)	21,455	24,758
Amortisation of intangible assets (note 5)	1,536	1,467
Amortisation of land use rights	36,939	62,302
Cost of properties sold	3,226,030	3,258,224
Business taxes and other levies on sales of properties (note (a))	349,673	280,294
Cost of property management	60,947	52,975
Cost of hotel operations	13,825	11,672
Commission fee	25,786	19,430

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.

## Notes to the Condensed Consolidated Interim Financial Information

### 20 Other gains

	Six months ended 30 June	
	2010	2009
	RMB'000	RMB'000
Interest income	30,531	20,096
Forfeited deposits from customers	4,795	1,586
Rental income	8,994	8,311
Miscellaneous	9,941	3,348
	<b>54,261</b>	33,341

### 21 Other expenses

The amounts mainly comprised early redemption premium of 2006 Senior Notes of approximately US\$27,076,000 (equivalent to approximately RMB184,872,000) (note 16(a)(i)) and the donations of approximately RMB56,489,000 (six months ended 30 June 2009: RMB48,071,000).

### 22 Exchange (losses)/gains, net

Net exchange (losses)/gains 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 loans of which the exchange gain or loss is recognised in finance cost.

### 23 Finance costs

	Six months ended 30 June	
	2010	2009
	RMB'000	RMB'000
Interest expenses:		
— Bank loans	247,761	206,884
— Senior notes	331,210	127,986
Interest capitalised	(505,323)	(295,781)
Exchange gain of senior notes and syndicated loans	(60,036)	(2,939)
	<b>13,612</b>	36,150

## Notes to the Condensed Consolidated Interim Financial Information

### 24 Income tax expenses

	Six months ended 30 June	
	2010	2009
	RMB'000	RMB'000
Current income tax		
— PRC corporate income tax	<b>712,590</b>	432,484
— PRC land appreciation tax	<b>903,479</b>	341,803
Deferred income tax		
— PRC corporate income tax	<b>497,530</b>	(190,717)
	<b>2,113,599</b>	583,570

#### 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.

#### 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 expenditure.

### 25 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.

	Six months ended 30 June	
	2010	2009
Profit attributable to shareholders of the Company (RMB'000)	<b>3,211,929</b>	706,149
Weighted average number of ordinary shares in issue (thousands)	<b>3,501,544</b>	3,616,081
Basic earnings per share (RMB per share)	<b>0.917</b>	0.195

No diluted earnings per share is presented as there was no potential dilutive share in issue during the six months ended 30 June 2009 and 2010.



## Notes to the Condensed Consolidated Interim Financial Information

### 26 Dividends

	Six months ended 30 June	
	2010	2009
	RMB'000	RMB'000
Declared interim dividend (note (b))	<b>186,458</b>	176,537
	<b>186,458</b>	176,537

Notes:

- (a) A final dividend in respect of 2009 of HK\$0.122 per ordinary share, totalling approximately HK\$433,696,000 (equivalent to RMB380,135,000) was declared in the Company's Annual General Meeting on 3 June 2010.
- (b) An interim dividend in respect of six months ended 30 June 2010 of HK\$0.061 per ordinary share totalling HK\$211,836,000 (equivalent to RMB186,458,000) was declared by the Board of Directors on 20 August 2010. The condensed consolidated interim financial information does not reflect this dividend payable.

An interim dividend in respect of six months ended 30 June 2009 of HK\$0.056 per ordinary share totalling HK\$200,315,000 (equivalent to RMB176,537,000) was declared by the Board of Directors on 9 September 2009.

### 27 Acquisition of subsidiaries

On 18 May 2010, the Group acquired 70% of the equity interest of a group of subsidiaries from a third party at a total cash consideration of HK\$530,219,000 (equivalent to approximately RMB466,116,000). The considerations of all these acquisitions were based on the fair value of the land use rights held by these subsidiaries.

There was no income contributed to the Group by these subsidiaries during the period from 18 May 2010 to 30 June 2010 as they have not yet started property development activities. These subsidiaries did not operate any business prior to the acquisition and only held pieces of lands. The Group did not take over any management of these subsidiaries as its plan is to acquire the land use rights for redevelopment. Therefore, the management considered that these transactions were acquisitions of assets in substance and as a result the difference between the cash consideration and the net assets acquired was recognised as adjustments to the carrying amounts of the land use rights.

## Notes to the Condensed Consolidated Interim Financial Information

### 27 Acquisition of subsidiaries (continued)

The assets and liabilities arising from the acquisitions are as follows:

	RMB'000
Cash and cash equivalents	9,445
Land use rights	540,133
Prepayment for land use rights	156,052
Other payables	(39,750)
Net assets	665,880
Minority interests	(199,764)
Net assets acquired	466,116
Total amounts settled in cash	466,116
Cash and cash equivalents in subsidiaries acquired	(9,445)
Cash outflow on acquisition	456,671

### 28 Contingencies

The Group has in cooperation with certain financial institutions arranged mortgage loan facility for its purchasers of property and provided guarantees to secure obligations of such purchasers for repayments. As at 30 June 2010, the outstanding guarantees amounted to RMB12,680,721,000 (31 December 2009: RMB11,234,244,000). 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 delivers possession of the relevant property to its purchasers; and (ii) the satisfaction of relevant mortgage loan by purchasers.

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 the mortgagees grant the mortgage loans. No provision has been made for the guarantees as the estimated net realisable value of the related properties can cover the repayment of the outstanding mortgage principals together with the accrued interest and penalty in case of default in payments.

## Notes to the Condensed Consolidated Interim Financial Information

### 29 Commitments

#### (a) Operating leases commitments

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

	30 June 2010 RMB'000	31 December 2009 RMB'000
Property, plant and equipment:		
— Not later than one year	3,997	5,152
— Later than one year and not later than five years	2,374	2,049
	<b>6,371</b>	7,201
Lease of areas adjacent to the property development projects:		
— Not later than one year	400	400
— Later than one year and not later than five years	1,600	1,600
— Later than five years	35,500	35,700
	<b>37,500</b>	37,700

#### (b) Other commitments

	30 June 2010 RMB'000	31 December 2009 RMB'000
Contracted but not provided for		
— Property development activities	8,587,918	6,254,678
— Acquisition of land use rights and other assets	3,070,377	4,619,803
— Share of commitments of land premium of Lihe	2,550,000	6,375,000
	<b>14,208,295</b>	17,249,481

# Notes to the Condensed Consolidated Interim Financial Information

## 30 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
中山市雅居樂酒店有限公司 Zhongshan Agile Hotel Co., Ltd. (note (i))	Controlled by the Founding Shareholders
中山雅居樂長江酒店有限公司 Zhongshan Agile Changjiang Hotel Co., Ltd. (note (i))	Controlled by the Founding Shareholders
廣州利合房地產開發有限公司 Guangzhou Lihe Property Development Company Limited (note (i))	Company under significant influence of the Group

Note:

- (i) The names of certain companies referred to in this condensed consolidated interim financial information represent management's best efforts at translating their Chinese names into English as no English names have been registered or available.

## Notes to the Condensed Consolidated Interim Financial Information

### 30 Related party transactions (continued)

#### (b) Transactions with related parties

During the six months ended 30 June 2010 and 2009, the Group had the following significant transactions with related parties:

	Six months ended 30 June	
	2010 RMB'000	2009 RMB'000
Restaurant and hotel service fee charged by Zhongshan Agile Hotel Co., Ltd. (note (i))	387	137
Golf facilities service fee charged by Zhongshan Changjiang Golf Course (note (i))	415	376
Restaurant and hotel service fee charged by Zhongshan Agile Changjiang Hotel Co., Ltd. (note (i))	1,580	1,704
Guarantee for a loan of Lihe	760,000	—
Key management compensation		
— Salaries and other short-term employee benefits	9,333	8,939
— Retirement scheme contributions	32	32
	9,365	8,971

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.

## Notes to the Condensed Consolidated Interim Financial Information

### 30 Related party transactions (continued)

#### (c) Balances with related parties

As at 30 June 2010 and 31 December 2009, the Group had the following significant non-trade balances with related parties:

	30 June 2010 RMB'000	31 December 2009 RMB'000
Due from related parties		
Included in other non-current assets:		
— Lihe (note 7)	<b>1,800,000</b>	—
Included in prepayments for acquisition of properties (note (i)):		
— Zhongshan Agile Hotel Co., Ltd.	<b>92,820</b>	92,820
— Mr. Chen Zhuo Lin and Ms. Luk Sin Fong, Fion	<b>34,000</b>	34,000
	<b>126,820</b>	126,820
Due to related parties		
Included in trade and other payable (note (ii)):		
— Zhongshan Changjiang Golf Course	<b>149,850</b>	150,000
— Top Coast Investment Limited	<b>633,839</b>	713,205
	<b>783,689</b>	863,205

Notes:

- (i) Amounts due from Zhongshan Agile Hotel Co., Ltd., Mr. Chen Zhuo Lin and Ms. Luk Sin Fong, Fion represents prepayment for the acquisition of a hotel building and a commercial building respectively (note 6).
- (ii) Other amounts due from/to related parties, which are cash advances in nature, are unsecured, interest-free and repayable on demand.

# Corporate Governance

The Board is committed to achieving and maintaining high standards of corporate governance. The Board has adopted a Statement of Corporate Governance Policy (the “Statement”) since 2006 which has been amended for several times. The Statement gives guidance on how corporate governance principles are applied to the Company (posted on the Company’s website 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 (the “Director”) and employees of the Company.

The Board currently 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 holds at least four times of meeting a year to review and enhance its corporate governance practices from time to time with an aim at improving on a continuous basis, so as to meet international best practices. The Board communicates constructively with the shareholders in every annual general meeting. The briefing on the Company’s businesses and the questions and answers session at the meetings allow the shareholders to keep informed of the Group’s strategies and goals.

## Review of interim results

The unaudited interim results for the six months ended 30 June 2010 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 2010 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 its own code for securities transactions by Directors (the “Directors Securities Dealing Code”), which is on terms no less exacting than the required standard as set out in the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) set out in Appendix 10 of the Rules Governing the Listing of Securities (the “Listing Rules”) on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) as the code of conduct for Directors in their dealings in the Company’s securities. The Company has made specific enquiry to all Directors regarding any non-compliance with the Directors Securities Dealing Code during the six months ended 30 June 2010 and all Directors confirmed that they have fully complied with the required standard set out in the Directors Securities Dealing Code during the review period.

In addition to the Directors Securities Dealing Code, the Company also adopted a staff securities dealing code which is substantially on terms no less exacting than the required standard as set out in the Model Code and applies to specified individuals including the senior management of the Group.

## Compliance with the Code on Corporate Governance Practices

The Company has complied with the code provisions of the Code on Corporate Governance Practices contained in Appendix 14 to the Listing Rules during the six months ended 30 June 2010.

# Other Information

## Share options

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

## Directors’ interests in securities

As at 30 June 2010, the interests and short positions of the Directors in the shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities Futures Ordinance (the “SFO”) as recorded in the register required to be kept under section 352 of the SFO; or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code, were as follows:

### (1) The Shares of the Company

Name of Director	The Company/ name of associated corporation	Personal Interests	Long positions in the shares of the Company		Capacity	Total number of shares	Approximate shareholding percentage
			Family Interests	Corporate Interests			
Mr. Chen Zhuo Lin	the Company	Nil	2,180,530,000	12,690,000 (Note 1)	Beneficiary of a trust/ Owner of controlled corporation	2,193,220,000	63.16%
Mr. Chan Cheuk Yin	the Company	Nil	2,180,530,000	12,000,000 (Note 2)	Beneficiary of a trust/ Owner of controlled corporation	2,192,530,000	63.14%
Ms. Luk Sin Fong, Fion	the Company	Nil	2,180,530,000	12,690,000 (Note 1)	Beneficiary of a trust/ Owner of controlled corporation	2,193,220,000	63.16%
Mr. Chan Cheuk Hung	the Company	Nil	2,180,530,000	Nil	Beneficiary of a trust	2,180,530,000	62.79%
Mr. Chan Cheuk Hei	the Company	7,000,000 (Note 3)	2,180,530,000	Nil	Beneficial interests/ Beneficiary of a trust	2,187,530,000	62.99%
Mr. Chan Cheuk Nam	the Company	6,028,000 (Note 4)	2,180,530,000	Nil	Beneficial interests/ Beneficiary of a trust	2,186,558,000	62.96%

#### Notes:

- The shares were held by Brilliant Hero Capital Limited (“Brilliant Hero”) and Famous Tone Investments Limited (“Famous Tone”). Mr. Chen Zhuo Lin and Ms. Luk Sin Fong, Fion were shareholders of Brilliant Hero and Famous Tone, holding a total of 100% of their equity interest respectively.
- The shares were held by Renowned Idea Investments Limited, which is wholly-owned by Mr. Chan Cheuk Yin.
- The shares were jointly held by Mr. Chan Cheuk Hei and his spouse, Ms. Lu Yanping.
- The shares were jointly held by Mr. Chan Cheuk Nam and his spouse, Ms. Chan Siu Na.
- All interest in the shares were long positions.



## Other Information

### (2) The debt securities of the Company

Name of Director	Capacity	Amount of 2010 senior notes USD	Approximate debenture holding percentage
Mr. Kwong Che Keung, Gordon	Beneficial interests	600,000	0.092%

Save as disclosed above as at 30 June 2010, none of the Directors and the chief executives of the Company had any interest and short positions in the shares, underlying shares or, the equity interest and debentures 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 2010, 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 (note 7)	Total	Approximate shareholding percentage
Top Coast Investment Limited	Trustee	2,180,530,000	2,180,530,000	62.79%
Ms. Zheng Huiqiong	Family Interests (Note 1)	2,192,530,000	2,192,530,000	63.14%
Ms. Lu Liqing	Family Interests (Note 2)	2,180,530,000	2,180,530,000	62.79%
Ms. Lu Yanping	Family Interests (Note 3) Beneficial Interests (Note 4)	2,180,530,000 7,000,000	2,187,530,000	62.99%
Ms. Chan Siu Na	Family Interests (Note 5) Beneficial Interests (Note 6)	2,180,530,000 6,028,000	2,186,558,000	62.96%

#### Notes:

- Ms. Zheng Huiqiong, spouse of Mr. Chan Cheuk Yin, Director of the Company.
- Ms. Lu Liqing, spouse of Mr. Chan Cheuk Hung, Director of the Company.
- Ms. Lu Yanping, spouse of Mr. Chan Cheuk Hei, Director of the Company.
- The shares were jointly held by Ms. Lu Yanping and her spouse Mr. Chan Cheuk Hei, Director of the Company. Ms. Lu Yanping was deemed or taken to be interested in such shares.
- Ms. Chan Siu Na, spouse of Mr. Chan Cheuk Nam, Director of the Company.
- The shares were jointly held by Ms. Chan Siu Na and her spouse Mr. Chan Cheuk Nam, Director of the Company. Ms. Chan Siu Na was deemed or taken to be interested in such shares.
- All interest in the shares were long positions.

## Other Information

### Purchase, sale or redemption of listed securities

During the six months ended 30 June 2010, the Company had repurchased from the market a total of 102,786,000 shares at price per share ranging from HK\$7.68 to HK\$10.80 with a total amount of about HK\$909,891,000.

Save as disclosed above, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the six months ended 30 June 2010.

### Specific performance obligations of the controlling shareholders

1. As disclosed in the Company's announcement dated 27 June 2007, the Company as the borrower, has obtained a US\$200 million dual-currency revolving credit facility for a term of 36 months from June 2007 from a syndicate of banks under the respective several guarantees given by the subsidiaries of the Company. The above facility was mature and fully repaid in June 2010.
2. As disclosed in the Company's announcement dated 4 December 2009, the Company as the borrower, has obtained a US\$150 million term loan facility for a term of 36 months from December 2009 from The Hongkong and Shanghai Banking Corporation Limited as the lender, agent and security trustee, under the respective several guarantees given by the subsidiaries of the Company. The above facility will become mature in December 2012.
3. As disclosed in the Company's announcement dated 25 January 2010, the Company as the borrower, has obtained a US\$125 million term loan facility for a term of 36 months from January 2010 from the Banc of America Securities Asia Limited as the facility agent and security agent, under the respective several guarantees given by the subsidiaries of the Company. The above facility will become mature in January 2013.
4. As disclosed in the Company's announcement dated 29 June 2010, the Company as the borrower, has obtained a HK\$800 million term loan facility for a term of 24 months from July 2010 from The Bank of East Asia, Limited as the lender, under the respective several guarantees given by the subsidiaries of the Company. The above facility will become mature in July 2012.

In connection with the above four facilities (collectively referred to as the "Facilities"), it will be an event of default if (i) Mr. Chen Zhuo Lin, Mr. Chan Cheuk Yin, Ms. Luk Sin Fong, Fion, Mr. Chan Cheuk Hung, Mr. Chan Cheuk Hei and Mr. Chan Cheuk Nam (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, any of the agreement relating to the Facility may be terminated by the agent, facility agent or the lender (as defined therein respectively), if directed by the majority lenders, and the loan may become immediately due and repayable.

## Other Information

### Interim dividend

The Board declared an interim dividend of HK6.1 cents (2009: HK5.6 cents) per share payable in cash on 4 October 2010 to shareholders whose names appear on the register of members of the Company as at 22 September 2010.

### Closure of register of members

The register of members of the Company will be closed from 20 September 2010 to 22 September 2010, both dates inclusive. To qualify for the interim dividend, all transfer forms accompanied by the relevant share certificates must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Hong Kong for registration not later than 4:00 p.m. on 17 September 2010.

# Projects at a Glance

## 項目巡禮





# Hainan Clearwater Bay 海南清水灣





Land Bank GFA  
土地儲備建築面積

9,612,677 sq.m.  
平方米





# Agile Garden Chengdu 成都雅居樂花園





Land Bank GFA  
土地儲備建築面積

1,336,949 sq.m.  
平方米







# La Cité Greenville Zhongshan

## 中山凱茵新城





Land Bank GFA  
土地儲備建築面積

563,297<sup>sq.m.</sup>  
平方米





# Agile Royal Mount Zhongshan 中山雅居樂御龍山

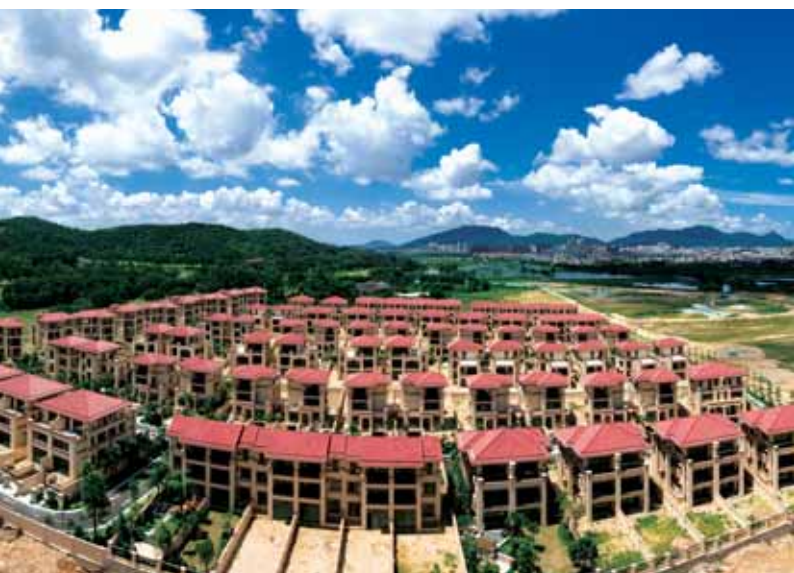




Land Bank GFA  
土地儲備建築面積

841,837

sq.m.  
平方米





# Agile Egret Lake Huizhou 惠州雅居樂白鷺湖

Land Bank GFA  
土地儲備建築面積

1,793,426 sq.m.  
平方米





# Agile International Garden Chongqing 重慶雅居樂國際花園

Land Bank GFA  
土地儲備建築面積

463,843 sq.m.  
平方米





# Agile Garden Nanjing

## 南京雅居樂花園

Land Bank GFA  
土地儲備建築面積

167,672 sq.m.  
平方米





# Agile Cambridgehire Guangzhou 廣州雅居樂劍橋郡

Land Bank GFA  
土地儲備建築面積

1,110,304 sq.m.  
平方米







# Agile Xiyue Zhongshan 中山雅居樂熹玥

Land Bank GFA  
土地儲備建築面積

82,732 sq.m.  
平方米



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