



雅居樂地產控股有限公司  
**AGILE PROPERTY HOLDINGS LIMITED**  
(Incorporated in the Cayman Islands with limited liability) Stock code: 3383



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



# Corporate Profile

Agile (stock code: 3383) is one of the leading property developers in China. As a renowned brand in China, Agile is principally engaged in the development of large-scale comprehensive property projects, with extensive presence in the businesses of hotel operations, property investment and property management. The Group currently owns a diversified portfolio of 70 projects in various stages of development in 26 different cities and districts across China in Hainan, Shanghai, Nanjing, Changzhou, Chengdu, Xi'an, Chongqing, Shenyang, Tianjin, Guangzhou, Foshan, Zhongshan, Huizhou and Heyuan. As at 8 March 2012, the Group has a land bank with total GFA of approximately 31.44 million sq.m. (including both lands with titles and contractual interests).

The Shares of Agile have been listed on the Main Board of Stock Exchange since 2005 and are constituent stocks of Morgan Stanley Capital International China Index, Hang Seng Composite Index, Hang Seng Composite Size Index and Hang Seng Mainland 100.



# Contents

## Property Development 26



- 28 Business Overview
- 32 Land Bank
- 34 Project Overview
- 36 Flagship Projects at a Glance

## 66 Property Management



- 2 Financial Highlights
- 4 Business Structure
- 6 Milestones 2011
- 8 Major Honours and Awards
- 10 Chairman's Statement
- 16 Management Discussion and Analysis

## 60 Hotel Operations and Property Investment



- 70 Corporate Social Responsibility
- 74 Sustainable Development
- 80 Investor Relations
- 84 Directors' Profile
- 87 Senior Management's Profile
- 90 Corporate Governance Report
- 99 Report of the Directors
- 114 Independent Auditor's Report
- 116 Consolidated Balance Sheet
- 118 Balance Sheet
- 120 Consolidated Income Statement
- 121 Consolidated Statement of Comprehensive Income
- 122 Consolidated Statement of Changes in Equity
- 123 Consolidated Statement of Cash Flows
- 124 Notes to the Consolidated Financial Statements
- 200 Five-year Financial Summary
- 202 Information for Stakeholders
- 207 Glossary



# Financial Highlights

## Income Statement Highlights

	Year ended 31 December		
	2011	2010	Change
Turnover (RMB million)	22,945	20,520	+11.8%
Gross profit (RMB million)	12,354	9,389	+31.6%
Gross profit margin	53.8%	45.8%	+8.0 percentage points
Net profit (RMB million)*	5,234	6,419	-18.5%
Net profit (RMB million)**	5,161	4,020	+28.4%
Profit attributable to shareholders (RMB million)*	4,105	5,976	-31.3%
Profit attributable to shareholders (RMB million)**	4,035	3,617	+11.6%
Net profit margin*	22.8%	31.3%	-8.5 percentage points
Net profit margin**	22.5%	19.6%	+2.9 percentage points
Basic earnings per share (RMB)*	1.184	1.707	-30.6%
Basic earnings per share (RMB)**	1.164	1.033	+12.7%
Full year dividend per share (HK cents)	34.2	29.1	+17.5%

## Balance Sheet Highlights

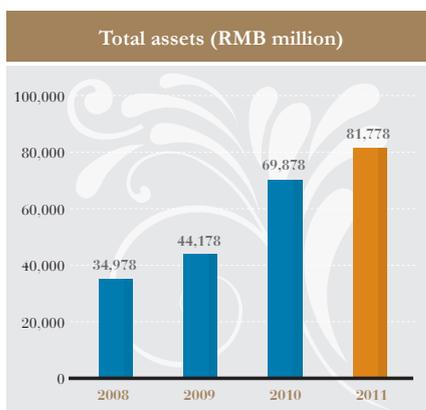
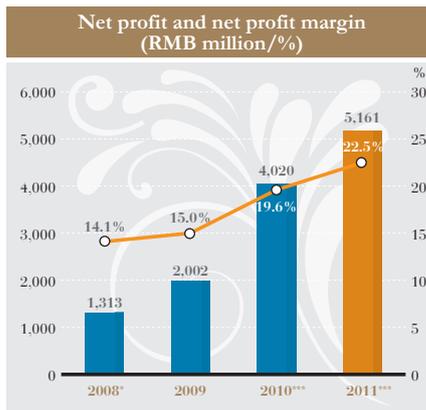
	As at 31 December		
	2011	2010	Change
Total assets (RMB million)	81,778	69,878	+17.0%
Cash and cash equivalents (RMB million)	4,684	6,482	-27.7%
Restricted cash (RMB million)	2,644	4,199	-37.0%
Short-term loans (RMB million)	7,660	5,262	+45.6%
Long-term loans (RMB million)	14,371	15,496	-7.3%
Shareholders' equity (RMB million)*	21,675	18,681	+16.0%
Return on equity (ROE)*	18.9%	32.0%	-13.1 percentage points
Total debt/total assets	26.9%	29.7%	-2.8 percentage points
Net debt/total equity	61.9%	49.6%	+12.3 percentage points

\* Including after-tax fair value gains on investment properties

\*\* Excluding after-tax fair value gains on investment properties



## Financial Highlights



\* Excluding the profit arising from the disposal of 30% equity interest in Hainan Clearwater Bay project

\*\* Including after-tax fair value gains on investment properties

\*\*\* Excluding after-tax fair value gains on investment properties



# Business Structure

As one of the leading property developers in China, Agile will continue to operate under its philosophy of “Stability, Prudence, Sustainability” to further enhance product innovation and quality.

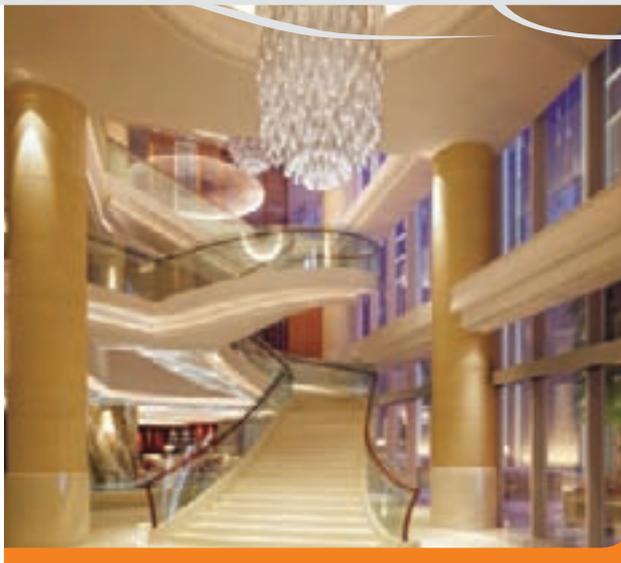


## *Property Development*

Pearl River Delta	— Panyu, Baiyun, Tianhe, Liwan, Luogang, Zengcheng, Huadu, Conghua, Zhongshan, Nanhai, Chancheng, Sanshui, Shunde (52 projects)
Eastern Guangdong	— Heyuan, Huizhou (2 projects)
Yangtze River Delta	— Nanjing, Changzhou, Shanghai (7 projects)
Western China	— Chengdu, Xi'an, Chongqing (4 projects)
Hainan Province	— Lingshui, Chengmai, Ding'an (3 projects)
Northeast China	— Shenyang (1 project)
Northern China	— Tianjin (1 project)



## Business Structure



### *Hotel Operations and Property Investment*

- Hotels (in operation)
  - Shanghai Marriott Hotel City Centre
  - Guangzhou Agile Hotel
  - Foshan Agile Hotel
  - Zhongshan Agile Hotel
  - Nanlang Agile Hotel
- Hotels (under construction/ planning)
  - Sheraton Egret Lake Resort Huizhou
  - Raffles Sanya Clearwater Bay
  - Holiday Inn Resort Hainan Clearwater Bay
  - Jumeirah Clearwater Bay Resort
  - JW Marriott Clearwater Bay Resort & SPA
  - Hilton Hainan Clearwater Bay Resort
  - Outrigger Clearwater Bay Resort, Sanya, China
  - Chengdu Hotel
  - Shunde Hotel
  - Xiqiao Hotel
  - Conghua Hotel
- Major investment property (in operation)
  - Xiqiao Metropolis Plaza
- Major investment properties (under construction/ planning)
  - Agile International Plaza Shanghai
  - Hainan Clearwater Bay International Brand Outlet
  - Guangzhou Hongxi Huating Arcade
  - Guangzhou Zhujiang New City Project

### *Property Management*

- Hong Kong Agile Property Management Services Limited
- Agile Property Management Services Co., Ltd.
- Guangzhou Agile Property Management Services Co., Ltd.
- Guangzhou Huadu Agile Property Management Services Co., Ltd.
- Foshan Nanhai Agile Property Management Services Co., Ltd.
- Foshan Shunde Shuntian Property Management Co., Ltd.
- Hainan Agile Property Services Co., Ltd.
- Harrogate Property Services (Shanghai) Co., Ltd.



# Milestones 2011

## January

- The Group acquired land use rights of two adjoining sites for commercial and residential uses in Gaofeng Village, Sanshui District of Foshan City, which are planned to be developed into a high-end residential project together with lands acquired before, at a total consideration of approximately RMB440 million.
- The Group acquired land use rights of a site in Chang'an District of Xi'an City at a total consideration of approximately RMB950 million.

## March

- Commencement of construction works of The Magnificence Nanjing (formerly known as Nanjing Jiangning District Project).

## April

- The Company issued 4% convertible bonds in an aggregate principal amount of US\$500 million due by 2016.
- Moody's Investors Service, Inc. raised the credit rating on the Company and its bonds to "Ba2" with a "Stable" outlook, one of the best in the industry.
- The Group acquired land use rights of three adjacent sites for commercial and services uses in Nanli Lake, Ding'an County of Hainan Province, at a total consideration of approximately RMB140 million.

## May

- Agile trademark was accredited as "China's Well-known Trademark" by State Administration for Industry and Commerce of the PRC.
- Commencement of construction works of Guangzhou Science City Project.
- Commencement of construction works of JW Marriott Clearwater Bay Resort & SPA.

## June

- Agile Linghui Huadu was launched for sale.
- Commencement of construction works of Panyu Southern District Project.





## Milestones 2011

### July

- Commencement of construction works of Agile Cambridgeshire Zhongshan (formerly known as Zhongshan Western District Bo'ai Road Project) and Conghua Jiekou Town Project.
- Commencement of construction works of Jumeirah Clearwater Bay Resort.

### August

- Tianjin Jinnan New City and Agile Seven Mile Sea Guangzhou were launched for sale.

### September

- Gorgeous Days Panyu, Imperial Palace Nanhai, Agile Yubinfu Zengcheng, Agile Jardin Lecong and Agile Baron Hill Zhongshan were launched for sale.
- Hong Kong's Main Office of the Group was relocated to Citibank Tower in Central.

### November

- Grand opening of Shanghai Marriott Hotel City Centre and Xiqiao Metropolis Plaza.
- Commencement of construction works of Shenchong Project Zhongshan.

### December

- Agile Yorkshire Zhongshan (formerly known as Tanzhou Yuzhoucun Project Zhongshan) was launched for sale.
- Commencement of construction works of Foshan Chancheng District Project and Zhongshan Wugui Mountain Xiuli Lake Project.





# Major Honours and Awards



## Corporate Social Responsibility

**The Sixth China Charity Award — The Most Caring Enterprise**  
Ministry of Civil Affairs of the PRC

**Caring Company 2010/11**  
The Hong Kong Council of Social Service

**Corporate Social Responsibility Awards 2011**  
Capital Magazine  
Capital Weekly Magazine

**2010 Gold Cup of Guangdong Poverty Relief Hongmian Cup**  
Guangdong Leadership Group of Poverty Alleviation

**Prime Awards for Eco-Business 2011**  
Metrobox Magazine

**2011 Top Ten Chinese Learning Enterprise**  
China Society for Training and Development

**Guangdong Real Estate Corporate Social Responsibility Model Enterprise Award 2010**  
Guangdong Real Estate Association

## Corporate Brand

**China's Well-known Trademark**  
State Administration for Industry and Commerce of the People's Republic of China

**DHL/SCMP Hong Kong Business Awards 2011 — China Company Award**  
DHL  
South China Morning Post

**Fabulous 50 — The Best of Asia Pacific's Biggest Listed Companies 2011**  
Forbes Asia Magazine

**Asia Excellence Brand Award 2011**  
Yazhou Zhoukan

**Top 10 Real Estate Enterprises 2011**  
China Real Estate Research Association  
China Real Estate Association  
China Real Estate Appraisal

**Comprehensive Strength of Chinese Real Estate Listed Companies 2011 (Ranked 9th)**  
**Profitability of Chinese Real Estate Listed Companies 2011 (Ranked 3rd)**  
China Real Estate Research Association  
China Real Estate Association  
China Real Estate Appraisal



**2011 The Tenth Guangdong Real Estate Enterprises of High Credit Ratings Top 20  
The Outstanding Enterprise in Credit Ratings in the Decade**

Industrial and Commercial Bank of China Limited (Guangdong Branch)  
Agricultural Bank of China (Guangdong Branch)  
Bank of China Limited (Guangdong Branch)  
China Construction Bank Corporation (Guangdong Branch)  
People's Online of People's Press

**TOP 10 Chinese Real Estate Companies Listed in Hong Kong in Comprehensive Strength 2011**

**TOP 10 Chinese Real Estate Companies Listed in Hong Kong in Investment Value 2011**  
Enterprise Research Institute of Development Research Center of the State Council  
Institute of Real Estate Studies of Tsinghua University  
China Index Academy

**Top 50 Chinese Real Estate Listed Companies 2010 (Ranked 6th)**

Sohu Focus  
Sohu Finance  
National Institute of Property and Finance  
Beta Strategy Research Center  
Policy Research Center of Ministry of Housing and Urban-Rural Development  
Real Estate Research Center of Beijing Normal University

**Outstanding Chinese Property Developer Award 2011**

Economic Digest Magazine

**TOP 10 PRC-funded Shares Listed in Hong Kong in Comprehensive Value of PRC Real Estate Value Ranking**

China Business News

**2011 Enterprises of the China Property Industry Top 30 (G30)**

Guandian New Media

**Guangdong Real Estate Excellent Contribution Golden Tripod**

Guangdong Real Estate Association

**Top 10 Leading Brand of Guangdong Residential Real Estate Enterprise**

Guangdong Construction News

**Leading Real Estate in South China**

21CN

**Top 5 China Real Estate Champion in Corporate Sales  
Top 10 China Real Estate Champion in Reputation of the Brand**

NetEase Property Website  
China Real Estate Champion Committee

**Corporate Governance / Investor Relations**

**Best Investor Relations (Real Estate)**  
IR Magazine

**The Asset Corporate Platinum Award**  
The Asset Magazine

**Private Enterprise with Largest Market Capitalisation**  
Yazhou Zhoukan



# Chairman's Statement

The Group adhered to a flexible and prudent development strategy and responded to market changes actively by capitalising on its comprehensive strengths: 19 years of professional experience in property development, stable and well-qualified management team, excellent brand image, highly competitive products, sound financial position as well as ample and superior land bank.

**CHEN Zhuo Lin**  
*Chairman*





## Chairman's Statement

Dear Shareholders,

### Results and dividends

For the year ended 31 December 2011, the turnover and gross profit of the Group were approximately RMB22,945 million and RMB12,354 million respectively, representing an increase of approximately 11.8% and 31.6% respectively when compared with last year. Net profit for the year excluding after-tax fair value gains on investment properties was approximately RMB5,161 million, and the net profit margin excluding after-tax fair value gains on investment properties was approximately 22.5%, representing an increase of approximately 28.4% and approximately 2.9 percentage points respectively when compared with last year.

After the balance between the Group's business development needs and Shareholders' investments return, the Board has proposed a final dividend of HK23.4 cents per share for 2011. If approved by Shareholders, the total dividend of 2011 was HK34.2 cents per share, representing an increase of 17.5% when compared with last year.

### Market and business review

In 2011, the fear of global economic recession and the spread of Europe's financial crisis cast a shadow on the property market in China. This coupled with the escalated control measures and tightening monetary policies implemented by the Central Government to ensure steady development of the property market. Consequently, the market experienced quite significant changes.

Amid such challenging market conditions, the Group adhered to a flexible and prudent development strategy and responded to market changes actively by capitalising on its comprehensive strengths: 19 years of professional experience in property

development, stable and well-qualified management team, excellent brand image, highly competitive products, sound financial position as well as ample and superior land bank. Not only did the Group obtain satisfactory results but also received a number of widely recognised honours and awards, such as "China's Well-known Trademark" from the Trademark Office of the State Administration for Industry and Commerce, "Fabulous 50 — The Best of Asia Pacific's Biggest Listed Companies" presented by Forbes Asia Magazine for the 3rd consecutive year, "The Asset Corporate Platinum Award" presented by The Asset Magazine and "China Company Award" of DHL/SCMP Hong Kong Business Awards 2011.

### Effective geographic diversification bringing encouraging sales results

The Group continued to benefit from its geographic diversification strategy, which effectively balanced operational risks resulted from the volatility in regional markets. During the year, sales in Guangzhou, Zhongshan and Hainan accounted for approximately 25%, 24% and 23% of the total contracted sales of the Group respectively, while sales in Western China and Yangtze River Delta, Foshan and Eastern Guangdong accounted for approximately 12%, 10% and 6% of the total contracted sales respectively. During the year, the Group had 41 projects on sale located in 18 different cities and districts. For the year ended 31 December 2011, the Group recorded contracted sales of approximately RMB31,500 million, close to last year, and contracted GFA sold of approximately 3.11 million sq.m., representing a year-on-year growth of approximately 10% with contracted average selling price of RMB10,144 per sq.m..

During the year, all projects on sale of the Group have achieved encouraging sales results. A total of 9 projects including Hainan Clearwater Bay, Agile Cambridgeshire Guangzhou, La Cité Greenville Zhongshan, Agile Garden Chengdu, Agile International Garden Chongqing, The



## Chairman's Statement

Century Zhongshan, Agile Garden Shunde, Agile Egret Lake Huizhou and Agile Royal Mount Zhongshan recorded aggregate contracted sales of more than RMB1,000 million. In respect of joint venture projects, Guangzhou Asian Games City Project, in which the Group holds a 20% equity interest, recorded contracted sales of approximately RMB2,100 million. Another project of which the Group holds a 25% equity interest is Tianjin Jinnan New City, which recorded contracted sales of approximately RMB900 million.

### A diversified business portfolio to generate steady revenues

In addition to the Group's commitment to property development, it continued the development of hotel operations and property investment in a prudent manner, so as to build up a more extensive and diversified business portfolio for generating steady revenue stream as well as dispersing operational risks. Furthermore, benefiting from the synergy arising from the hotels and commercial properties located within the Group's property development projects, the value of these projects has also been enhanced.

During the year, Shanghai Marriott Hotel City Centre commenced operations as the first international 5-star hotel of the Group, setting a milestone for the Group's hotel business development. Raffles Sanya Clearwater Bay and Sheraton Egret Lake Resort Huizhou are also set to open in 2012. The operation of the Group's 4 self-operated hotels was sound, recorded consistently steady occupancy rates. The property investment business also achieved a breakthrough with the opening of Xiqiao Metropolis Plaza located in Foshan in 2011. It became the first pure commercial project of the Group to come into service, with a contracted lease rate of over 90%. Agile International Plaza Shanghai and Hainan Clearwater Bay International Brand Outlet are currently being offered for leasing.

### Prudent land acquisition strategy and stable business development

Ample land bank is critical to the long-term development of any competent developer. Over the years, the Group has been replenishing its land bank strategically while maintaining a sound financial position. The Group's land bank is sufficient for its development needs in the next 8 to 10 years, thus allowing room for a prudent land acquisition strategy to seek for reasonably priced quality land.

During the year, the Group has acquired quality land lots in a number of districts, including Sanshui, Xi'an and Ding'an County of Hainan Province by way of auction and tender. The total GFA of the newly acquired land was approximately 626,329 sq.m..

As at 7 March 2012, the Group had 70 projects in 26 cities and districts in China and a land bank with a total GFA of approximately 31.44 million sq.m., with an average land cost of approximately RMB1,277 per sq.m. only. As at 31 December 2011, the Group's completed GFA held for sale was approximately 771,537 sq.m. and those under development was approximately 7.13 million sq.m..

### Stable financial position and flexible financing strategy

The Group insists on implementing a prudent financial strategy. By multi-channel financing, financial structure optimisation and strengthening of working capital, the Group maintained a stable and sufficient cash flow to capitalise on investment opportunities when appropriate. The sound financial position and bright prospects of the Group are widely recognised by major banks and rating agencies.



## Chairman's Statement

During the year, the Group conducted offshore financing successfully, obtained loans from several well-known banks and successfully issued US\$500 million 4% convertible bonds due by 2016. Moody's Investors Service, Inc. upgraded the credit rating on the Group and its bonds to "Ba2" with a "Stable" outlook, one of the best in the industry.

As at 31 December 2011, the Group's total cash and bank deposits were approximately RMB7,328 million; committed but undrawn borrowing facilities were approximately RMB1,814 million.

### High level of corporate transparency and win-win investor relations

The Group upholds the concept of "mutual communication to achieve a win-win situation" for investor relations. Effective investor relations by fostering the understanding of the Group's businesses and recognition of the Group's development direction among investors and the public is beneficial to the Group in the expansion of financing channels, reduction of financing costs, as well as the strengthening of shareholder base. During the year, the Group was widely acclaimed for its high transparency in investor relations, whereby it received the "Best Investor Relations (Real Estate)" Award from IR Magazine and was shortlisted as the top three for the "Best Overall Investor Relations by a Mainland Chinese Company".

### International standard property management continues to enhance brand value

The Group recognised that while expanding its scale of business operation, its property management services must keep pace with the latest standards and meet the diversified needs of different residents with its "customer-oriented" service

philosophy. For this purpose, the Group launched again the "Elite Cultivation Year" Programme in last year to train up property management elites and high-end property service professionals with international standards, so that they will be able to provide better quality property management services to the Group's approximately 380,000 residents across China.

### Unfailing commitment to society

As a responsible corporate citizen, the Group has long held the belief of "benefiting from the society, giving back to society" and has integrated this philosophy into its corporate culture. While maintaining steady business growth, the Group also took initiatives to shoulder social responsibilities and obligations. During the year, the Group held and participated in various charitable activities, which were greatly supported by the management and staff. The accumulated voluntary service hours achieved by all members of the Group were equivalent to approximately 20,000 days. During the year, the Group received a number of honours for its effort in fulfilling corporate social responsibility, including "China Charity Awards — The Most Caring Enterprise" and "Guangdong Real Estate Corporate Social Responsibility Model Enterprise Award".

In addition to social welfare activities, the Group has been a staunch supporter of sustainable development. During the year, the Group promoted environmental awareness in all aspects, from its business development, daily operation to corporate sponsorship. One notable example is Hainan Clearwater Bay, which won the bronze award of "The International Awards for Liveable Communities 2011" endorsed by the United Nations Environment Programme, showing the high quality and environmental protection philosophy of the Group's projects were recognised by the international community.



## Chairman's Statement

### Development strategy and prospects

Looking ahead, the international financial and economic conditions are expected to remain challenging in 2012. The tightening policies introduced by the Central Government over the property market are showing signs of impact and likely to continue. The Group will adjust its marketing strategies, price positioning and development plans depending on the market conditions in different cities. With its quality products, excellent after-sale service and customer-oriented property management, as well as its improving dynamic cost control system, the Group is confident that it can cope with different situations, and is optimistic about the long-term development of the property market which is expected to be driven by the long-term continuous growth of China's economy, continuously strong inelastic demand and enormous development potential.

The Group will uphold the operation philosophy of "Stability, Prudence, and Sustainability" and leverage its advantages to meet upcoming challenges and capture opportunities. The Group will also adhere to the idea of "Better Value for Money" in developing quality properties and continue its pioneering position by delivering innovative, practical and humanised units and design through its product design centre. In addition, the Group will continue to increase the proportions of top and high-end properties in order to meet the market demand for diversified and superior housing with appreciation potential.

The Group has been accumulating extensive experience in developing large-scale composite properties in city outskirts or cities of high growth potential, and these regions have very high development potential and plenty of room for appreciation. Therefore, the Group will continue to implement such development strategy, supplemented by hotel operations and property investment so as to diversify the operational risk. Meanwhile, the Group will actively explore the feasibility of further developing tourism property. In addition, the Group will adopt a strategy of active yet prudent expansion. While

continuing to strengthen its business in regions with existing projects, the Group has been investigating the conditions of different markets to identify new opportunities. With its ample land bank, the Group is well poised to acquire quality land at reasonable prices and appropriate time, thus further promoting the brand name of Agile.

In 2012, the Group intends to launch 11 new projects within or outside Guangdong Province, including Panyu Southern District Project, Agile Garden Shenyang and Guangzhou Science City Project. In addition, new phases will also be launched for existing projects. The introduction of new projects, new products and new phases will lay a solid foundation for the development of the Group.

At the same time, the Group will adhere to and implement a prudent financial strategy to maintain a sound financial position and cash flows, with a view to improving its competitiveness in the challenging market environment and capturing market opportunities that arise in a timely manner.

In respect of operations management, the Group will continue to broaden sources of income and reduce unnecessary expenditure, as well as to further improve the core competitiveness of each segment and optimise the management model to address the ever-changing market conditions. The Group will step up its internal monitoring system by rigorously implementing the dynamic cost control system, and achieve highly efficient operation of a chain of core businesses by applying the fast-developing information technology. By doing so, the Group aims to achieve inter-departmental synergy, increase management and operational efficiency and provide the management with more efficient and extensive support in decision making.

The Group is committed to maintaining the leading position in China's property industry and achieving a balanced, sustainable and steady growth, in order to maximise values and generate greatest returns for Shareholders, customers and



## Chairman's Statement

each stakeholder. While maintaining a healthy and sustainable development, the Group will also continue its promise of undertaking corporate social responsibilities and contributing to society by taking part in charity affairs.

### **Acknowledgement**

On behalf of the Board, I would like to extend my heartfelt gratitude to the full trust and enormous support of our Shareholders, customers and partners, as well as the unremitting dedicated efforts of all our staff members, which enabled Agile to achieve steady growth.

**CHEN Zhuo Lin**

*Chairman*

Hong Kong, 8 March 2012



# Management Discussion and Analysis

## Overall performance

During the year, the Group's turnover was approximately RMB22,945 million (2010: RMB20,520 million), representing an increase of approximately 11.8% over 2010. The operating profit was approximately RMB10,681 million (2010: RMB10,765 million), representing a decrease of approximately 0.8%. Profit attributable to shareholders (including after-tax fair value gains on investment properties) was approximately RMB4,105 million (2010: RMB5,976 million), representing a decrease of approximately 31.3%. Core net profit (excluding after-tax fair value gains on investment properties) was approximately RMB5,161 million (2010: RMB4,020 million), representing an increase of approximately 28.4%. Basic earnings per share was RMB1.184 (2010: RMB1.707), representing a decrease of approximately 30.6%. Basic earnings per share excluding after-tax fair value gains on investment properties was RMB1.164 (2010: RMB1.033), representing an increase of approximately 12.7%.

## Land bank

In line with the Group's long-term development strategy, the Group continued to adopt its prudent land replenishment plan, making select opportunistic acquisitions through the year while optimising the product mix within its existing land bank in accordance with the development needs and market conditions. As at 7 March 2012, the Group owned a diversified portfolio of 70 projects at various stages of development, located in Pearl River Delta Region, Eastern Guangdong Region, Yangtze River Delta Region, Western China Region, Hainan Province Region, Northeast China Region and Northern China Region. The Group has a land bank of 31.44 million sq.m. as at 7 March 2012, which the Group believes is sufficient to cope with the development needs for the next 8 to 10 years.

During the year, the Group acquired land sites with a total GFA of approximately 626,329 sq.m.. These newly acquired sites are located in Sanshui, Xi'an, Ding'an County and Lingshui County, Hainan Province.

The following table sets forth the details of the newly acquired sites:

Site name	City/District	GFA (sq.m.)
<b>Pearl River Delta Region</b>		
Site in Gaofeng Village, Sanshui	Sanshui	183,986
<b>Western China Region</b>		
Site in Chang'an District, Xi'an	Xi'an	369,505
<b>Hainan Province Region</b>		
Site in Nanli Lake, Ding'an County	Ding'an	56,097
Site in Clearwater Bay, Hainan	Lingshui	16,741
<b>Subtotal</b>		<b>72,838</b>
<b>Total (As at 31 December 2011)</b>		<b>626,329</b>



## Management Discussion and Analysis

### Property development and sales

During the year, the Group's total recognised sales was approximately RMB22,466 million, and the total recognised GFA sold was approximately 2,136,132 sq.m., representing an increase of approximately 11.2% and a decrease of approximately 0.3% respectively when compared with 2010.

Total recognised sales in Hainan Clearwater Bay was approximately RMB11,131 million, accounting for approximately 49.5% of the total recognised sales, and representing an increase of approximately 132.8% when compared with 2010. The total recognised GFA sold in Hainan Clearwater Bay amounted to 534,757 sq.m., representing an increase of approximately 232.5% when compared with 2010.

Total recognised sales in Zhongshan was approximately RMB3,274 million, accounting for 14.5% of the total recognised sales, representing a decrease of approximately 35.0% when compared with 2010. The total recognised GFA sold in Zhongshan amounted to 452,848 sq.m., representing a decrease of approximately 38.1% when compared with 2010.

Total recognised sales in Foshan was approximately RMB2,872 million, accounting for approximately 12.8% of the total recognised sales, representing an increase of approximately 33.8% when compared with 2010. The total recognised GFA sold in Foshan amounted to 446,967 sq.m., representing an increase of approximately 47.3% when compared with 2010.

Total recognised sales in Eastern Guangdong (such as Heyuan and Huizhou) was approximately RMB1,973 million, accounting for approximately 8.8% of the total recognised sales and representing an increase of approximately 94.8% when compared with 2010. The total recognised GFA sold in Eastern Guangdong amounted to 311,097 sq.m., representing an increase of approximately 28.5% when compared with 2010.

Total recognised sales in Western China (such as Chengdu, Chongqing and Xi'an) was approximately RMB1,360 million, accounting for approximately 6.1% of the total recognised sales and representing a decrease of approximately 45.0% when compared with 2010. The total recognised GFA sold in Western China amounted to 213,797 sq.m., representing a decrease of approximately 45.3% when compared with 2010.

Total recognised sales in Guangzhou was approximately RMB1,186 million, accounting for approximately 5.3% of the total recognised sales, representing a decrease of approximately 53.0% when compared with 2010. The total recognised GFA sold in Guangzhou amounted to 139,260 sq.m., representing a decrease of approximately 22.6% when compared with 2010.

Total recognised sales in Nanjing was approximately RMB670 million, accounting for approximately 3.0% of the total recognised sales and representing a decrease of approximately 69.9% when compared with 2010. The total recognised GFA sold in Nanjing amounted to 37,406 sq.m., representing a decrease of approximately 72.2% when compared with 2010.

During the year, the average selling price for all the projects increased by approximately 11.6% to RMB10,517 per sq.m. in 2011 from RMB9,424 per sq.m. in 2010, mainly attributable to sales in Hainan Clearwater Bay represented a higher percentage on the overall property sales.



## Management Discussion and Analysis

The following table tabulates the recognised GFA sold and recognised sales of each project in 2011:

Project Name	City/District	Recognised GFA sold (sq.m.)	Recognised Sales (RMB'000)	Recognised Average Selling Price (RMB per sq.m.)
<b>Pearl River Delta Region</b>				
Agile Garden Guangzhou	Panyu	12,779	112,627	8,813
Agile Cambridgeshire Guangzhou	Panyu	7,844	155,029	19,764
South Lagoon Guangzhou	Baiyun	1,501	10,538	7,021
Royal Hillside Villa Guangzhou	Baiyun	4,334	62,293	14,373
Agile Uptown Huadu (formerly known as Agile Garden Huadu)	Huadu	110,335	808,394	7,327
Agile Binjiang Garden Conghua	Conghua	2,467	37,551	15,221
Metro Agile Zhongshan	Zhongshan	110,029	646,638	5,877
Agile Royal Mount Zhongshan	Zhongshan	144,127	898,881	6,237
The Century Zhongshan	Zhongshan	92,931	634,865	6,832
Agile Xiyue Zhongshan	Zhongshan	41,265	431,527	10,457
La Cité Greenville Zhongshan	Zhongshan	30,754	453,792	14,756
Agile Garden Dachong Zhongshan	Zhongshan	24,184	85,350	3,529
Majestic Garden Zhongshan	Zhongshan	1,177	2,990	2,540
Grand Garden Zhongshan	Zhongshan	1,523	4,989	3,276
Agile Baron Hill Zhongshan	Zhongshan	6,858	114,463	16,690
Majestic Garden Nanhai	Nanhai	7,138	28,018	3,925
Agile Garden Foshan	Foshan	37,009	368,343	9,953
Agile Garden Sanshui	Sanshui	228,551	1,271,561	5,564
Agile Garden Shunde	Shunde	174,269	1,204,105	6,909
<b>Subtotal</b>		<b>1,039,075</b>	<b>7,331,954</b>	<b>7,056</b>
<b>Eastern Guangdong Region</b>				
Agile Garden Heyuan	Heyuan	161,232	728,810	4,520
Agile Egret Lake Huizhou	Huizhou	149,865	1,244,079	8,301
<b>Subtotal</b>		<b>311,097</b>	<b>1,972,889</b>	<b>6,342</b>
<b>Western China Region</b>				
Agile Garden Chengdu	Chengdu	87,954	596,533	6,782
Agile International Garden Chongqing	Chongqing	121,091	738,547	6,099
Agile Garden Xi'an	Xi'an	4,752	25,189	5,301
<b>Subtotal</b>		<b>213,797</b>	<b>1,360,269</b>	<b>6,362</b>
<b>Yangtze River Delta Region</b>				
Agile Garden Nanjing	Nanjing	37,406	670,099	17,914
<b>Hainan Province Region</b>				
Hainan Clearwater Bay	Hainan	534,757	11,130,823	20,815
<b>Total</b>		<b>2,136,132</b>	<b>22,466,034</b>	<b>10,517</b>



## Management Discussion and Analysis

### Hotels operations

The Group continued to invest in hotel business in a prudent and cautious manner with the objective to developing a diversified business portfolio and generating a stable and reliable income stream for the Group. During the year, the hotel operations segment of the Group recorded a revenue of approximately RMB122 million, representing an increase of approximately 145.5% when compared with 2010, which was primarily attributable to the revenues generated from Guangzhou Agile Hotel and Foshan Agile Hotel. Shanghai Marriott Hotel City Centre commenced operations since the latter half of 2011. The main building structures of Raffles Sanya Clearwater Bay and Sheraton Egret Lake Resort Huizhou have been completed and scheduled for soft opening in 2012. Meanwhile, a number of other hotels and ancillary facilities of the Group are under different stages of development and will be put into operation in the years ahead. It is expected that these hotels will generate a stable and recurring cash inflow for the Group in the long run.

### Investment properties

In line with the prudent development strategy of the Group and to further diversify the business portfolio so as to generate a stable income for the Group, the Group designated certain properties for long-term rental yields or for future capital appreciation purpose. During the year, the fair value gains on these properties amounted to approximately RMB96 million and the related deferred income tax charged for the year was approximately RMB24 million.

### Property management

The Group provides residents with safe, modern, comfortable, convenient and high quality property management services, and these high standard management services have been internationally accredited with the ISO9001 International Quality System Certificate. In 2011, the total property management fee income was approximately RMB339 million, representing an increase of approximately 31.6% when compared with 2010, mainly attributable to the increase in property portfolio managed. Our property management portfolio at the end of 2011 was approximately 15.49 million sq.m. in Mainland China (2010: 12.39 million sq.m.).

The Group has over 19 years of experience in property management. The Group embraces the “customer-oriented” philosophy, and put great emphasis on better communication with our customers. During the year, the Group organised more than 421 cultural events in the community, and published a quarterly magazine “Agile Property Club” for residents. In addition, a centralised property management software system was implemented, streamlining the operational procedures and enhancing the overall efficiency. All of these will further optimise the efficiency and effectiveness of the Group’s property management services and will support sustainable development of the Group.

### Cost of sales

Cost of sales of the Group mainly refers to the costs incurred directly from its property development activities, including construction, fitting-out and design, land use rights, interest capitalised and business tax.



## Management Discussion and Analysis

Cost of sales decreased by approximately 4.9% to approximately RMB10,590 million in 2011 from approximately RMB11,131 million in 2010, primarily due to increased recognised sales contributions from Hainan Province, which are with lower land costs and, thereby, resulted in lower overall cost of sales.

### Gross profit

Gross profit of the Group (before land appreciation tax provision) increased by 31.6% to approximately RMB12,354 million in 2011 from approximately RMB9,389 million in 2010. Gross profit margin increased to approximately 53.8% in 2011 from approximately 45.8% in 2010, primarily due to the sale of relatively higher gross profit margin products in Hainan Clearwater Bay which represented a higher percentage of overall sales in 2011. In addition, our active cost management helped to control the overall development and construction costs.

### Selling and marketing costs

Selling and marketing costs of the Group increased by 20.2% to approximately RMB835 million in 2011 from approximately RMB695 million in 2010, which was mainly attributable to the increase in promotional expenses for launching new development projects, such as Hainan Clearwater Bay, Agile Cambridgeshire Guangzhou, Agile Royal Mount Zhongshan and Agile Garden Shunde, etc. Also, to maintain sustainable sales performance in a highly competitive market, the Group had conducted much more extensive advertising activities in 2011, which resulted in an increase in advertising expenses by 27.7% to approximately RMB659 million in 2011 from approximately RMB516 million in 2010.

### Fair value gains on investment properties

The Group recorded fair value gains on investment properties of approximately RMB96 million in 2011. After deducting approximately RMB24 million for deferred income tax on fair value gains, the fair value gains after-tax were approximately RMB72 million in 2011.

### Other income

Other income of the Group increased by 76.2% to approximately RMB200 million in 2011 from approximately RMB114 million in 2010. The increase was mainly attributable to increase in interest income of bank deposits and income in relation to the cancellation of a land acquisition agreement.

### Administrative expenses

Administrative expenses of the Group increased by 22.0% to approximately RMB877 million in 2011 from approximately RMB718 million in 2010, generally due to the inflationary trend in Mainland China and the additional recruitment of more talented employees to cope with our growth and the expansion in property portfolio and larger business operation. As a result, salaries increased by 28.5% to approximately RMB307 million in 2011 from approximately RMB239 million in 2010.



## Management Discussion and Analysis

### Other expenses

During the year, other expenses of the Group decreased by 73.5% to approximately RMB105 million from approximately RMB398 million in 2010, mainly due to the payment of the premium of approximately RMB185 million in 2010 for the early redemption of 9% senior notes in the aggregate principal amount of US\$400 million due 2013. In addition, donations decreased by approximately 46.3% to approximately RMB83 million in 2011 from approximately RMB155 million in 2010.

### Fair value gains on embedded financial derivatives

On 28 April 2011, the Group issued 4% Convertible Bonds in the aggregate principal amount of US\$500 million (equivalent to approximately RMB3,253 million) due 2016, of which the gains from change in fair value of embedded financial derivatives was approximately RMB177 million in 2011.

### Share of post-tax profit of an associate

During the year, the share of after-tax profit of an associate was approximately RMB121 million, arose from the Group's 20% equity holding of Guangzhou Li He Property Development Company Limited (廣州利合房地產開發有限公司) ("Li He").

### Profit attributable to shareholders

Profit attributable to shareholders was approximately RMB4,105 million (2010: RMB5,976 million), representing a decrease of approximately 31.3% when compared with 2010. After deducting the after-tax fair value gains on investment properties, the profit attributable to shareholders of the Group was approximately RMB4,035 million (2010: RMB3,617 million), representing an increase of approximately 11.6% when compared with 2010.

## Liquidity, Financial and Capital Resources

### Cash position and fund available

As at 31 December 2011, the total cash and bank deposits of the Group were approximately RMB7,328 million (2010: RMB10,681 million), out of which unrestricted cash was approximately RMB4,684 million (2010: RMB6,482 million) and restricted cash was approximately RMB2,644 million (2010: RMB4,199 million).

As at 31 December 2011, the undrawn borrowing facilities were approximately RMB1,814 million (2010: RMB1,716 million).

### Borrowings

On 28 April 2011, the Company successfully issued 4% Convertible Bonds due 2016 in the aggregate principal amount of US\$500 million (equivalent to approximately RMB3,253 million).



## Management Discussion and Analysis

As at 31 December 2011, the bank borrowings, senior notes, debt component of Convertible Bonds and other borrowings of the Group were approximately RMB11,391 million, RMB5,839 million, RMB2,201 million and RMB2,600 million respectively.

Repayment schedule	2011 (RMB million)	2010 (RMB million)
<b>Bank borrowings</b>		
Within 1 year	5,059	5,262
Over 1 year and within 2 years	2,991	2,782
Over 2 years and within 5 years	2,450	3,538
Over 5 years	891	905
<b>Subtotal</b>	<b>11,391</b>	<b>12,487</b>
<b>Senior notes</b>		
Over 2 years and within 5 years	1,817	—
Over 5 years	4,022	6,120
<b>Subtotal</b>	<b>5,839</b>	<b>6,120</b>
<b>Convertible Bonds</b>		
Over 2 years and within 5 years	2,201	—
<b>Other borrowings</b>		
Within 1 year	2,600	—
Over 1 year and within 2 years	—	2,151
<b>Subtotal</b>	<b>2,600</b>	<b>2,151</b>
<b>Total</b>	<b>22,031</b>	<b>20,758</b>

As at 31 December 2011, the Group's bank borrowings of approximately RMB5,722 million were secured by the Group's land use rights and properties, and the Group's bank borrowings of RMB446 million were secured by its bank deposits. The offshore loans, senior notes and Convertible Bonds 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 RMB5,440 million as at 31 December 2011 (2010: RMB9,606 million).



## Management Discussion and Analysis

### Financial indicators

The following are the key ratios to measure the credit standing of the Group by international credit rating agencies:

Key indicators of corporate credit ratings	2011	2010
Fixed charge coverage ratio (times) (Note 1)	6.1	5.9
The ratio of net debt* to EBITDA** (times) (Note 2)	1.3	1.3
Net debt to total equity ratio (%) (Note 3)	61.9	49.6

*Notes:*

- (1) Fixed charge coverage ratio (calculated by the EBITDA over the total interest on bank loans, senior notes, Convertible Bonds and other loans) was 6.1 times in 2011, showing that the Group has robust cash flows and profits to meet interest payments.
- (2) The ratio of net debt to EBITDA (calculated by the net debt over the EBITDA) was 1.3 times in 2011, reflecting that the Group has strong repayment ability.
- (3) Net debt to total equity ratio (calculated by the net debt over the total equity) was 61.9% in 2011, demonstrating that the Group's gearing ratio is at a healthy level.

\* Net debt is calculated by total debt net of cash and cash equivalents and restricted cash.

\*\* Earnings before interest, taxation, depreciation and amortisation (EBITDA) does not include fair value gains on investment properties. During the year, the EBITDA was approximately RMB10,947 million (2010: RMB7,669 million).

These indicators were all standing at healthy levels, indicating that the Group has good repayment capability and credit standing.

### Currency risk

The Group's currency profile on borrowings and cash balances is listed below:

	Total borrowings	Cash balances
Hong Kong dollars	14.3%	6.3%
US dollars	39.3%	6.0%
Renminbi	46.4%	87.7%
<b>Total</b>	<b>100%</b>	<b>100%</b>

The Group conducts its business primarily in Renminbi. Certain bank deposits and bank loans were denominated in Hong Kong dollars and US dollars, and the Group's Convertible Bonds and the senior notes were denominated in US dollars. Other than those disclosed, the Group does not have any material exposures to foreign exchange fluctuations. Due to the gradual appreciation of exchange rate for Renminbi against Hong Kong dollars and US dollars in 2011, there were approximately RMB492 million of exchange gains for the year ended 31 December 2011 (2010: RMB235 million). Fluctuations in the exchange rate of Renminbi in the past did not have material and unfavourable impact on the operations of the Group.



## Management Discussion and Analysis

### Cost of borrowings

During the year, the total cost of borrowings of the Group was approximately RMB1,781 million, representing an increase of approximately RMB486 million when compared with 2010. The increase was mainly attributable to the higher average balance of bank borrowings in 2011 and the rise in interest rates.

### Contingencies

The Group has in cooperation with certain financial institutions arranged mortgage loan facilities for the purchasers and provided guarantees to secure obligations of such purchasers for repayments. As at 31 December 2011, the outstanding guarantees were approximately RMB12,443 million (2010: RMB13,092 million). Such guarantees terminate upon the earlier of (i) issuance of the real estate ownership certificate which will generally be available within one year after the purchasers take possession of the relevant property; or (ii) the full payment of relevant mortgage loans by purchasers.

Pursuant to the terms of the guarantee, upon default in mortgage payments by these purchasers, the Group is liable to pay the outstanding mortgage principals together with any accrued interest and penalty owed by the defaulted purchasers to the banks. The Group is however entitled to take over the legal title and possession of the related properties. The Group's guarantee starts from the dates the mortgagees grant the mortgage loans. No provision has been made for the outstanding guarantees as the net realisable market value of the related properties are much higher than the outstanding mortgage principals together with the accrued interest and penalty in case of default in payments.

In addition, the Group and other four parties (the "Five Shareholders") have evenly provided a guarantee in proportion of their shareholding in Li He in respect of a loan facility of Li He amounting to RMB3,873 million (2010: RMB5,123 million). The Group's share of the guarantee amounted to RMB775 million.

In 2011, the Five Shareholders have provided a guarantee in respect of another loan facility of Li He amounting to RMB2,912 million, and the Group's share of the guarantee amounted to RMB728 million.

### Return on equity

Return on equity is calculated by dividing the profit attributable to shareholders of the Company by the capital and reserves attributable to shareholders of the Company. The return on equity (excluding after-tax fair value gains on investment properties) for 2011 was 21.0% (2010: 22.2%). Including after-tax fair value gains on investment properties, the return on equity was 18.9% (2010: 32.0%).

	2011	2010
Profit attributable to shareholders of the Company (excluding after-tax fair value gains on investment properties) (RMB'000)	4,035,176	3,617,272
Equity attributable to shareholders of the Company (excluding after-tax fair value gains on investment properties) (RMB'000)	19,246,019	16,322,647
<b>Return on equity (excluding after-tax fair value gains on investment properties) (%)</b>	<b>21.0%</b>	<b>22.2%</b>



## Management Discussion and Analysis

### Earnings per share

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

	2011	2010
Profit attributable to shareholder of the Company (RMB'000)	4,105,255	5,975,707
Profit attributable to shareholder of the Company (excluding after-tax fair value gains on investment properties) (RMB'000)	4,035,176	3,617,272
Weighted average number of ordinary shares in issue (thousands)	3,466,015	3,501,544
<b>Basic earnings per share (RMB per share)</b>	<b>1.184</b>	1.707
<b>Basic earning per share (excluding after-tax fair value gains on investment properties) (RMB per share)</b>	<b>1.164</b>	1.033

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding assuming the full conversion of all potential dilutive ordinary shares, and the net profit is adjusted to eliminate the interest expenses, exchange gains on debt component and the fair value gains on embedded financial derivatives less the tax effect. The Company's only potential dilutive ordinary shares are derived from the Convertible Bonds.

### Commitments

As at 31 December 2011, commitments of the Group in connection with the property development activities were approximately RMB25,675 million (2010: RMB15,617 million). The Group has also committed to pay the land premium on land acquisitions which was approximately RMB191 million (2010: RMB4,732 million).

### Human resources

As at 31 December 2011, the Group had a total of 11,897 employees, among which 420 were senior management and 990 were middle-level management. By geographical locations, there were 11,822 employees in Mainland China and 75 employees in Hong Kong and Macau. For the year ended 31 December 2011, the total remuneration costs, including directors' remuneration, were RMB856 million (2010: RMB541 million).

# Property Development

The healthy development of the Group's property development business is attributable to various competitive factors including the continuous pursuit of innovative and excellent product designs, quality yet price-competitive land acquisition strategy, and the unfailing support of customers.





© Brand-new product of Hainan Clearwater Bay in 2011.



# Property Development

## Business Overview

In 2011, the fear of global economic recession and the spread of Europe's financial crisis cast a shadow on the property market in China. This coupled with the escalated control measures and tightening monetary policies implemented by the Central Government to ensure steady development of the property market. Consequently, the market experienced quite significant changes comparing with the situation back in early 2011. As one of the leading property developers in China, the Group had aptly adjusted its strategies according to circumstances. With its extensive experience, excellent management team and accurate judgement of the market, the Group achieved remarkable results in sales, project constructions and project expansions amidst such uncertainties.

During the year, leveraged on its strengths, the Group adhered to a flexible and prudent development strategy and actively responded to market changes, including slowed down land acquisition and rescheduled construction progress of some projects to reduce capital expenditure. In addition, the Group has adjusted from selling fully furnished properties to unfurnished ones in order to maintain reasonable profit margin in certain projects which were affected by the maximum selling price restriction. Meanwhile, the Group has sped up launching of projects in cities that were less affected by the market downturn, including Agile Cambridgeshire Guangzhou, The Century Zhongshan, La Cité Greenville Zhongshan, Agile Garden Chengdu and Agile International Garden Chongqing. The Group has also taken various measures to give convenience to home purchasers or control cash flow condition, including allowing instalment payments from home purchasers, making appropriate price adjustment for some products and negotiating with main contractors whom the Group has long-term relationship with to extend payment period.

During the year, the Group had 41 projects on sale situated at 19 cities and districts, including 9 new projects for sale, namely Agile Baron Hill Zhongshan, Agile Linghui Huadu, Agile Seven Mile Sea Guangzhou, Tianjin Jinnan New City, Agile Yubinfu Zengcheng, Imperial Palace Nanhai, Gorgeous Days Panyu, Agile Yorkshire Zhongshan (formerly known as Tanzhou Yuzhoucun Project Zhongshan) and Agile Jardin Lecong. The Group recorded contracted sales of approximately RMB31,500 million, which was close to the year before, and contracted GFA sold was approximately 3.11 million sq.m., representing a year-on-year growth of approximately 10% with contracted ASP of approximately RMB10,144 per sq.m..

Looking back in 2011, the Group continued to benefit from its geographic diversification strategy. Sales in Guangzhou, Zhongshan and Hainan regions accounted for 25.1%, 23.7% and 22.7% of the total contracted sales of the Group respectively, while sales in Western China and Yangtze River Delta, Foshan and Eastern Guangdong regions accounted for 12.0%, 10.1% and 6.4% of the total contracted sales of the Group respectively.



## Property Development

Business Overview



During the year, in spite of the challenging market condition, various projects on sale of the Group have achieved encouraging sales results. A total of 9 projects recorded aggregate contracted sales of RMB1,000 million or above, including:

Project	Contracted sales (approximately RMB million)
1 Hainan Clearwater Bay	7,200
2 Agile Cambridgeshire Guangzhou	4,700
3 La Cité Greenville Zhongshan	2,600
4 Agile Garden Chengdu	1,500
5 Agile International Garden Chongqing	1,300
6 The Century Zhongshan	1,300
7 Agile Garden Shunde	1,100
8 Agile Egret Lake Huizhou	1,100
9 Agile Royal Mount Zhongshan	1,000

In particular, the total contracted sales of Hainan Clearwater Bay was approximately RMB7,200 million, making it the champion of sales result achieved by a single project in Hainan Province; the total contracted sales of Agile Cambridgeshire Guangzhou was approximately RMB4,700 million, the best sales result in the region; and the total contracted sales of Agile Egret Lake Huizhou was approximately RMB1,100 million, which was also the best sales result in the region. In addition, since its launch in mid September, Imperial Palace Nanhai has achieved contracted sales of almost RMB1,000 million in just around 3 months' time.



## Property Development

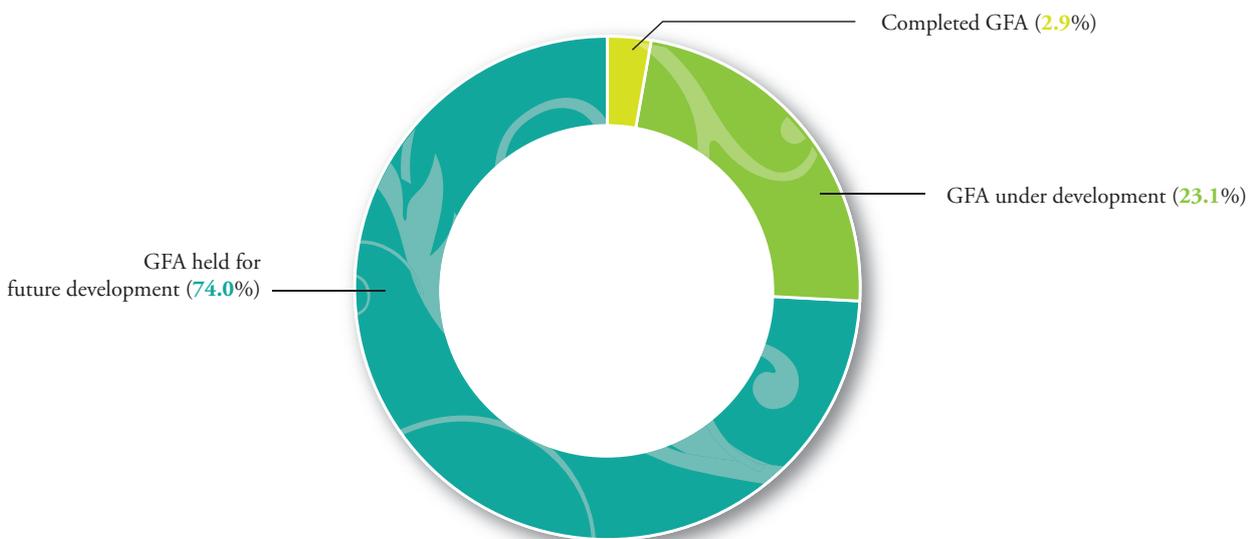
### Business Overview

Recognised sales in 2011 was approximately RMB22,466 million, representing a year-on-year growth of approximately 11.2%. Recognised GFA sold was approximately 2.14 million sq.m., which was close to the year before. Recognised ASP was approximately RMB10,517 per sq.m..

Since 2005, the Group has recorded remarkable growth in aspects of contracted sales, recognised sales, gross profit and net profit, with respective compound growth rates reaching 34.8%, 27.4%, 35.2% and 31.9%. Furthermore, gross profit margin and net profit margin (excluding after-tax fair value gains on investment properties) during the year reached 53.8% and 22.5% respectively, one of the best among the peers.

With regard to development progress, GFA newly commenced, GFA completed and GFA reached pre-sale standard of the Group during the year were 3.88 million sq.m., 2.45 million sq.m. and 5.71 million sq.m. respectively. With regard to land acquisition, the Group has adopted a prudent land acquisition strategy during the year. While maintaining a sound financial position, the Group has acquired land lots in a number of districts, including Sanshui, Xi'an and Hainan Province by way of auction and tender. The total GFA of the newly acquired land was approximately 626,329 sq.m.. As at 8 March 2012, the Group had 70 projects in 26 cities and districts in China and a land bank with a total GFA of approximately 31.44 million sq.m., of which completed GFA was approximately 896,810 sq.m. (including completed GFA held for sale of approximately 771,537 sq.m.) and GFA under development reached 7.13 million sq.m.. The land bank is sufficient for the Group's development needs in the next 8 to 10 years, with an average land cost of approximately RMB1,277 per sq.m. only, which was merely 12.6% of the contracted ASP in 2011. The Group firmly believes that lands situated at prime location and at low cost can bring flexibility and competitiveness to its future development.

### Land Bank (Classified by development phase)





## Property Development

Business Overview

### Land Bank (Classified by location)

Location	GFA (sq.m.)	Proportion	No. of projects	Land cost (RMB/sq.m.)
City centres	5,727,441	18.2%	32	2,460
City outskirts	12,888,287	41.0%	28	1,467
Cities with high growth potential	12,824,879	40.8%	10	559

The Group targets to achieve diversification of business and enhance brand name of the Group in nationwide, in order to increase market share and maintain a steady growth in contracted sales every year. In such regard, the Group will continue to pursue innovation and excellence in product development, acquire quality land with competitive price, as well as to maintain the unfailing supports and good reputation from customers, which also serve as the cornerstone of the Agile brand. Looking ahead, the Group will make good use of the Design and R&D Centre to develop units and designs that are innovative, practical and user-friendly, further strengthening the already solid foundation of property development of the Group. The Group will also leverage on the Hong Kong headquarter to attract professionals from around the world, including architects, interior designers, urban planners and landscape designers, thereby sustaining the leading position of the products.



# Property Development

Land Bank (as at 8 March 2012)

No.	Project Name	Unit Land Cost (RMB/sq.m.)	Interests Attributable to the Group	Total Site Area (sq.m.)	Address
<b>Pearl River Delta Region</b>					
1	Agile Garden Guangzhou	289	100%	1,518,417	Nanda Road, Nancun Town, Panyu District, Guangzhou
2	Agile Cambridgeshire Guangzhou	259	100%	624,701	Caotang Village, Nanda Road, Nancun Town, Panyu District, Guangzhou
3	Jiacheng Mansion Panyu	3,650	100%	4,070	Dabei Road, Beicheng District, Shiqiao Street, Panyu District, Guangzhou
4	Hongxi Huating Panyu	3,905	100%	55,999	West of Guangmingbei Road and South of Donghuan Road, Shiqiao Town, Panyu District, Guangzhou
5	Gorgeous Days Panyu	5,409	100%	60,747	Qingxin Road, South Zone, Central Area, Panyu District, Guangzhou
6	Agile Seven Mile Sea Guangzhou	2,972	100%	14,388	Chigang Village, Shilou Town, Panyu District, Guangzhou
7	Panyu Southern District Project	3,536	100%	103,825	North of Binjiang Avenue and East of Guangmingnan Road, South Zone, Central Area, Panyu District, Guangzhou
8	Guangzhou Asian Games City Project (Note 2)	5,822	20%	2,640,000	Asian Games City, Southern Part of Lianhua Mountain, Panyu District, Guangzhou
9	South Lagoon Guangzhou	357	100%	304,422	No. 998, Tonghe Road, Baiyun District, Guangzhou
10	Royal Hillside Villa Guangzhou	400	100%	122,742	No. 1168, Tonghe Road, Baiyun District, Guangzhou
11	Guangzhou Royal Hillside Villa No. 3 Land	361	100%	39,384	Tonghe Road, Baiyun District, Guangzhou
12	Lishang International Mansion Guangzhou	5,700	100%	6,862	No. 97-137, Wenchangnan Road, Liwan District, Guangzhou
13	Guangzhou Science City Project	7,074	100%	306,812	Science City, Luogang District, Guangzhou
14	Guangzhou Zhujiang New City Project	3,674	100%	5,729	B Zone, Zhujiang New City, Tianhe District, Guangzhou
15	Majestic Garden Huadu	345	100%	154,081	No. 108, Tiangu Road, Huadu District, Guangzhou
16	Agile Linghui Huadu	375	100%	52,600	Furong Xinzhuang Village, Huadu District, Guangzhou
17	Agile Uptown Huadu (formerly known as Agile Garden Huadu)	1,781	100%	274,384	No. 107 National Road, Huadu District, Guangzhou
18	No. 107 National Road Commercial Project Huadu	2,515	100%	87,482	No. 107 National Road, Huadu District, Guangzhou
19	Agile Yubinfu Zengcheng	1,791	100%	44,672	Yangxi Shangao City, Qingfeng Village, Licheng Street, Zengcheng
20	Agile Binjiang Garden Conghua	396	100%	303,358	Yanjiang South Road, Jianguo Street, Conghua
21	Conghua Liangkou Town Project	1,148	100%	131,091	Adjacent to No. 105 Subway, Reshui Village, Liangkou Town, Conghua
22	Conghua Jiekou Town Project	3,018	100%	442,866	Jiekou Town, Conghua
23	La Cit' Greenville Zhongshan	187	100%	1,970,275	Changjiang Resort and Development Zone, Zhongshan
24	La Nobleu Zhongshan	250	100%	541,546	Changjiang Resort and Development Zone, Zhongshan
25	Shenchong Project Zhongshan	1,296	100%	509,368	Shenchong Village, Huoju Development Zone, Zhongshan
26	Metro Agile Zhongshan	117	100%	667,663	Sanxiang Town, Zhongshan
27	Majestic Garden Zhongshan	565	100%	143,377	Junction of Bo'ai Road and Qiguan West Road, East District, Zhongshan
28	Grand Garden Zhongshan	250	100%	96,374	Junction of Bo'ai Road and Xingzhong Road, East District, Zhongshan
29	Star Palace Zhongshan	278	100%	112,155	Junction of Bo'ai Road and Chenggu Road, East District, Zhongshan
30	The Riverside Zhongshan	739	100%	102,226	Henghai Road, Zhongshan
31	The Century Zhongshan	394	100%	487,871	Junction of Bo'ai Road and Qijiang River, Zhongshan
32	Agile Garden Dachong Zhongshan	337	100%	122,000	Nanwen Village, Dachong Town, Zhongshan
33	Zhongshan No. 1 Ever Creator Project	65	100%	587,289	Quanyan and Yagang Administration Zones, Sanxiang Town, Zhongshan
34	Phase II The Landmark Zhongshan	1,112	100%	15,968	Junction of Bo'ai Road and Qiguan West Road, East District, Zhongshan
35	Zhongshan Minzhong Town Project	260	100%	63,450	Xinsheng Village, Minzhong Town, Zhongshan
36	Agile Cambridgeshire Zhongshan (formerly known as Zhongshan Western District Bo'ai Road Project)	601	100%	375,357	Junction of Bo'ai Road and Qiguan West Road, East District, Zhongshan
37	Agile Xiyue Zhongshan	2,054	100%	37,648	Xingwen Road, East District, Zhongshan
38	Agile Royal Mount Zhongshan	419	100%	563,253	Guinan Village, Wugui Mountain Town, Zhongshan
39	Zhongshan Wugui Mountain Xiuli Lake Project	7,563	100%	111,060	Changminghui Village, Wugui Mountain Town, Zhongshan
40	Agile Baron Hill Zhongshan	800	100%	164,539	Zhangjiabian Administration Zone, Huoju Development Zone, Zhongshan
41	Zhongshan Kunlun Hotel Project	1,429	100%	29,267	8 Nanqi North Road, Nanlang Town, Zhongshan
42	Zhongshan Nanlang Binhai Project	671	100%	347,323	Linguo Station, Cuiheng Village, Nanlang Town, Zhongshan
43	Agile Yorkshire Zhongshan (formerly known as Tanzhou Yuzhoucun Project Zhongshan)	520	100%	124,345	Tanzhou Town, Zhongshan
44	Majestic Garden Nanhai	510	100%	601,230	Suiyan Road, Nanhai District, Foshan
45	Nanhai Xiqiao Commercial Project	1,223	100%	52,950	Xiqiao Town, Nanhai District, Foshan
46	Imperial Palace Nanhai	3,004	100%	106,524	Site of Guangzhou-Foshan New Expressway, Yanbu, Dali Town, Nanhai District, Foshan
47	Agile Garden Foshan	2,202	100%	184,373	Junction of Lyijing Road and Wenhua Road, Chancheng District, Foshan
48	Foshan Chancheng District Project	7,122	100%	29,486	West of Wenhua Road, North of Huiqi Road, Chancheng District, Foshan
49	Agile Garden Sanshui	318	100%	266,672	East of Xi nan Guanghai Road, Sanshui District, Foshan
50	Majestic Garden Sanshui (formerly known as Sanshui Gaofeng Village Project)	2,164	100%	140,261	Gaofeng Village, Xi nan Street, Sanshui District, Foshan
51	Agile Garden Shunde	962	100%	212,410	No. 18, South Zone, Daliang, Shunde District, Foshan
52	Agile Jardin Lecong	3,454	100%	97,474	South Zone, Lecong Town, Shunde District, Foshan
<b>Subtotal</b>		<b>1,694</b>		<b>16,162,366</b>	
<b>Eastern Guangdong Region</b>					
53	Agile Garden Heyuan	267	100%	1,364,741	Huangsha Road Central, Heyuan
54	Agile Egret Lake Huizhou	325	100%	2,000,000	Jiaodong Reservoir, Ruhu Town, Huicheng District, Huizhou
<b>Subtotal</b>		<b>291</b>		<b>3,364,741</b>	
<b>Yangtze River Delta Region</b>					
55	Agile Garden Nanjing	4,242	100%	141,178	No. 33 Longpan South Road, Nanjing
56	Nanjing Qinhuai District Project	11,745	100%	59,900	Mendong Changledu, Qinhuai District, Nanjing
57	The Magnificence Nanjing (formerly known as Nanjing Jiangning District Project)	4,407	100%	114,020	Jiangning District, Nanjing
58	Nanjing Pukou District Project	6,720	100%	299,457	Pukou District, Nanjing
59	Changzhou Longcheng Avenue Project	1,679	100%	223,906	Longcheng Avenue, Xinbei District, Changzhou
60	Agile International Plaza Shanghai	15,285	100%	13,192	No. 559, Tibetan Road Central, Huangpu District, Shanghai
61	Shanghai Pudong New District Project	2,984	100%	1,441,967	No. 5333, Dagong Road, Binhai Town East, Pudong New District, Shanghai
<b>Subtotal</b>		<b>4,532</b>		<b>2,293,620</b>	
<b>Western China Region</b>					
62	Agile Garden Chengdu	1,163	100%	1,338,960	Tianping Village and Hanpoling, Wan'an Town, Shuangliu County, Chengdu
63	Agile Garden Xi'an	450	100%	90,644	East of Donghuan Road, Industrial Zone, Guodu Street, Chang'an District, Xi'an
64	Agile International Garden Xi'an (formerly known as Xi'an Chang'an District Project)	2,566	100%	120,333	Maopo Village, Guodu Street, Chang'an District, Xi'an
65	Agile International Garden Chongqing	880	100%	321,073	Huilong Road, Nanping Jingkai District, Chongqing
<b>Subtotal</b>		<b>1,372</b>		<b>1,871,010</b>	
<b>Hainan Province Region</b>					
66	Hainan Clearwater Bay	276	70%	9,129,021	Clearwater Bay, Yingzhou Town, Lingshui Li Minority Autonomous County, Hainan Province
67	Hainan Chengmai Project	420	100%	99,118	North of Huacheng, Jinjiang Town, Chengmai County, Hainan Province
68	Hainan Ding'an Nanli Lake Project	2,530	100%	186,991	East of Nanli Lake, Ding'an County, Hainan Province
<b>Subtotal</b>		<b>294</b>		<b>9,415,130</b>	
<b>Northeast China Region</b>					
69	Agile Garden Shenyang (formerly known as Shenyang Puhe New City Project)	565	100%	533,392	West Side, No. 101 National Road, Shenbei District, Shenyang
<b>Northern China Region</b>					
70	Tianjin Jinnan New City (Note2)	2,341	25%	1,289,227	Xianshuigu Town, Jinan District, Tianjin
<b>Grand Total (Note 3)</b>		<b>1,277 (Note 4)</b>		<b>34,929,486</b>	

Notes:

- Land bank data includes only GFA that is calculated base on plot ratio and  $A=B+C=D$ . The data of completed GFA and GFA under development are as of 31 December 2011.
- Total site area and total GFA of Guangzhou Asian Games City Project and Tianjin Jinnan City are the total area of the overall projects; while the area set out in the column of land bank is the area proportional to the respective 20% and 25% equity interests held by the Group.
- Besides the above information, the Group holds 70% equity interest in lands (including agricultural land and others) with site area of approximately 1.11 million sq. feet in the New Territories, Hong Kong and is intended to submit its application for amendment of plan to the relevant government department.
- Unit land cost is calculated according to the attributable land bank of the Group.
- Completed GFA includes 771,537 sq.m. that is held for sale.

# Property Development

Land Bank (as at 8 March 2012)

	Land Bank (sq.m.) (Note 1)								
	Total GFA of the Project (sq.m.)	Total GFA (A) (sq.m.)	Investment Property		Property Development			Planning Nature (D)	
			Under Development (B)	Development Stage (C)			Residential & Ancillary Facilities (D1)	Hotel (D2)	Commercial & Office (D3)
				Completed (C1) (Note 5)	Under Development (C2)	Held for Future Development (C3)			
	1,655,026	349,340	—	28,729	233,159	87,452	349,340	—	—
	1,128,255	1,040,621	—	11,560	525,821	503,240	1,040,621	—	—
	10,410	10,410	—	—	—	10,410	10,410	—	—
	117,791	53,983	18,277	494	35,212	—	29,760	—	24,223
	154,077	154,077	—	—	154,077	—	154,077	—	—
	25,898	25,898	—	—	25,898	—	25,898	—	—
	134,607	134,607	—	—	134,607	—	134,607	—	—
	4,380,000	718,616	—	55,916	129,800	532,900	677,096	—	41,520
	274,951	3,247	—	3,247	—	—	3,247	—	—
	179,354	2,578	—	2,578	—	—	2,578	—	—
	78,768	78,768	—	—	—	78,768	78,768	—	—
	54,864	14,377	—	—	14,377	—	14,377	—	—
	613,624	613,624	—	—	249,945	363,679	613,624	—	—
	88,466	88,466	88,466	—	—	—	—	—	88,466
	250,948	353	—	353	—	—	353	—	—
	84,160	84,160	—	—	84,160	—	84,160	—	—
	652,102	541,108	—	839	256,885	283,384	541,108	—	—
	174,964	174,964	—	—	—	174,964	—	—	174,964
	111,680	111,680	—	—	111,680	—	111,680	—	—
	346,674	24,827	—	2,821	17,306	4,700	24,827	—	—
	47,438	47,438	—	—	—	47,438	32,536	14,902	—
	434,023	434,023	—	—	131,306	302,717	434,023	—	—
	1,889,961	523,122	—	5,261	404,856	113,005	523,122	—	—
	368,017	11,643	—	2,132	—	9,511	11,643	—	—
	769,751	769,751	—	—	94,330	675,421	769,751	—	—
	1,260,274	339,070	—	24,069	315,001	—	339,070	—	—
	236,926	597	—	597	—	—	597	—	—
	150,357	616	—	616	—	—	616	—	—
	176,226	405	—	405	—	—	405	—	—
	72,645	6,388	—	6,388	—	—	6,388	—	—
	916,486	406,362	—	13,413	392,949	—	406,362	—	—
	203,567	60,908	—	60,908	—	—	60,908	—	—
	880,934	858,870	—	—	59,182	799,688	858,870	—	—
	16,144	16,144	—	—	16,144	—	16,144	—	—
	95,175	95,175	—	—	—	95,175	95,175	—	—
	1,444,668	1,444,668	—	—	—	1,444,668	1,444,668	—	—
	82,732	7,170	—	7,170	—	—	7,170	—	—
	1,126,505	943,754	—	93,908	196,358	653,488	943,754	—	—
	66,636	66,636	—	—	66,636	—	66,636	—	—
	246,808	240,758	—	15,928	160,292	64,538	240,758	—	—
	87,801	87,801	—	—	—	87,801	—	21,854	65,947
	491,859	491,859	—	—	—	491,859	491,859	—	—
	373,035	373,035	—	—	252,087	120,948	373,035	—	—
	859,757	21,911	—	21,911	—	—	21,911	—	—
	153,034	91,099	—	—	91,099	—	35,748	—	55,351
	372,834	372,834	—	—	201,143	171,691	372,834	—	—
	365,181	41,424	—	481	—	40,943	41,424	—	—
	73,716	73,716	—	—	73,716	—	73,716	—	—
	480,316	8,780	—	5,093	—	3,687	8,780	—	—
	370,653	370,653	—	—	—	370,653	370,653	—	—
	488,500	201,460	—	2,405	119,454	79,601	143,460	19,132	38,868
	292,422	292,422	—	—	145,997	146,425	292,422	—	—
	<b>25,411,000</b>	<b>12,926,196</b>	<b>106,743</b>	<b>367,222</b>	<b>4,693,477</b>	<b>7,758,754</b>	<b>12,380,969</b>	<b>55,888</b>	<b>489,339</b>
	2,729,481	2,098,735	—	25,758	220,644	1,852,333	1,988,487	65,000	45,248
	2,000,000	1,514,165	16,470	25,575	322,497	1,149,623	1,399,146	97,082	17,937
	<b>4,729,481</b>	<b>3,612,900</b>	<b>16,470</b>	<b>51,333</b>	<b>543,141</b>	<b>3,001,956</b>	<b>3,387,633</b>	<b>162,082</b>	<b>63,185</b>
	358,980	1,807	—	1,807	—	—	1,807	—	—
	59,600	59,600	—	—	—	59,600	30,000	—	29,600
	228,040	228,040	—	—	228,040	—	228,040	—	—
	853,466	853,466	—	—	—	853,466	853,466	—	—
	559,765	559,765	—	—	—	559,765	559,765	—	—
	93,330	—	—	—	—	—	—	—	—
	433,260	433,260	—	—	—	433,260	200,992	—	232,268
	<b>2,586,441</b>	<b>2,135,938</b>	<b>—</b>	<b>1,807</b>	<b>228,040</b>	<b>1,906,091</b>	<b>1,874,070</b>	<b>—</b>	<b>261,868</b>
	1,606,752	1,068,782	—	130,986	335,108	602,688	1,028,782	40,000	—
	234,439	90,032	—	1,085	88,947	—	90,032	—	—
	369,505	369,505	—	—	—	369,505	369,505	—	—
	463,843	274,096	—	16,149	164,618	93,329	274,096	—	—
	<b>2,674,539</b>	<b>1,802,415</b>	<b>—</b>	<b>148,220</b>	<b>588,673</b>	<b>1,065,522</b>	<b>1,762,415</b>	<b>40,000</b>	<b>—</b>
	9,870,778	8,783,806	—	328,228	876,398	7,579,180	8,189,004	544,842	49,960
	247,795	247,795	—	—	—	247,795	247,795	—	—
	56,097	56,097	—	—	—	56,097	45,069	—	11,028
	<b>10,174,670</b>	<b>9,087,698</b>	<b>—</b>	<b>328,228</b>	<b>876,398</b>	<b>7,883,072</b>	<b>8,481,868</b>	<b>544,842</b>	<b>60,988</b>
	1,122,735	1,122,735	—	—	201,100	921,635	1,122,735	—	—
	3,010,901	752,725	—	—	—	752,725	752,725	—	—
	<b>49,709,767</b>	<b>31,440,607</b>	<b>123,213</b>	<b>896,810</b>	<b>7,130,829</b>	<b>23,289,755</b>	<b>29,762,415</b>	<b>802,812</b>	<b>875,380</b>



## Property Development

Project Overview (as at 8 March 2012)

### Pearl River Delta Region

	No. of Projects	Project Total GFA (sq.m.)	Land Bank (sq.m.)
Panyu	8	7,606,064	2,487,552
Baiyun	3	533,073	84,593
Tianhe	1	88,466	88,466
Liwan	1	54,864	14,377
Luogang	1	613,624	613,624
Zengcheng	1	111,680	111,680
Huadu	4	1,162,174	800,585
Conghua	3	828,135	506,288
Zhongshan	21	10,956,507	6,744,732
Nanhai	3	1,385,625	485,844
Chancheng	2	438,897	115,140
Sanshui	2	850,969	379,433
Shunde	2	780,922	493,882
<b>Total</b>	<b>52</b>	<b>25,411,000</b>	<b>12,926,196</b>



### Yangtze River Delta

	No. of Projects	Project Total GFA (sq.m.)	Land Bank (sq.m.)
Nanjing	4	1,500,086	1,142,913
Changzhou	1	559,765	559,765
Shanghai	2	526,590	433,260
<b>Total</b>	<b>7</b>	<b>2,586,441</b>	<b>2,135,938</b>

### Eastern Guangdong

	No. of Projects	Project Total GFA (sq.m.)	Land Bank (sq.m.)
Heyuan	1	2,729,481	2,098,735
Huizhou	1	2,000,000	1,514,165
<b>Total</b>	<b>2</b>	<b>4,729,481</b>	<b>3,612,900</b>

### Western China

	No. of Projects	Project Total GFA (sq.m.)	Land Bank (sq.m.)
Chengdu	1	1,606,752	1,068,782
Xi'an	2	603,944	459,537
Chongqing	1	463,843	274,096
<b>Total</b>	<b>4</b>	<b>2,674,539</b>	<b>1,802,415</b>



### Hainan Province

	No. of Projects	Project Total GFA (sq.m.)	Land Bank (sq.m.)
Lingshui	1	9,870,778	8,783,806
Chengmai	1	247,795	247,795
Ding'an	1	56,097	56,097
<b>Total</b>	<b>3</b>	<b>10,174,670</b>	<b>9,087,698</b>

### Northeast China

	No. of Projects	Project Total GFA (sq.m.)	Land Bank (sq.m.)
Shenyang	1	1,122,735	1,122,735
<b>Total</b>	<b>1</b>	<b>1,122,735</b>	<b>1,122,735</b>

### Northern China

	No. of Projects	Project Total GFA (sq.m.)	Land Bank (sq.m.)
Tianjin	1	3,010,901	752,725
<b>Total</b>	<b>1</b>	<b>3,010,901</b>	<b>752,725</b>

<b>Grand Total</b>	<b>70</b>	<b>49,709,767</b>	<b>31,440,607</b>
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**70** Projects  
Total GFA of **49.71** million sq.m.

Property Development  
Project Overview (as at 8 March 2012)

Total Land Bank  
**31,440,607**  
sq.m.





# Property Development

Flagship Projects at a Glance



## Hainan Clearwater Bay



Hainan Clearwater Bay enjoys a superb geographical location - only 50 minutes' drive from Sanya Phoenix International Airport, and an hour travel by Eastern Ring City Railway from Haikou. With the concerted effort of professionals from the United States, Singapore, Hong Kong, Thailand and France, the project stands out in its master planning, architectural design, landscape design, interior design and yacht club design. The premises is strategically located adjacent to numerous top ancillary facilities, including 3 seaside 18-hole golf courses, 6 international five-star premium hotels, a luxurious yacht club, a commercial centre, as well as a 12 kilometre-long beach, proving itself as the ideal destination for vacation, sightseeing, health-keeping, business, sports and fine residence, which marks a new era for tourism property development in China.

### Recent key honours:

The International Awards for Liveable Communities 2011 — Bronze Award (2011國際宜居社區獎銅獎)

2011 China Property Award (2011中國房地產年度樓盤獎)

Top 10 Outstanding Golf Club (十大非凡高爾夫球會)

Capital China — Deluxe Residence of Highest Investment Value (資本中國 — 最具投資價值豪宅項目)

2009 The Most Influential Development in China (2009中國最具影響力樓盤)

2009 China Guangxia Award — Excellent Tourism Property Award in Hainan

(2009年中國廣廈獎 — 海南優秀房地產旅遊地產獎)

2009 The Most Precious Seafont Deluxe Residential Community (2009最值得珍藏的濱海豪宅社區)



Total GFA

9,870,778<sub>sq.m.</sub>



# Property Development

Flagship Projects at a Glance



## Agile Garden Nanjing

Agile Garden Nanjing is located at the south of Qinhuai Government Offices Building, neighbouring the Ming Dynasty City Wall, Qinhuai River, Wudingmen Park, Bailuzhou Park and the business circle of Fuzi Temple, thus enjoys a unique historical and cultural ambience. The project consists of 22 high-class residential buildings and apartments with ample of community resources and facilities, including a green concourse, a central lake, a spacious water-themed park, kindergartens, primary schools and shops, making itself a distinguished internationalised community.

### Recent key honours:

2011 Advanced Green Unit and Four-star Garden Community  
(2011年度綠化先進單位和四星級園林小區)

Champion of Property Sales in Nanjing City for two and a half consecutive years from 2008 to 2010  
(2008至2010連續2年半南京市樓盤銷售金額冠軍)

2009-2010 The Most Popular Residential Development (2009-2010年度最具人氣樓盤)

2009 The Most Influential Residential Development in Nanjing (2009南京最具影響力品牌樓盤)

The Best Selling City Deluxe Residence (最佳暢銷城市豪宅)

2009 Residential Development with the Best Reputation (2009年度最佳口碑樓盤)



Total GFA

358,980 sq.m.



## Agile Garden Xi'an



Agile Garden Xi'an is located in the Chang'an District of Xi'an, the cradle of traditional Chinese culture, and is adjacent to the High-tech Industry Development Zone in the west and the Western University City in the south. The project consists of 21 high-rise residential buildings, with its overall planning interspersed with the theme of natural watercourses and kneaded with the sophistication of classic European gardens. The community, with greenery ratio as high as 40% and a mere 15% building density, is well-equipped with ancillary facilities such as luxurious club houses, schools, sports arenas and shopping streets to meet residents' pursuit of a refined lifestyle.

### Recent key honours:

2011 Residential Masterpiece in Xi'an (2011西安人居代表作)  
The Most Influential Property in Xi'an (西安樓市最具影響力名盤)  
Classic Development Most Suitable for Living (宜居典範樓盤)  
2010 Residential Development with Best View in Xi'an (2010年西安樓市最佳景觀樓盤獎)  
2010 Best Selling Residential Development in Xi'an (2010年西安樓市熱銷樓盤獎)

Total GFA

234,439<sub>sq.m.</sub>



# Agile International Garden Chongqing



Agile International Garden Chongqing is located at the centre of the City South and adjacent to Jiangnan University City. With a 50% greenery ratio, the project is a rare low-density green community at the heart of Chongqing. A proven masterpiece among local luxurious developments, the project consists of a 60,000 sq.m. water-themed garden, with hundreds of rare and precious plantations along the scenic boulevard of 20,000 sq.m., shaping up an interspersing three-dimensional landscape.

#### Recent key honours:

2010 Annual Grand Award in Architectural Design for Residence in China  
(2010中國住宅建築設計年度大獎)

2010 Chongqing Bayu Cup for Superior Engineering (2010年度巴渝杯優質工程獎)

Ranked Top in 2010 Chongqing Autumn Real Property Fair  
(榮登2010重慶秋季房地產展示交易會宜居榜)

The Most Liveable Development (最佳宜居樓盤)

Chongqing Outstanding Residential Community Golden Award  
(重慶優秀住宅小區金獎)

2009 Excellent Civil Engineering Projects  
(2009年度優秀工程項目)

Total GFA

463,843 sq.m.





# Property Development

Flagship Projects at a Glance



## Agile Garden Chengdu



Agile Garden Chengdu is located at the city south, the part with the highest development potential. The architectural and landscape designs have a strong Southern California flavour representing the LOHAS values: “Leisure Living”, “Friendly Neighbourhood” and “Treasure the Nature”. The community houses an artistic garden with abundant vegetation, creating a delightful community atmosphere, a cordial calmness and an ever-refreshing charm. The elegant garden, excellent architecture and comprehensive ancillary facilities of the project make it the perfect example of a LOHAS lifestyle: green, healthy, convenient and leisure living.

### Recent key honours:

- 2011 Brand Property Contribution Award in Chengdu (2011年成都貢獻大獎品牌樓盤)
- Best City Villa of the Year in Sichuan (四川年度最佳城市別墅)
- 2010 Villa Creation Award (2010年度別墅創造力獎)
- 2010 Masterpiece Representing the Market Trend of Chengdu (壹零年代成都房地產市場趨勢代表項目)
- 2009 Top Ten Preferred Properties in Chengdu (2009成都房地產十大宜居樓盤)
- 2009 20 Classic Developments Leading Better Quality of Life in Chengdu (2009引領成都國際南城品質生活二十大經典樓盤)



Total GFA

1,606,752<sub>sq.m.</sub>



# Property Development

Flagship Projects at a Glance



## Agile Cambridgeshire Guangzhou

Agile Cambridgeshire Guangzhou in Panyu is surrounded by towering mountains on three sides, while overlooking the University City opposite to the Pearl River on the north. In merely 15 minutes, one can enjoy the advantage of either stepping into the hustle and bustle, or emerging in the tranquil landscape. The project is the unreserved effort made jointly by international design teams from Hong Kong and Singapore. With its top-notch modern architectural planning, landscape design, 10 major ancillary facilities, riverside villas, luxurious hillside view villas and apartments, a new classic masterpiece for the well-educated and the rich was built.

### Recent key honours:

2010 Annual Golden Property in City Centre of Guangzhou (2010年度廣州新中心城區金牌名盤)

Top 10 Best Selling Property (十大暢銷名盤)

Top Seller in Panyu District, Guangzhou, China in the First Half of 2010

(2010上半年中國樓市(廣州)番禺區銷售金額冠軍)

2010 Best High-end Community (2010年度最佳高尚社區)

2010 The Most Anticipated Development in Guangzhou (2010年度廣州最值得期待樓盤)

2010 High-end Property Award in Southern China (2010年度中國(華南)高端物業獎)

2010 Green and Low-carbon Development (2010地產網絡盛典綠色低碳樓盤)

Trump Villa in Guangdong (廣東地產領袖榜王牌別墅)



Total GFA

1,128,255 sq.m.



# Agile Garden Guangzhou



Panyu's Agile Garden Guangzhou has established itself as a household name for being a comprehensive quality residential community. Not only does it enjoy excellent transportation network, the property also consists of various ancillary facilities, including a club house, Guangzhou Agile Hotel, commercial streets and a magnificent garden. Since its launching in 2000, the project had repeatedly hit the sales record in Guangzhou.

#### Recent key honours:

Model Residential Community of Property Management in Guangzhou City  
(廣州市物業管理示範住宅小區)

Guangzhou Urban Residential Landmark (廣州市城市建設標誌性人居建築)

Leading Guangdong Property Development with Best Sales (廣東地產領袖榜暢銷樓盤)

2010 Top 10 Best Selling Developments in Guangzhou  
(2010年度中國地產冠軍榜(廣州)十大暢銷名盤)

2010 Landmark Developments of the Year  
(2010地產網絡盛典年度標杆樓盤)

The Most Liveable Luxury Residence of High-quality  
(最佳人居品質豪宅社區)

Total GFA

1,655,026 sq.m.



# Agile Baron Hill Zhongshan



Agile Baron Hill Zhongshan is situated at the centre of Zhongshan Port's business zone, only 5 minutes' drive away from the Zhongshan Station of Guangzhou — Zhuhai Intercity Light Railway and the Zhongshan Port, as well as right next to the Jingzhu (Beijing-Zhuhai) Highway, which offers a unique half-hour's reach to the metropolitan. Lying on the mid level of the mountain are low density minimalistic villas and high-rise residential buildings that own a stunning, panoramic view of mountains, cities, gardens and the sea. Various ancillary facilities are in place, serving educational, shopping, medical, food and beverage, and recreational purposes.

Total GFA

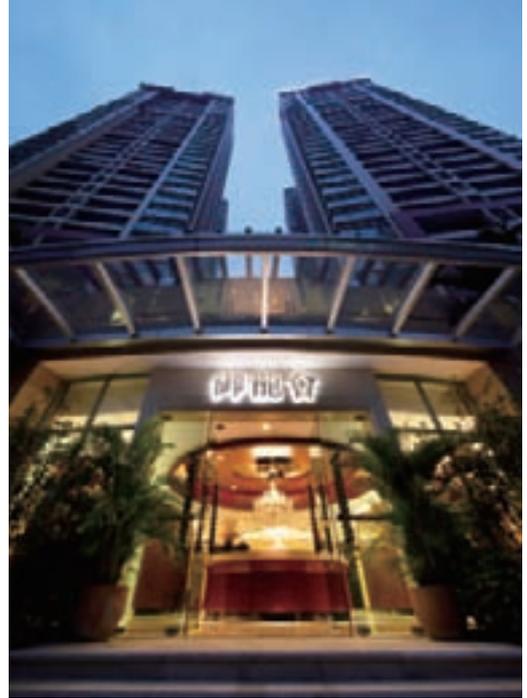
246,808 sq.m.





## Property Development

Flagship Projects at a Glance



# Agile Royal Mount Zhongshan

Agile Royal Mount Zhongshan is located at the Wugui Mountain Ecological Reserve of Zhongshan City, and is close to Shiqi downtown in the north and Zhongshan Hot Spring Tourist Zone in the south. The project is adjacent to the entrance of Hong Kong-Zhuhai-Macao Bridge and Guangzhou-Zhuhai Light Rail Station. Secluded in an embrace of verdant mountains, the project fully enjoys the charming landscape of Zhongshan Hot Spring Golf Club. In addition, its community greenery ratio reaches 38%, making it the ideal place for comfortable and healthy living.

**Recent key honour:**

Green Community of Zhongshan City (中山市綠色社區)



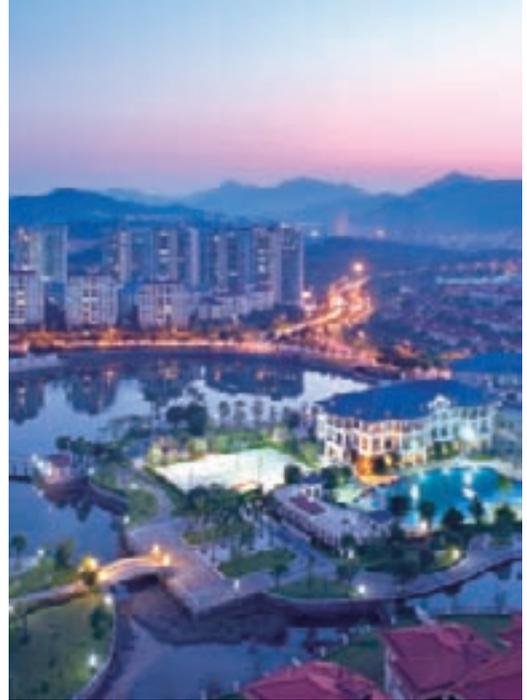
Total GFA

1,126,505 sq.m.



# Property Development

Flagship Projects at a Glance



## La Cité Greenville Zhongshan

La Cité Greenville Zhongshan is located within the Zhongshan Changjiang Tourism Scenery Area, neighbouring one of the Top Ten National 36-hole International Golf Courses, Changjiang Reservoir and Wugui Mountain, offering residents the luxury of natural landscape view, fresh air and excellent water quality. The master planning of the project is themed around green living and European lifestyle, advocating the harmonious union of human and nature. Since its launching in 2002, the project has frequently come first in sales in Zhongshan.

### Recent key honours:

Model Residential Community of Property Management in Zhongshan City  
(中山市物業管理示範住宅小區)

Diamond Quality Property (鑽石級優質樓盤)

Green Community of Zhongshan City (中山市綠色社區)

2007 Global Living Environment Outstanding Constitution Award (2007年全球人居環境傑出貢獻獎)



Total GFA

1,889,961<sub>sq.m.</sub>



# Property Development

Flagship Projects at a Glance



## Agile Egret Lake Huizhou

Agile Egret Lake Huizhou is situated at the northeast of Huizhou and is about 15 minutes' drive away from downtown. The community is richly endowed with natural resources: being embraced by a natural lake and verdant hills, where one can emerge in the picturesque scenery of hills, water and natural ecology. The project consists of a low-density residential resort and serviced apartments, and accompanies by top-notch facilities including the Sheraton Egret Lake Resort Huizhou, a golf park, an artificial beach, schools, the Egret Lake Sports Training Base and Egret Lake Ecological Protection Zone. It is a project that successfully combines business, sightseeing, recreational and residential elements.

### Recent key honours:

2011 Model Community in Property Management in Huizhou Municipal  
(惠州市2011年度物業管理示範小區)

Best Ecological (Hills and Water) Development (最佳生態(山水)樓盤)

Landmark Residential Project (標誌性人居項目)

The Best Villas with Classical Designs (金牌經典設計別墅)

The Best Project for Ecological Living (金牌宜居生態樓盤)

The Best Model of Global Property (全球極緻置業最佳範例)



Total GFA

2,000,000<sub>sq.m.</sub>



# Guangzhou Asian Games City Project



Guangzhou Asian Games City Project, at the Panyu district of Guangzhou, is jointly developed by the Group, Guangzhou R&F Properties Co., Ltd., Country Garden Holdings Company Limited, Shimao Property Holdings Limited and CITIC Real Estate Co., Ltd.. An area of approximately 1.26 million sq.m. was completed, of which 263,100 sq.m. are ancillary facilities, including sports centres, commercial premises, schools and hospitals.

Total GFA

4,380,000<sub>sq.m.</sub>



# The Magnificence Nanjing



The Magnificence Nanjing (formerly known as Nanjing Qinhuai District Project) is situated at the southern old city area of Nanjing Qinhuai District, intersecting the eastern bank of Qinhuai River and the eastern section of Zhonghua Gate of the Ming Dynasty City Wall, with proximity to the commercial circle of Fuzi Temple. The project is planned to be built as a high-end, low-density residential community in traditional Chinese architectural style, with ancient “lanes-and-alley” pattern on the streets, creating a rich historical and cultural ambience.

Total GFA

59,600 sq.m.





# Property Development

Flagship Projects at a Glance



## Agile Garden Shenyang

Agile Garden Shenyang (formerly known as Shenyang Puhe New City Project) is located at the north of Liaoning University in the North Shenyang New District, enjoying a very convenient transportation network with bus stations and subway line 2 in the neighbourhood. The project has a 7,000 sq.m. superior luxurious clubhouse and an European style commercial street of 4,000 sq.m.. It is also surrounded by 6 famous universities, which provide a refined living culture in the community. Considering the landscape and weather condition in northern China, the project introduced an innovative product, namely “Yueting”, and adopted the layout of high level buildings surrounding low density villas, enabling residents to enjoy most of the river view nearby.



Total GFA

1,122,735<sub>sq.m.</sub>



# Property Development

Flagship Projects at a Glance



## Agile Yorkshire Zhongshan



Agile Yorkshire Zhongshan (formerly known as Tanzhou Yuzhoucun Project Zhongshan) is located at the junction of Zhuhai Avenue and Guangzhou-Macau Expressway with high proximity to Zhuhai, Macau and Hong Kong. The project is only 5 to 10 minutes' drive to downtown Zhuhai, the planning Hong Kong-Zhuhai-Macao Bridge, and Qianshan Station of Guangzhou — Zhuhai Intercity Light Railway, as well as neighbour to Hengqin, Nanwan, Gongbei and Shi Zi Men. Based on the guiding design principle of “people-oriented, inspired by nature”, the European style buildings are built with balanced orientation and layout. The ample space between buildings enables excellent ventilation and lighting. The project also consists of a 80,000 sq.m. Southeast Asian garden, an infinity pool, the Windsor Lake, two luxurious clubhouses and business facilities spanning over 20,000 sq.m..



Total GFA

373,035 sq.m.

# Hotel Operations and Property Investment

The Group firmly believes that a diversified business portfolio can generate steady and consistent income for the Group, broaden overall income base, disperse operational risks, as well as create a synergy effect for property projects nearby, enhancing the value of these projects.





Shanghai Marriott Hotel City Centre commenced operations, setting a milestone for the Group's hotel business development.



# Hotel Operations and Property Investment

## Business overview

In 2011, the Group made remarkable achievements in hotel operations and property investment. During the year, Shanghai Marriott Hotel City Centre, the Group's first international five-star hotel, commenced business; together with the existing Guangzhou Agile Hotel, Foshan Agile Hotel, Zhongshan Agile Hotel and Nanlang Agile Hotel, these hotels are poised to bring steady income for the Group. Xiqiao Metropolis Plaza in Foshan came into service during the year with a lease rate of over 90%. Agile International Plaza Shanghai and Hainan Clearwater Bay International Brand Outlet are currently offered for leasing.

During the year, the Group continued the strategic development of hotel operations and property investment in a prudent manner. In regard to hotel operations, there are currently 8 hotels under construction, namely Sheraton Egret Lake Resort Huizhou, Raffles Sanya Clearwater Bay, Jumeirah Clearwater Bay Resort, JW Marriott Clearwater Bay Resort & SPA, Holiday Inn Resort Hainan Clearwater Bay, Hilton Hainan Clearwater Bay Resort, Chengdu Hotel and Xiqiao Hotel, as well as 3 hotels undergoing planning and design, including Outrigger Clearwater Bay Resort, Sanya, China, Shunde Agile Hotel and Conghua Hotel. As for property investment, the Group currently has 2 major projects under construction, which are Guangzhou Hongxi Huating Arcade and Guangzhou Zhujiang New City project.

The Group believes that a diversified business portfolio can generate steady and reliable income for the Group, broaden income base, disperse operational risks, and create synergy for the Group's residential projects nearby, enhancing the overall value of these projects. Therefore, the Group intends to further develop its hotel operations and property investment businesses in areas including Shanghai, Hainan, Changzhou and Heyuan.

By virtue of its rich experience in property development, a pragmatic management team with high execution capability, as well as the professional experience and influence of world-class hotel management partners, the Group is confident to establish an outstanding brand awareness in both hotel operations and property investment, creating generous profit.



## Hotel operations

### Shanghai Marriott Hotel City Centre

Shanghai Marriott Hotel City Centre, managed by Marriott International Management Company B.V., is located at the central part of Huangpu District in Shanghai, where the scenic People's Park and the famous Nanjing Road Pedestrian Street are within walking distance and is adjacent to a large shopping centre — Agile International Plaza Shanghai. Due to the superior location, it is only 20 minutes' drive from the Shanghai Hongqiao Airport. The hotel was opened in 2011, featuring 720 superior rooms and suites, over 2,000 sq.m. of professional conference facilities, 5 restaurants serving Japanese, Chinese and international cuisines, as well as a deluxe spa and health club, embodying the functions of business, tourism, large-scale conference and exhibition.



## Hotel Operations and Property Investment

### Sheraton Egret Lake Resort Huizhou

Sheraton Egret Lake Resort Huizhou, a luxurious five-star hotel to be managed by Sheraton Overseas Management Corporation, is adjacent to the beautiful Egret Lake in the northeast part of Huizhou City, and is only 15 minutes' drive away from the Central Business District. The hotel occupies approximately 70,000 sq.m. and will comprise approximately 450 deluxe lake view guest rooms. It is full-fledged with multi-functional conference rooms, ballrooms, a spa centre, Chinese and western-style restaurants, a fitness room and swimming pools, offering guests an elegance and tranquil stay. The hotel is adjacent to many recreational facilities, including a golf course, an artificial beach, a water-themed park, water-skiing and grass-skiing courts, a garden and a cultural square, which help create a leisurely and comfortable experience for guests. The hotel is expected to open in the 4th quarter of 2012.

### Raffles Sanya Clearwater Bay

Raffles Sanya Clearwater Bay is an elegantly designed hotel to be managed by Raffles Hotel Management (Beijing) Co. Ltd.. It is planned to comprise approximately 330 guest rooms with sea view, deluxe suites and villa suites. The average size of all rooms is 70 sq.m., ensuring a spacious and comfortable environment with a fascinating view of the Clearwater Bay. There will be a number of themed restaurants and lounge bars at the pleasure of hotel guests, including a Chinese restaurant, a café, a pool-side bar, a steak house, a lobby lounge and a pub. Guests may also seek a rejuvenating experience at Raffles Amrita Spa, a special spa centre of more than 2,000 sq.m., or choose to demonstrate their sports talent at the neighbouring golf course. The hotel's large ballroom, conference rooms and wedding chapel are no doubt the best choice for business conferences and weddings. The hotel is expected to open in the 4th quarter of 2012.

### Jumeirah Clearwater Bay Resort

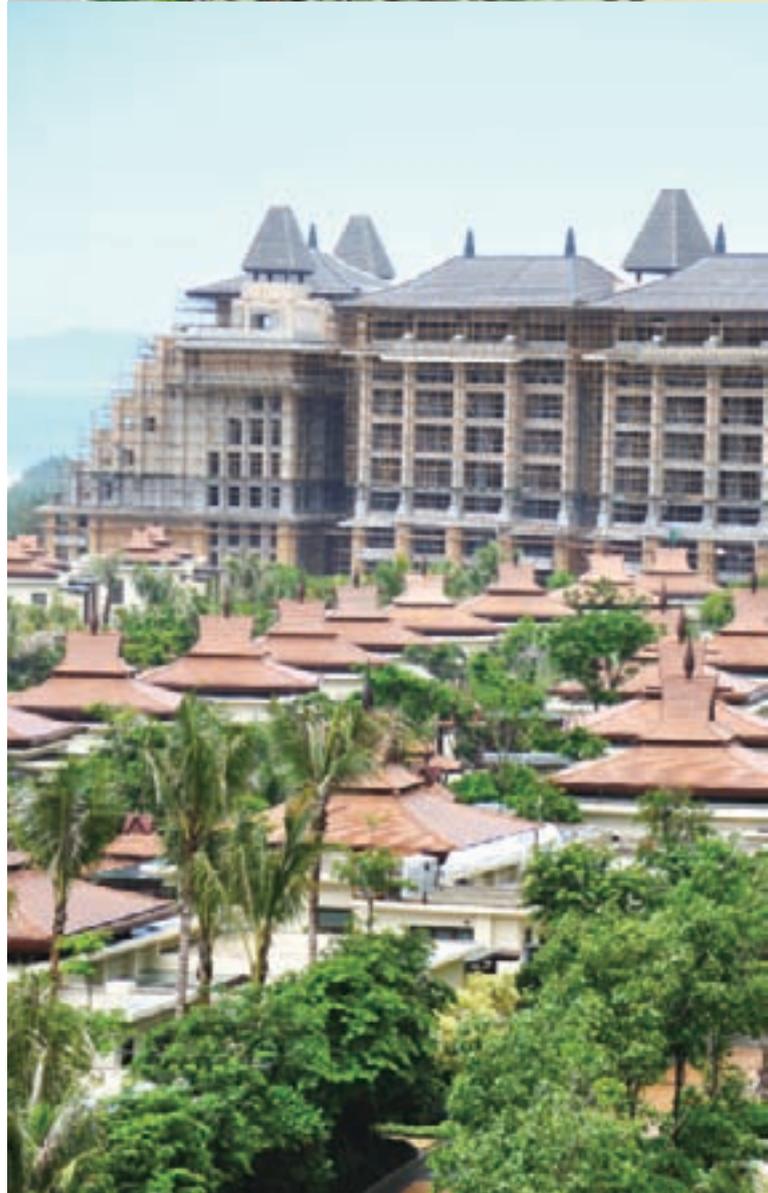
Jumeirah Clearwater Bay Resort will be managed by Jumeirah International LLC. The resort will comprise approximately 290 sea view guest rooms, suites and villa suites. Other hotel facilities include Chinese and western cuisine restaurants, a spa centre, a 4,000 sq.m. large banquet hall, a business centre, conference rooms and various recreational facilities. The hotel is currently undergoing construction and is expected to open in 2014.

### JW Marriott Clearwater Bay Resort & SPA

JW Marriott Clearwater Bay Resort & SPA, which will be managed by Marriott International Management Company B.V., will comprise approximately 510 sea view guest rooms and suites. The hotel is currently undergoing construction and is expected to open in 2013.

### Holiday Inn Resort Hainan Clearwater Bay

Holiday Inn Resort Hainan Clearwater Bay will be under the management of Holiday Inns (China) Limited. The resort is planned to provide approximately 280 guests rooms and suites with golf course view. The resort is currently undergoing construction and is expected to open in 2013.





## Hotel Operations and Property Investment

### Hilton Hainan Clearwater Bay Resort

Hilton Hainan Clearwater Bay Resort, which will be managed by Hilton International Manage LLC, is planned to provide approximately 550 rooms and suites with sea view. The hotel is currently undergoing construction and is expected to open in 2013.

### Outrigger Clearwater Bay Resort, Sanya, China

Outrigger Clearwater Bay Resort, Sanya, China, which will be managed by Outrigger Enterprises HK Limited, is planned to provide approximately 500 rooms and suites with sea view. The resort is currently undergoing design works and is expected to open in 2014.

### Guangzhou Agile Hotel

Guangzhou Agile Hotel is located at the side of Yingyi Lake in Agile Garden Guangzhou, enjoying a classic and relaxing environment, and is designed and fitted out as a boutique hotel well-equipped with business, leisure and entertainment facilities in accordance with 5-star standard. The hotel, in addition to enjoying a convenient transportation network, has 126 spacious and cosy standard rooms and deluxe suites with ancillary facilities including multi-functional ballrooms, conference rooms, a Chinese restaurant, a gourmet restaurant, entertainment centres, stargazing pubs and a 20,000 sq.m. luxurious mid-level club house with sports and leisure facilities, satisfying the discerning needs of business travellers and tourists. The hotel has been in operation since 2007.

### Foshan Agile Hotel

Foshan Agile Hotel is located opposite to Majestic Garden Nanhai, at the traffic hub of Guangzhou and Foshan and is only 10 minutes' drive from Guangzhou. The hotel has 200 superior rooms fitted out according to 4-star standard, with ancillary facilities that include Chinese and western cuisine restaurants, a red wine house, ballrooms, multi-media conference rooms, a business centre and 2 subtropical style sky gardens. The hotel has been in operation since 2008.

### Zhongshan Agile Hotel

Zhongshan Agile Hotel is located at the heart of Sanxiang Town, Zhongshan and is in close proximity to Zhuhai and Macau, enjoying an excellent geographical location and surrounded by comprehensive ancillary facilities. The hotel has a total of 32 deluxe rooms and executive business suites, with facilities including western cuisine restaurants, conference rooms and a business centre, and is a premium choice for domestic and overseas business travellers. The hotel has been in operation since 2001.

### Nanlang Agile Hotel

Located at Nanlang town of Zhongshan, Nanlang Agile Hotel is neighbour to Zhongshan Port, as well as various tourist attractions — Former Residence of Dr. Sun Yat-sen, Zhongshan Film & TV Town and popular hot springs in Sanxiang. The garden, pools and landscape are uniquely designed to create a Mediterranean and subtropical ambience. The hotel is equipped with facilities such as multi-functional conference rooms, a swimming pool and tennis courts. The Group started operating the hotel in 2011.

## Other major property investments

### Agile International Plaza Shanghai

Agile International Plaza Shanghai is located at the prosperous hub of tourism, retail and commercial centre of Huangpu District, Shanghai. The project, which is a 4-storey building with a total planned GFA of approximately 21,000 sq.m., is geographically well-located with excellent transportation network. The project is situated at the northwest of Nanjing Road Pedestrian Street, and is within the proximity of First Department Store and New World Shopping Centre, with various cultural buildings and landmarks in the neighbourhood, including the People's Square, Shanghai Museum and Shanghai Grand Theatre. Agile International Plaza Shanghai is set to become a high-end shopping plaza that houses international renowned brands. It is expected to open in the second half of 2012.



## Hotel Operations and Property Investment

### Hainan Clearwater Bay International Brand Outlet

Hainan Clearwater Bay International Brand Outlet, which is located within the strip of walking lane of approximately 800 metres along the Clearwater Bay Avenue of Silver Sand, has a total planned GFA of approximately 28,000 sq.m.. The project will comprise discount shops of international renowned brands and commercial establishments including franchised shops, fine goods, a modern household plaza, a food court, as well as Chinese and international cuisine restaurants, so as to become a “shopping paradise” and Hainan’s top outlet of genuine international brands. It is expected to open in the second half of 2012.

### Xiqiao Metropolis Plaza

Xiqiao Metropolis Plaza, which is located in Xiqiao Town, Nanhai, Foshan, has a total GFA of approximately 58,000 sq.m., and is the first integrated one-stop shopping centre in Xiqiao Town with supermarkets, electrical appliances shops, department stores, food and beverage outlets, and cinemas. Opened in 2011, the Plaza has already attracted tenancy from various national renowned enterprises.

### Guangzhou Hongxi Huating Arcade

Guangzhou Hongxi Huating Arcade is located at the central hub of Shiqiao of Panyu, Guangzhou and is near to the exit of Shiqiao Station of Guangzhou Metro Line 3. Comprising 5 storeys with a total planned GFA of approximately 18,000 sq.m., the project is positioned as a centre of quality lifestyle with various major retailers and catering chain enterprises. The project is expected to launch in the second half of 2012.

### Guangzhou Zhujiang New City Project

Guangzhou Zhujiang New City project is located at the commercial core area of downtown Guangzhou and is poised to be the new financial district according to the regional planning of Guangzhou Zhujiang New City. The project enjoys good transportation network for it is near to the Zhujiang New Town Station of Guangzhou Metro Line 3, with banks and restaurants around the corner. As Agile’s first pure commercial project in Guangzhou, the project enjoys a total planned GFA of approximately 88,000 sq.m., which will be developed into a 39-storey Grade A office building. The project is expected to launch in 2014.





# Property Management

The Group recognises that with its continuous growth, the quality of property management services that it provides must also be elevated to new standards. Adhering to the “customer-oriented” philosophy, the Group is committed to satisfying the individual needs of its residents by constantly improving its services and proactively nurturing new talents to meet with new development needs.

During the year, the number of projects managed by the Group was increased to 44, with a total GFA of approximately 15.49 million sq.m.. Over 6,600 professional property management personnel and technicians were employed by the Group to serve around 380,000 residents, attending to their personal needs and ensuring them a relaxed lifestyle. The 2011 customer satisfaction survey revealed that the overall satisfaction level of the residents reached 92%. During the year, the Group’s property management companies received awards and recognitions from national, provincial and municipal governmental departments for their outstanding performances and contributions to the building of a quality and harmonious community.

With the increasing number of high-end projects in the Group, there is a keen demand for high-end property management services. A professional property management brand, “Harrogate”, was then introduced to the Group, representing classic British property management services for high-end projects, commercial properties and serviced apartments. In addition to satisfying residents’ demand for excellent management services, the “Harrogate” team serves with “proactiveness, sincerity, modesty and politeness” to cater for various needs of privileged customers, thus help establishing distinguished residential and commercial environments. “Harrogate” currently provides high-end property management services in various projects, including Agile Xiyue Zhongshan and Agile Cambridgeshire Guangzhou.

With a firm belief that great foresight leads to success, the Group carried out again the “Elite Cultivation Year” programme during the year. Campus recruitments were



conducted systematically, and a series of training were provided to new and existing employees to nurture professional property management elites. The Group also organised advanced training courses offered by the Chartered Institute of Housing to cultivate property management talents with international standards. In addition, the Group cooperated with institutes and universities to establish training bases, so as to lay a solid foundation for the long-term and healthy development of the Group’s property management services.

Listening to customers’ feedbacks is one of the keys to making improvements. The Group has been active in listening to requests and recommendations from different parties, strengthening communications with members and designated alliance vendors via the Agile Property Club, the club for Agile customers and providing residence, living and cultural



## Property Management

service of better quality. At present, Agile Property Club members can enjoy special offers from over 3,000 business merchants in China, Hong Kong and Macau. During the year, the Agile Property Club has organised a total of 421 community activities with participation from over 200,000 people.

Agile has gained extensive recognition as a renowned brand with a history of nearly two decades. The Group will continue the endeavour to strive for greater perfection to satisfy customers' high expectations.

Received awards and honours during the year included:

Project	Award/Honour	Institution
Agile Garden Nanjing	2011 Excellent Property Management for Residential Community in Jiangsu Province	Jiangsu Provincial Department of Housing and Urban-Rural Development
Agile Garden Nanjing	2011 Advanced Green Unit	The Greening Committee of Nanjing
Hainan Clearwater Bay	2009-2010 Advanced Organisation for Comprehensive Community Safety Management in Hainan Province	Hainan Provincial Committee of Comprehensive Community Safety Management Hainan Provincial Department of Human Resources and Social Security





## Property Management

<b>Project</b>	<b>Award/Honour</b>	<b>Institution</b>
Agile Garden Foshan	Model Residential Community of Property Management in Guangdong Province	Guangdong Property Management Industry Institute
Agile Garden Shunde	Green Community of Guangdong Province	Guangdong Real Estate Association
Agile Garden Chengdu	Excellent Property Management for Residential Community in Chengdu City	The Urban-Rural Real Estate Bureau of Chengdu City
Agile Egret Lake Huizhou	2011 Model Community of Property Management in Huizhou Municipal	Huizhou Municipal Bureau of Management
Grand Palace Huadu	Green Community	Guangzhou Environmental Protection Bureau
Majestic Garden Huadu	Model Community of Property Management in Guangzhou City	Guangzhou Property Management Association
Agile Bingjiang Garden Conghua	Model Residential Community of Property Management in Guangdong Province	Guangdong Property Management Industry Institute





## Property Management

Project	Award/Honour	Institution
Agile Garden Sanshui	Model Community of Property Management in Foshan City	Foshan Real Estate Association
La Cité Greenville Zhongshan	Green Community of Zhongshan Municipal	Zhongshan Environmental Protection Bureau
La Cité Greenville Zhongshan	Model Residential Community of Property Management in Zhongshan Municipal	Zhongshan Municipal Bureau of Housing and Urban-Rural Development Zhongshan Real Estate Guild
La Cité Greenville Zhongshan	Advanced Community in Hygiene	Zhongshan Municipal Committee of Urban Management Patriotic Health Campaign Committee of Zhongshan Municipal
Majestic Garden Zhongshan	Green Community of Zhongshan City	Zhongshan Environmental Protection Bureau
Agile Xiyue Zhongshan	Model Residential Community of Property Management in Zhongshan Municipal	Zhongshan Municipal Bureau of Housing and Urban-Rural Development Zhongshan Real Estate Guild
The Century Zhongshan	Model Residential Community of Property Management in Zhongshan Municipal	Zhongshan Municipal Bureau of Housing and Urban-Rural Development Zhongshan Real Estate Guild





# Corporate Social Responsibility

## Review of the year

Upholding the belief of “benefiting from society, giving back to society”, the Group has been committed to fulfilling its corporate social responsibilities in a pragmatic manner. At the beginning of each year, with an aim to enhance the harmonious development of society, the Group formulates an annual charity plan that incorporates various policies promoting social awareness and environmental protection into its business operation strategy. During the year, the Group continued to make contributions in various charity areas, including education, promoting Chinese culture, disaster and poverty relief, community constructions as well as health care. Total donations amounted to over RMB83 million.

During the year, the Group’s charitable contributions were highly appraised and recognised by the nation and society at large. The Group was honoured with “The Sixth China Charity Award — The Most Caring Enterprise”, Gold Cup of “2010 Guangdong Poverty Relief Hongmian Cup”, “2010 Guangdong Real Estate Corporate Social Responsibility Model Enterprise Award”, “Corporate Social Responsibility Award 2011” presented by Capital and Capital Weekly, two Hong Kong magazines, as well as being ranked in “2011 Forbes China Philanthropy List”. In Hong Kong, the Group has been granted the logo of “Caring Company” for the 5th consecutive year.

## Education and the promotion of Chinese culture

The Group continued to put extensive efforts in fostering education, both nationally and locally, so as to nurture future pillars of society, promote Chinese culture, and contribute to the steadfast growth of the country and society.

During the year, the Group sponsored the Chinese Language and Culture Education Foundation of China in organising the “Agile Special Fund for Chinese Culture Continuation Work”, which hosted a series of activities to promote Chinese culture abroad, including training programmes for new Chinese teachers, training programmes for primary school teachers, and experience sessions of Chanwu culture for overseas Chinese



teenagers. Over 1,000 overseas Chinese teenagers and Chinese teachers benefited from these programmes:

- “Chinese Language and Culture Education Foundation of China • South Guangdong Cultural Trip — Agile Experience Session of Chanwu Culture for Overseas Chinese Teenagers 2011” arranged 39 martial arts enthusiasts from 15 countries to participate in a half-month experience session of Chanwu culture, effectively spreading Chinese culture overseas.
- “Agile Homecoming Trip for Overseas Elites 2011” invited 18 Chinese language teachers from Canada to engage in a one-week visit in China to encourage overseas Chinese to understand more about their motherland.
- In regard to educating overseas teenagers, “2011 Chinese Culture Seminar and Summer Camp of Qi Lu Culture for Overseas Chinese Teenagers” provided a meaningful opportunity for 140 Chinese teenagers from 9 countries, namely the United Kingdom, Spain, Italy, the United States, Canada, Germany, Hungary, Russia and Slovakia, to learn Chinese and Chinese traditional culture.



## Corporate Social Responsibility

- Both “Interactive Long-Distance Training Class for Indonesian Chinese Language Teachers” and “2011 Jinan University Graduation Ceremony for Undergraduates of Professional Chinese Language Teaching in Indonesia” made remarkable achievements in the nurturing of Chinese language teachers in Indonesia.

During the year, Yunnan University and Hainan University were included in the “Agile Property Scholarship and Study Subsidy” scheme, making the total number of universities benefited from this scheme increased to 12. For the 4th consecutive year, the scheme provided assistance to 190 tertiary students studying at institutions including Hunan University, Tsinghua University and Tianjin University, who were excellent in both studies and conduct yet poverty-stricken. The Group also succeeded in hosting “Agile University Summer Camp” for the 3rd year with participation from 59 outstanding university students or postgraduates from well-known tertiary institutes from Shanghai, Guangzhou, Zhongshan, Britain and Australia. Students who performed outstandingly in the camp were offered employment by the Group. In addition, the Group sponsored students of Sichuan University, Tongji University, Chongqing University, Xi’an University of Architecture and Technology, and South China University of Technology to visit property projects of the Group, so as to enhance their knowledge of the property industry.

During the year, the Group made donations to many schools and education departments of the government in support of local education development, which included:

- Signed a donation agreement of RMB10 million with Luoding Longzhou Education Foundation to support the educational development of poverty-stricken mountain areas in Western Guangdong.
- Established the “Agile Qinghai Educational Award and Bursary Fund” that benefited nearly 1,000 teachers and students from 6 prefectures of Qinghai in its first year, fostering educational development in Qinghai Province.
- The construction of the “Agile Integrated Teaching Block” for the No. 32 Secondary School in Daqing, Heilongjiang Province, which was financed by the Group, was completed during the year and put into use.





## Corporate Social Responsibility

### Disaster and poverty relief

With the joint efforts of the Group and the local government, construction works of all the 16 schools donated by the Group in 2008 in the quake-stricken area in Sichuan were completed. 14 of which were already in use, while the 2 remaining schools are planned to be officially put into use in the first half of 2012. Details of their progresses are as follows:

School	Progress	Actual/Expected year in use
1. Mianzhu Agile Fuxin the Second Kindergarten	Put into use	2009
2. Deyang Agile Taishanlu Primary School	Put into use	2009
3. Mianzhu Agile Nanxuan Primary School	Put into use	2009
4. Pengzhou Aoping Primary School	Put into use	2009
5. Shuangliu Experimental Primary School	Put into use	2009
6. Dongsheng Primary School in Luojiaci Community	Put into use	2009
7. Chengdu Shuangliu Secondary School	Put into use	2009
8. Ya'an Yucheng Shawan Primary School	Put into use	2010
9. Mianyang Youxian Zhongxing Primary School	Put into use	2010
10. Yunfeng Primary School	Put into use	2010
11. Peicheng Xishan Primary School	Put into use	2010
12. Mianyang Peicheng Ziyun Kindergarten	Put into use	2010
13. Wenchuan Miansi Secondary School	Put into use	2011
14. Weishan Renshou Kindergarten	Put into use	2011
15. Renshou County School	Completed	2012
16. Qionglai Nanbao Jinhua Village Kindergarten	Completed	2012

During the year, the Group organised the “Agile Volunteer Service Days” with the theme of “Happy Life at Agile Starts with Giving” to encourage the staff to contribute to society. The accumulated volunteer hours achieved by over 43,000 participants were equivalent to over 26,000 days. These campaigns include “Project Oneiromancy” held for the 3rd consecutive year by the Group, which helped students in remote poverty-stricken mountain areas across the country by donating necessities; “Warming Sunset for the Elderly Living Alone” that provided care for the solitary elderly; and “Winter Warming”, a widely popular programme which helped children and adults in poverty-stricken mountain areas by donating winter clothes and schooling items. Over 16,000 pieces of clothes and approximately 5,500 thermal necessities and stationeries were collected, benefitting 12 provinces and municipalities, including Xinjiang, Yunnan, Qinghai and Guizhou. During the year, the Group was once again the major sponsor of “30-Hour Famine” and “Macau Famine” organised by the World Vision, offering helping hands to the famine victims in East Africa.

### Community constructions

The Group donated RMB30 million to Zhongshan City Charity Association for infrastructure reconstruction in Zhongshan to improve local transportation network, benefitting the development of Zhongshan’s economy.

### Health care

The Group continued to support “Best Chinese Medical Practitioners Award” organised by Chinese Medical Practitioners Association. The award aims at recognising physicians who excel in both medical knowledge and ethics, so as to further promote medical virtues and morals. Moreover, the Group continued to join hands with the Red Cross in various regions in setting up of a Red Cross donation box at every resident’s centre, supporting its health care, humanitarian and community works.



## Corporate Social Responsibility

### Caring for our staff

Our staff is an important cornerstone for corporate development. With the “people-oriented” philosophy, the Group has been active in organising various cultural and volunteering activities to maintain both the physical and mental wellness of our staff. A mutual help mechanism was also established to help staff overcome difficulties. In addition, comprehensive training and a bright career path were provided for the long-term development of our staff.

During the year, the Group continued to support the operation of the “Agile Foundation for Mutual Help”. Appropriate financial assistances were provided to nearly 100 staff or their families who had encountered financial difficulties due to accidents or serious illnesses, in the spirit of love and care between the Group and staff. Also, the Group continued to organise a variety of cultural and sports events to promote physical and mental wellness of staff, enrich their social life after work and enhance staff cohesion.

The Group provides good learning opportunities and bright career paths to our staff, which has laid a sound foundation of talents for the Group’s future development. During the year, the Group established the Agile Property Management College with a vision of “learn to excel and speed up the growth”. Through providing an advanced and systemic training for staff, the accumulated training hours provided to various levels of management and staff was nearly 550,000 hours.

During the year, based on the mission to “speed up the growth of talents”, the Group continued to implement the EMBA/EDP management practices. All senior management could have the opportunity to further their studies at top universities including Tsinghua University, Peking University, Cheung Kong Graduate School of Business, China Europe International Business School, The University of Hong Kong and The Hong Kong University of Science and Technology. Furthermore, the Group has initiated the “Leaders Scheme” for the fostering of future senior management, and the “Pillars Scheme” and “Seeds Scheme” for the fostering of middle-level management in preparation for the healthy growth of the Group.

With a comprehensive staff training strategy, the Group was honoured to be awarded the “2011 Top 10 Chinese Learning Enterprises” jointly presented by seven international human resources agencies, including SOL China, Kirkpatrick Partners of the United States, Learning Paths International (LPI), Aon Hewitt, Gallup Consulting, Learning Solution Department of IBM and Mercer Consulting (China) Ltd..

### Future directions

Upholding the corporate spirit of “developing our future with vision and enthusiasm” and continuously adhering to its belief of “benefiting from the society, giving back to society”, the Group will take on an active role to fulfil the responsibility as a good corporate citizen. While creating the maximum value for Shareholders, customers and stakeholders, the Group will make further moves and take part in various social charity activities to make greater contribution to society.



# Sustainable Development

**“Development that meets the needs of the present without compromising the ability of future generations to meet their own needs.” — The definition of “sustainable development” made by the United Nations World Commission on Environment and Development in 1987.**

As a leading property developer with extensive experience in property development and the willingness to take upon itself the corporate social responsibility, the Group has been committed to the promotion of “sustainable development”, so as to echo with the corporate spirit of “developing our future with vision and enthusiasm”. During the year, the Group applied innovative and effective environmental measures to multiple areas, including business development, daily operation and corporate sponsorship, thereby promoting the harmonious coexistence between human and nature, corporate and society.

## Green planning and design

Planning and design is the soul of property projects. The Group has put environmental protection into consideration at the stage of planning and design. During the year, the Group continued to optimise the standardisation of designs of property projects, as well as the procurement standards of energy-saving products for long-term energy consumption control; continued to enhance the integration of the original environment with the planning and design of property projects, so as to utilise the advantages of the natural environment, avoiding unnecessary artificial damages; and cooperated with manufacturers to develop new construction materials that consume less energy and retain heat.

## Construction and works management

Effective works management can minimise waste of construction materials thus reducing environmental impact. During the year, the Group continued to strictly follow both the national and local requirements of energy-saving in construction, and has effectively reduced use of electricity and water by stringent construction management.



## Application of new technologies

Energy-saving measures:

- The extensive use of low-voltage wattless power compensation technique to minimise power consumption.
- Intelligent illumination system with automatic switch and brightness adjustment functions were adopted. Frequency variation techniques were widely used in public facilities, such as water supply and heating ventilation systems, to enhance energy efficiency.
- Low-smoke halogen-free electrical wires and cables were used so as to reduce the possibility of pollution caused by overheat or burning.



## Sustainable Development

- The adoption of main processor frequency variation technique and main processor centralised control technique in air-conditioning systems of the hotels has resulted in a 25% improvement in the average efficiency of air conditioning main processors (NPLV value), effectively reducing power consumption.
- Pressure relief devices were installed in residential projects to control the water pressure and minimise power consumption of water pumps.
- Cooperation with local water supply companies to fully utilise the residual pressure of the pipe grid with a reasonable distribution of water supply subzones, so as to minimise power waste due to secondary pressurising during the supply of water.

### Water-saving measures:

- Recycling of rain water for irrigation of vegetation by using the drainage system that separates rain water and sewage.
- Construction of sewage treatment plants and facilities that collect used water for irrigation of vegetation, contributing to water conservation, and minimising water pollution and water consumption.

### Environmental protection measures:

- Features such as sound insulation, noise reduction and dust-proofing could be found in large-scale equipments and machine rooms in all of the Group's residential projects to minimise environmental impact.
- Solar water heaters were installed in various large-scale projects, such as residential buildings, staff hostels and hotels to minimise energy consumption.





## Sustainable Development

### Procurement of materials

The choice of construction materials is crucial to the quality of the projects and the impacts on environment. During the year, the Group paid special attention to sourcing qualified green materials, so that residential projects are more energy-saving and environmental-friendly.

The Group continued to use environmental-friendly outdoor construction materials that meet the latest national technology standard. For example:

- The latest type of roof tiles was widely used, which has reduced 50% of the emission of carbon dioxide and other harmful gases that cause acid rain.
- The type of bricks used for the building of external walls is nationally accredited for the ability to utilise residual heat, has low sulphur emission, and has passed the national anti-electrostatic inspection test.
- The colourful bricks used on the ground are mainly Jianling Bricks, which are made of environmental-friendly materials such as sand, slag and fine coal dust. This type of bricks helps to prevent loss of water, thus benefiting the plantations nearby, and is capable of dissipating heat and retaining humidity.

The Group continued to select indoor materials carefully so as to ensure a comfortable yet sustainable living environment. For example:

- Energy-saving electrical appliances were used, such as the latest air-conditioner model, which consumes approximately 13% less energy than the older model on the basis of producing the same chilling effect.
- The type of flooring used has passed the E1 environmental protection requirement and its methane emission complies with the national standard. Some of the floorings have even adopted an activated ecological painting technology that can release anions to remove harmful gases in the air effectively.
- The use of Opplé 20 watt energy-saving light with brightness equivalent to a 100 watt light bulb, thereby saving energy, and its design can also doubly obstruct ultraviolet light.
- Cooperation with world famous brands, such as Groche, Kohler and Hansgrohe, to use their latest products as their green standards are up to those applied in Europe and the US, and can achieve approximately 50% more water-saving efficiency than traditional products.



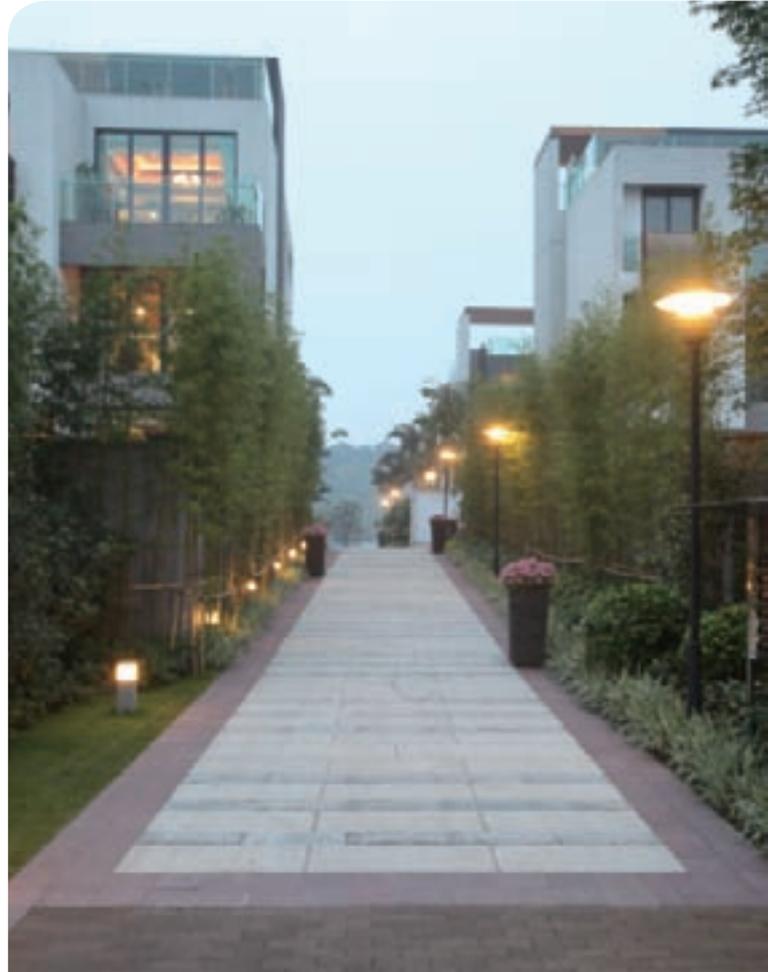
## Sustainable Development

### Community building and management

The property management companies of the Group continued to adopt a number of sustainable development measures in their daily management, and have attained remarkable results in power-saving, water-saving and greening.

Regarding electricity, additional energy-saving equipments were installed in the water pumps rooms in several Zhongshan projects, which have successfully reduced noise and increased energy-saving efficiency. The average use of energy was reduced approximately 45%, saving about RMB200,000 in electricity expenses throughout the year. LED lights have also been installed in the underground car parks in several Zhongshan projects and resulted in energy-saving of about 75%, achieving an estimated annual saving of about RMB 280,000 in electricity expenses. In addition, street lamps in the gardens and roads of the community were replaced by energy-saving lights and xenon lamps, which saved approximately 49% energy. The Group will continue to introduce more of the above effective measures to other projects.

Regarding water resources, mechanised, high-pressure cleansing equipment was used for large-scale cleaning in outdoor areas of the community, and has saved water significantly. Regular chemical precipitations were carried out every month for water landscape facilities; and dirt in the water was removed by sucking machines to avoid frequent draining and cleansing, which could lead to water wastage. For artificial lakes that have a relatively longer cleansing cycle, fish fry was placed for natural sanitisation.





## Sustainable Development

Regarding greening, a large amount of temperature-lowering, heat-dissipating, air-cleansing and noise-reducing trees and shrubs have been planted in the projects of the Group, thus the average community green ratio is over 50%. In addition, the property management companies of the Group grew saplings in their own plant nurseries, as well as carried out planting in the green zones of various projects, so as to save the cost of landscaping. Environmental-friendly pesticides were used; pests were effectively dealt with according to their occurrence pattern and the weather conditions, so that both the prevention doses and frequency could be contained, thus minimising damage to the ecology.

### Hotel management

During the year, the Group's self-operated hotels not only provided superb staying experience and services, but have also adopted a number of sustainable development measures to lower the operation cost of hotels and establish a green hotel image. These include: the solar heaters at Foshan Agile Hotel, resulting in a saving on gas expenses of approximately RMB100,000 per year; the heat pump facility for hot water at Guangzhou Agile Hotel, resulting in a saving in gas expenses of over RMB200,000 per year. In addition, exhaust from the boiler steam at the hotels was recycled, mainly as the heating facility to back up hot water supply, with a recycle rate of 75%, resulting in a saving of about RMB300,000 per year, thus achieving a win-win situation for both the environment and the economy.

The Group has also signed energy trusteeship model agreements with professional energy-saving companies in order to reduce over 30% air-conditioning expenses for a number of existing hotels.

### Green education

During the year, the Group has sponsored competitions, organised talks and study tours to encourage the exchange of ideas on environmental issues between students from tertiary institutions and professionals both locally and from the Mainland. Development projects of the Group were also used as case studies on which the students could study and propose innovative and practical environmental-friendly planning ideas. The sponsored programmes include the Business Environment Council's "BEC Low-Carbon Home" 2011-2012 Programme and the "Eco-Business Innovation Award" organised by students of The Hong Kong University of Science and Technology, which both aimed at encouraging the younger generation to contribute to the sustainable development of society with their innovation and imagination.



## Sustainable Development

### Active participation in environmental protection with heart and soul

The Group encourages all staff and residents to support environmental protection by actions, which includes:

- The Group organised the Ecological Environmental Protection Day for the 5th consecutive year. The theme of this year was “Happy Low-Carbon Life at Agile”. Approximately 1,500 participants, including staff and residents, planted over 5,000 trees and 1,100 sq.m. of sods, supporting environmental protection with their actions.
- In early 2012, the Group once again participated in the “Lai See Packets Recycling Programme” organised by Greeners Action, a Hong Kong environmental group. Recycling points were set up across the nation to collect used Lai See packets from residents and the public. Staff, residents and public were also encouraged to use “Reborn Lai See Packets”. The programme attracted participation from over 10 thousand staff and public across the nation.
- The Group took part in the “Earth Hour” initiated by the World Wide Fund for Nature for the 2nd time. Staff, residents and customers were invited to participate in the event.



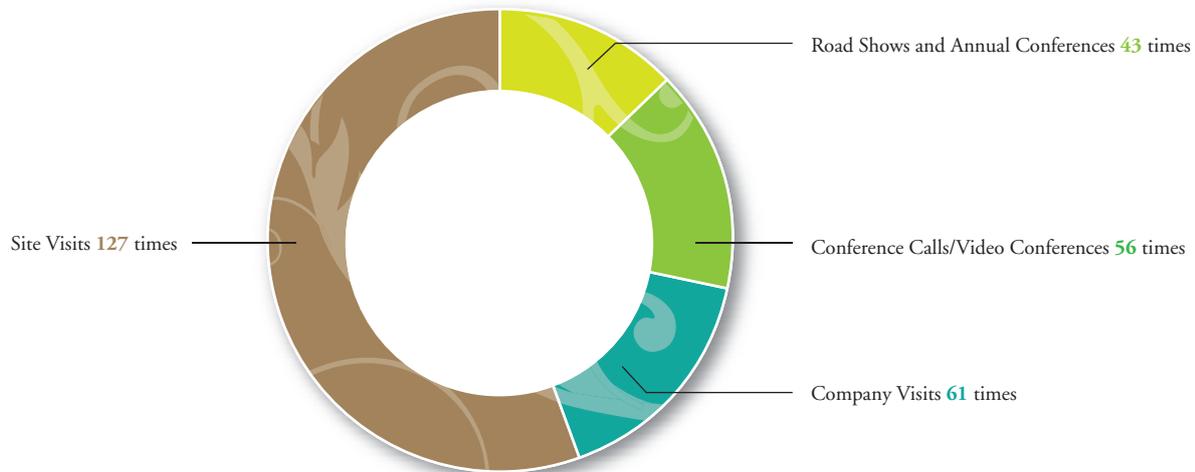


# Investor Relations



Ever since listing in 2005, the Company has been upholding the concept of “mutual communication to achieve a win-win situation” for investor relations. According to the listing rules and related laws and regulations, the Company disseminated truthful, clear and accurate information to investors, including the Group’s latest operating results, operations management status, financial position and development strategy through multiple channels. By doing so, the Company has successfully established and maintained long-term and stable relationships with various intermediary organisations in the capital market, as well as further strengthened their understanding and recognition of the Group’s business operation and development, thus securing an even more solid and wider Shareholder base, broadening its financing channels and reducing its financing costs.

Over the years, the Company has been proactive in exploring new channels to communicate with investors. Various means were adopted towards this end, including organising results announcement presentations, participating in road shows and summits, as well as arranging project site visits, contributing to the enhancement of communications with investors and analysts. During the year, a total of 34 investment banks and securities companies have included the securities of the Company for target analysis, making the Company one of the most popular companies in the real estate industry to be studied. The Company also established contact with over 2,500 local and international institutional investors.





## Investor Relations

During the year, the Company actively organised and participated in various investor relations activities. In addition to conducting road shows in Hong Kong, China, Singapore, Europe and the United States after the announcement of results, the Group also participated in investors summits held by investment banks and securities companies, including Morgan Stanley, Goldman Sachs, Citibank, Bank of America Merrill Lynch, J.P. Morgan, UBS, BNP Paribas, Credit Suisse, Macquarie, Nomura, Deutsche Bank, DBS Vickers, Shenyin Wanguo and CLSA. Investors and analysts were also invited to pay site visits to projects of the Group, and they were received by the Group's directors, senior management or local management team so that investors were well-informed of the latest development of the Group and of the property market in China. During the year, over 700 institutions were received through the above channels.

### Major investor relations activities of the Company in 2011

Month	Place	Activity
January	Hong Kong	Nomura China Property Corporate Day
	Singapore	DBS Vickers Pulse of Asia Conference
March	Hong Kong	2010 Annual Results Press Conference and Analysts' Conference
	Hong Kong	2010 Annual Results Road Shows in Hong Kong co-organised with Morgan Stanley
	Hong Kong	2010 Annual Results Road Shows in Hong Kong co-organised with Standard Chartered Bank
	Singapore	2010 Annual Results Road Shows in Singapore co-organised with Citibank
	London	2010 Annual Results Road Shows in London co-organised with Morgan Stanley
	New York	2010 Annual Results Road Shows in New York co-organised with Goldman Sachs
	Boston	2010 Annual Results Road Shows in Boston co-organised with Goldman Sachs
	Shenzhen	2010 Annual Results Road Shows in Shenzhen co-organised with China Construction Bank
	Beijing	2010 Annual Results Road Shows in Beijing co-organised with China International Capital
	Shanghai	2010 Annual Results Road Shows in Shanghai co-organised with Bank of China International
April	Hong Kong	Credit Suisse 14th Asian Investment Conference
	Hong Kong	Bank of America Merrill Lynch Greater China Property Corporate Access Day
	Hong Kong	BNP Property Corporate Day
May	Hong Kong	DBS Vickers Regional HK Corporate Day
	Hong Kong	Macquarie Greater China Conference
	Hong Kong	Deutsche Bank Fixed Income Conference
	Hong Kong	Morgan Stanley Hong Kong Investor Summit
	Hong Kong	Shenyin Wanguo Annual Conference
	Hong Kong	Morgan Stanley CB Conference
Hong Kong	Mirae Asset Securities HK/China Property Access Day	



## Investor Relations

Month	Place	Activity
June	Beijing	J.P. Morgan's 7th Annual China Conference
	Hong Kong	CLSA Regional Property Access Mini Conference
	Singapore	8th Nomura Asia Equity Forum
	Hong Kong	New Channels: Samsung Financial & Real Estate
July	Hong Kong	Citi HK/China Mini Conference 2011
August	Hong Kong	2011 Interim Results Press Conference and Analysts' Conference
	Hong Kong	2011 Interim Results Road Shows in Hong Kong co-organised with Citibank
	Singapore	2011 Interim Results Road Shows in Singapore co-organised with DBS Vickers
	Shenzhen	2011 Interim Results Road Shows in Shenzhen co-organised with Goldman Sachs
	Beijing	2011 Interim Results Road Shows in Beijing co-organised with China International Capital
	Shanghai	2011 Interim Results Road Shows in Shanghai co-organised with Goldman Sachs
September	San Francisco	2011 Interim Results Road Shows in San Francisco co-organised with Morgan Stanley
	New York	2011 Interim Results Road Shows in New York co-organised with Morgan Stanley
	London	2011 Interim Results Road Shows in London co-organised with UBS
	Edinburgh	2011 Interim Results Road Shows in Edinburgh co-organised with UBS
	Hong Kong	6th UBS HK/China Property Conference
November	Hong Kong	Daiwa Asian CB Tour
	Singapore	Morgan Stanley 10th Annual Asia Pacific Summit
	Guangzhou/Foshan/ Hainan	Organised a site visit tour to Agile Uptown Huadu (formerly known as Agile Garden Huadu), Agile Cambridgeshire Guangzhou, Gorgeous Days Panyu, Guangzhou Asian Games City Project, Imperial Palace Nanhai and Hainan Clearwater Bay for analysts
December	Hong Kong	CLSA China & HK Property Access Day
	Hong Kong	BAML Greater China Property Corporate Day
	Shenzhen	Shenyin Wanguo Chinese Private Enterprise Investor Summit Conference



## Investor Relations

With the outstanding and professional investor relations team, the Company has made constant improvement in investor relations. During the year, the Company achieved excellent results in investor relations and has won accolades by various well-known institutions. These include “The Asset Corporate Platinum Award” presented by The Asset Magazine, following the honour of winning “The Asset Corporate Gold Award” in 2009 and 2010. The Company was also awarded the “Fabulous 50 — The Best of Asia Pacific’s Biggest Listed Companies” presented by Forbes Asia Magazine for the 3rd consecutive year, as well as the “Best Investor Relations (Real Estate)” Award presented by an internationally well-known professional magazine, IR Magazine.

Award	Institution
The Asset Corporate Platinum Award	The Asset Magazine
Fabulous 50 — The Best of Asia Pacific’s Biggest Listed Companies	Forbes Asia Magazine
Best Investor Relations (Real Estate)	IR Magazine
Private Enterprise with Largest Market Capitalisation	Yazhou Zhoukan
TOP 10 PRC-funded Shares listed in Hong Kong in Comprehensive Value of PRC Real Estate Value Ranking	China Business News

## Prospects

Looking ahead, the Company will continue to optimise relations with investors, further maintain a solid and wider Shareholder base, while strategically organise investor relations activities according to investors’ comments and needs, so that they can fully comprehend each and every aspect of the Company. At the same time, the management will continue to communicate with investors in a candid manner, as well as collect and listen carefully to feedbacks from the capital market in order to enhance the Company’s comprehensive strength and corporate governance quality, promoting the long-term development of the Group.



# Directors' Profile

**CHEN Zhuo Lin** (陳卓林), aged 49, is the founder of the Group. He has been the Chairman and an Executive Director of the Company since August 2005 and has over 19 years of extensive experience in real estate development and management. Mr. Chen is mainly responsible for the formulation of development strategies, decision-making on investment projects, development directions on the operations and overall business management, setting the goal of the financial year for the Group and maintaining the relationships with the Shareholders. He received a number of awards during 2007 to 2009, including "World Outstanding Chinese Award" in 2007, "Top 30 Chinese Philanthropists in 30 Years of Reform" (改革開放30年·華人慈善30人) in 2008, "China Philanthropy Outstanding Contribution Individual Award" (中華慈善突出貢獻人物獎) and "Top 10 Persons of the Year for China Enterprise Management Excellence Award" (中國企業十大卓越管理年度人物) in 2009. Mr. Chen serves as an executive vice chairperson of China Overseas Chinese Entrepreneurs Association (中國僑商投資企業協會), honorary vice president of Chinese Language and Culture Education Foundation of China (中國華文教育基金會), honorary chairperson of Hong Kong-Zhongshan Sanxiang Fellowship Association (香港中山三鄉同鄉會), vice chairperson of Zhongshan Association of Enterprise with Overseas Chinese Investment (中山市僑資企業商會) and vice chairperson of Second General Committee of Guangdong Overseas Chinese Enterprises Association (廣東省僑商投資企業協會). He is the brother of Mr. Chan Cheuk Yin, Mr. Chan Cheuk Hung, Mr. Chan Cheuk Hei and Mr. Chan Cheuk Nam and also the spouse of Ms. Luk Sin Fong, Fion.

**CHAN Cheuk Yin** (陳卓賢), aged 44, has been a Vice Chairperson and a Co-President and an Executive Director of the Company since August 2005. Mr. Chan has over 19 years of extensive experience in real estate development and project management. He is mainly responsible for the Group's overall strategy planning and managing the overall operation of projects in the districts of Eastern, Southwestern, Central, Northeastern and Northern of China. Mr. Chan was

awarded "Guangdong Province Outstanding Entrepreneurs of Privately-owned Enterprises" (廣東省優秀民營企業家) in 2003, "2006-2007 The Most Respected Entrepreneurs in Guangzhou, PRC" (2006-2007 中國廣州最受尊敬企業家) and "Top 10 Philanthropist in Guangdong" (廣東十大慈善人物) in 2008. He is the chairperson of Guangdong Chamber of Real Estate (廣東省地產商會), a member of Standing Committee of 10th Guangdong Provincial CPPCC (第十屆廣東省委員會) and an honorary vice chairperson of China Charity Federation (中華慈善總會) in 2007 and vice chairperson of Zhongshan Real Estate Industry Association (中山市房地產行業協會) in 2005. Mr. Chan is the brother of Mr. Chen Zhuo Lin, Mr. Chan Cheuk Hung, Mr. Chan Cheuk Hei and Mr. Chan Cheuk Nam.

**LUK Sin Fong, Fion** (陸倩芳), aged 50, has been a Vice Chairperson and a Co-President and an Executive Director of the Company since August 2005. Ms. Luk has over 19 years of extensive management experience in real estate development and management, in particular in strategic marketing and marketing management. She is mainly responsible for planning and marketing, sales, finance, administration and human resources management, information technology, property management, hotel management, policy of corporate social responsibility and charitable activities of the Group, and managing the overall operation of projects in the areas of Zhongshan, Foshan, Guangzhou and Guangdong. Ms. Luk received a Master's degree in Business Administration from University of Western Sydney, Australia in 2005. She has received several honorary resident awards in Foshan and Nanhai in 2004 and in Zhongshan in 2009 respectively, as well as other awards including "Zhongshan Outstanding Entrepreneurs" (中山優秀企業家) in 2006 and "Top 10 Excellent CBO" (中國十大卓越 CBO) in 2008. Ms. Luk is currently a vice chairperson of Guangzhou Housing Society (廣州市房地產協會) and an honorary chairperson of Guangdong Provincial Qiaoxin Charity Foundation (廣東省僑心慈善基金會). She is the spouse of Mr. Chen Zhuo Lin.



## Directors' Profile

**CHAN Cheuk Hung** (陳卓雄), aged 54, has been an Executive Director and a Senior Vice President of the Company since August 2005. Mr. Chan has over 19 years of extensive experience in real estate development and related businesses. He is mainly responsible for quality control of projects, management of contractors of the Group and managing the overall operation of Zhongshan Fashion Decoration Co., Ltd. Mr. Chan has been awarded an honorary resident award in Foshan and "Small Community Construction Outstanding Contribution Award" (小區建設突出貢獻獎) in National Xiaokang Housing Demonstration Small Community Competition (國家小康住宅示範小區評比) by Ministry of Construction (國家建設部) in 2000. He was a standing committee member of Guangdong Province Real Estate Association (廣東省房地產業協會) in 2004. Mr. Chan is the brother of Mr. Chen Zhuo Lin, Mr. Chan Cheuk Yin, Mr. Chan Cheuk Hei and Mr. Chan Cheuk Nam.

**CHAN Cheuk Hei** (陳卓喜), aged 53, has been an Executive Director and a Senior Vice President of the Company since August 2005. Mr. Chan has over 19 years of extensive experience in real estate development and related businesses. He is mainly responsible for management of decorations, development of decoration materials of the Group and managing the projects of Zhongshan Ever Creator, Agile Royal Mount Zhongshan and Agile Yorkshire Zhongshan. Mr. Chan is the brother of Mr. Chen Zhuo Lin, Mr. Chan Cheuk Yin, Mr. Chan Cheuk Hung and Mr. Chan Cheuk Nam.

**CHAN Cheuk Nam** (陳卓南), aged 48, has been an Executive Director and a Senior Vice President of the Company since August 2005. Mr. Chan has over 19 years of extensive experience in real estate development and related businesses. He is mainly responsible for quality control of suppliers of construction materials and cost control of the Group. Mr. Chan is the brother of Mr. Chen Zhuo Lin, Mr. Chan Cheuk Yin, Mr. Chan Cheuk Hung and Mr. Chan Cheuk Hei.

**CHENG Hon Kwan** (鄭漢鈞), *GBS, OBE, JP*, aged 84, has been an Independent Non-executive Director of the Company since October 2005, chairperson of Remuneration Committee and a member of each Audit Committee and Nomination Committee of the Company. Dr. Cheng is mainly responsible for providing independent advice to the Board. He holds a Bachelor of Science in Engineering from Tianjin University and a postgraduate diploma from The Imperial College London. Dr. Cheng was also awarded several honorary doctorate degrees including those awarded by The Hong Kong University of Science and Technology, City University of Hong Kong, The Open University of Hong Kong and The Open University, United Kingdom, and is a fellow of The Imperial College London and City and Guilds London Institute. Dr. Cheng is a past president, honorary fellow and gold medallist of The Hong Kong Institution of Engineers; past vice president, fellow and gold medallist of The Institution of Structural Engineers; fellow of The Institution of Civil Engineers, United Kingdom and of American Society of Civil Engineers and honorary fellow of The Institution of Engineers, Australia. He is also an honorary member of both Hong Kong Institute of Planners and Hong Kong Institute of Architects and obtained National Class 1 Registered Structural Engineer qualification. Dr. Cheng is an Authorised Person and a Registered Structural Engineer under the Buildings Ordinance (Chapter 123 of the Laws of Hong Kong); and former chairperson of Hong Kong Housing Authority and Transport Advisory Committee. He is a former member of the Standing Committee of Tianjin CPPCC and is a permanent honorary chairperson of Hong Kong Tianjin Friendship Association. Dr. Cheng is a former member of both Executive and Legislative Councils. He is currently an independent non-executive director of a number of companies listed on the Stock Exchange, including Wing Hang Bank, Limited, Tianjin Development Holdings Limited, Hang Lung Group Limited and Hang Lung Properties Limited.



## Directors' Profile

**KWONG Che Keung, Gordon** (鄺志強), aged 62, has been an Independent Non-executive Director of the Company since October 2005, chairperson of Audit Committee and a member of each Remuneration Committee and Nomination Committee of the Company. Mr. Kwong is mainly responsible for providing independent advice to the Board. He holds a Bachelor of Social Science degree from The University of Hong Kong and is a fellow member of both The Institute of Chartered Accountants in England and Wales and The Hong Kong Institute of Certified Public Accountants. Mr. Kwong is also an independent non-executive director of a number of companies listed on the Stock Exchange, including NWS Holdings Limited, OP Financial Investments Limited, China Chengtong Development Group Limited, Global Digital Creations Holdings Limited, Quam Limited, China Power International Development Limited, Henderson Land Development Company Limited, Henderson Investment Limited, CITIC Telecom International Holdings Limited, China COSCO Holdings Company Limited and Chow Tai Fook Jewellery Group Limited. He resigned as an independent non-executive director of Frasers Property (China) Limited, COSCO International Holdings Limited and Beijing Capital International Airport Company Limited during the year. From 1984 to 1998, Mr. Kwong was a partner of Pricewaterhouse and a council member of Stock Exchange from 1992 to 1997.

**CHEUNG Wing Yui** (張永銳), aged 62, has been an Independent Non-executive Director of the Company since October 2005, chairperson of Nomination Committee and a member of each Audit Committee and Remuneration Committee of the Company. Mr. Cheung is a consultant of Woo, Kwan, Lee & Lo, a law firm. He is mainly responsible for providing independent advice to the Board. Mr. Cheung holds a Bachelor of Commerce degree in accountancy from The University of New South Wales, Australia. He is also a member of CPA Australia, a practising solicitor in Hong Kong, a solicitor in the United Kingdom and an advocate and solicitor in Singapore. He had held various position including deputy chairperson of The Hong Kong Institute of Directors, director of Po Leung Kuk, vice chairperson of the Mainland Legal Affairs Committee of The Law Society of Hong Kong and a member of the Board of Review (Inland Revenue Ordinance). Mr. Cheung is a director and an executive committee member of The Community Chest of Hong Kong, deputy chairperson of the Council of The Open University of Hong Kong and a non-executive director of a number of companies listed on the Stock Exchange, including Tianjin Development Holdings Limited, Sunevision Holdings Ltd., Tai Sang Land Development Limited, SRE Group Limited and SmarTone Telecommunications Holdings Limited. He is also an independent non-executive director of Hop Hing Group Holdings Limited.



# Senior Management's Profile

**WU Xiaoping** (吳小平), aged 48, is a Vice President of the Group. Since joining the Group in 1993, Mr. Wu had been a business manager and assistant to general manager, deputy general manager and general manager of the Group. He is mainly responsible for the management of golf club system, investment system and business operations system of the Group. Mr. Wu graduated from South China Normal University (華南師範大學) majoring in Foreign Languages. Prior to his joining of the Group, he worked with China Shenzhen Foreign Trade (Group) Corp. Ltd. (中國深圳對外貿易(集團)有限公司) from 1987 to 1993. Mr. Wu is a delegate of 14th People's Congress of Zhongshan City (中山市第十四屆人大), vice chairperson of the Standing Committee of Zhongshan City Industry and Commerce Confederation (General Chamber) (中山市工商業聯合會(總商會)), vice chairperson of Zhongshan City Real Estate Association (中山市房地產協會), vice president of Standing Committee of Commerce Chamber in Eastern District Zhongshan City (中山市東區商會), honorary president of Standing Committee Commerce Chamber of Commerce of Zhongshan Torch Hi-Tech Industrial Development Zone (中山火炬高技術產業開發區商會), vice president of Charity Federation in Zhongshan City (中山市慈善總會), honorary president of Macau Zhongshan Shiqi Friendship Association (澳門中山石岐聯誼會), honorary president of Zhongshan Golf Association (中山市高爾夫球協會), vice president of Zhongshan Table Tennis Association (中山市乒乓球協會), deputy secretary-general of 3rd Committee of Zhongshan City Administration of Sports (中山市體育總會第三屆委員會), standing committee member of Zhongshan Overseas Friendship Association (中山市海外聯誼會), honorary principal of Zhongshan Western District Central Primary School (中山市西區中心小學) and director of Alumni Association of South China Normal University (華南師範大學).

**HUANG Fengchao** (黃奉潮), aged 49, is a Vice President of the Group. Since joining the Group in 1999, Mr. Huang had been a head of Real Estate Management Centre of the Group and general manager of Huadu and Nanhu projects. He is mainly responsible for the management of the Group's property projects outside Guangdong Province and in charge of the projects in Hainan and Yunnan. Prior to his joining of the Group, he worked with ExxonMobil (China) Co. Ltd. (美國埃索(中國)有限公司) and France TOTAL (China) Ltd. (法國道達爾(中國)有限公司).

**LIANG Zhengjian** (梁正堅), aged 46, is a Vice President of the Group. Since joining the Group in 1996, Mr. Liang had been a manager, deputy general manager, general manager of the Group's property projects. He is mainly responsible for the management and business operation of the Group's property projects in Southern district of China. Prior to his joining of the Group, he had worked with Traffic Bureau of Zhongshan City (中山市交通局) and China Travel Service of Zhongshan (中山中國旅行社) from 1982 to 1995.

**LIU Huaxi** (劉華錫), aged 36, is a Vice President of the Group. Since joining the Group in 1995, Mr. Liu had been a supervisor of the Business Development Department, officer of Administrative Office, assistant to vice president and deputy head of Real Estate Management Centre of the Group. He is mainly responsible for the management of the Group's project development, hotel business, business development, property management, administration and personnel management and corporate communications. Mr. Liu graduated from Hohai University (河海大學) majoring in enterprise management in 1995.



## Senior Management's Profile

**CHUI Wing Nin** (崔永年), aged 46, is Chief Financial Officer of the Group. Mr. Chui joined the Group in 2010 and is mainly responsible for accounting, corporate finance and investor relations of the Group. Prior to his joining of the Group, he was a general manager of finance department of a Hong Kong listed company. Mr. Chui is graduated from The Chinese University of Hong Kong with a Bachelor's degree in business administration and a Master's degree of finance from The University of London and has Chartered Financial Analyst qualification. He has over 21 years of experience in corporate finance, treasury management, finance and banking. Mr. Chui has undertaken a more limited role in his functions as the Group's Chief Financial Officer due to a pending legal proceeding in Hong Kong relating to a purported violation of Hong Kong securities laws alleged to have occurred in 2008 during his prior employment before he joined the Group. Mr. Chui's primary responsibilities have been taken over by Mr. Wang Zhe at such time.

**CHEN Zhongqi** (陳忠其), aged 44, is a Vice President of the Group. Since joining the Group in 1993, Mr. Chen had been a project controller and chief engineer, supervisor of the Project Engineering Department, deputy manager of Project Management Department and a deputy head of Real Estate Management Centre of the Group. He is mainly responsible for the management of the project development of the Group's real estate business, including monitoring project quality, progress, technology, contract and quantity survey. Mr. Chen is graduated from Neijiang Normal University (內江師範學院) (previously known as Neijiang Institute of Education (四川內江師範專科學院)) in Sichuan in 1991. He also has a budgeting engineer and registered quantity surveyor qualifications.

**CHEN Lulin** (陳璐琳), aged 39, is a Vice President of the Group. Since joining the Group in 2005, Mr. Chen had been a deputy head and vice president of Real Estate Management Centre of the Group. He is mainly responsible for the management of design centre, decoration project, green landscape engineering of the Group, and in charge of Zhongshan Fashion Decoration Co., Ltd. (中山市時興裝飾有限公司). Mr. Chen graduated from Lanzhou Railway University (蘭州鐵道學院) majoring in engineering. Prior to his joining of the Group, he worked with Shanghai Construction Group (上海建工集團).

**XUE Shuangyou** (薛雙有), aged 48, is a Vice President of the Group. Since joining the Group in 1999, Mr. Xue had been a chief engineer of the Group, deputy general manager and general manager of the Group's property projects and regional president of Foshan district. He is mainly responsible for the Group's property development, sales and property management in the Foshan district and in charge of projects of Western, Northeast and Central district of China. Mr. Xue graduated from Inner Mongolia University of Technology (內蒙古工業大學). Prior to his joining of the Group, he worked with The Tenth Institute of Project Planning and Research of Ministry of Machinery Industry (中國機械工業部第十設計研究院).

**LI He** (李合), aged 53, is a Vice President of the Group. Since joining the Group in 2007, Mr. Li is mainly responsible for the management of the Group's property projects in Western China (Chengdu, Chongqing and Xi'an) and Northern China (Beijing and Tianjing). He graduated from South China Normal University (華南師範大學) in Guangzhou majoring in politics in 1983 and obtained a Master's degree in business administration from Murdoch University in Australia in 2001. Prior to his joining of the Group, Mr. Li was a managing director of Beijing Changli Investment Company Limited (北京昌力投資有限公司) and president director of Guangzhou Dali Investment Company Limited (廣州達利投資有限公司).



## Senior Management's Profile

**MAO Jianping** (毛建平), aged 42, is a Group Vice President and Regional President for Eastern China. Since joining the Group in 1994, Mr. Mao had been an officer and manager of Contract Budget Department of the Group, a manager of engineering management of Group's projects in Guangzhou region, the general manager of Nanjing project and deputy head of Group Engineering Management Department of the Group. He is mainly responsible for the development, sales, management of properties, business operation, hotel and golf club business operation and management in Eastern China. Mr. Mao graduated from Guizhou Radio & TV University (貴州廣播電視大學) majoring in industrial automation and has cost engineer and senior economist qualifications. He had been awarded several awards including "Outstanding Non-Guangdong Province Resident Worker in Zhongshan City" (中山市優秀外來員工) in 2000, "New Leader of Real Estate in Nanjing" (2009–2010 南京地產新領軍人物) in 2009, "Nanjing Ten Most Fascinating People in Real Estate Business" (南京地產十大魅力人物) and "2009–2010 Spiritual Advanced Individual in Nanjing Qinhuai District" (南京市秦淮區級精神文明建設先進個人) in 2010.

**WU Jinhong** (吳錦鴻), aged 43, is a Financial Controller of the Group. Since joining the Group in 1998, Mr. Wu had been a project finance officer, manager and deputy head of Finance Centre of the Group. He is mainly responsible for the financial management and supervision of the Group's projects outside Guangdong Province. Mr. Wu is graduated from Foshan Financial College (佛山財政學校) majoring in finance and taxation in 1990 and from Guangdong Radio & TV University (廣東廣播電視大學) majoring in finance and accounting in 1995, and obtained a postgraduate diploma in economic management from Guangdong Institute of Social Science (廣東省社會科學院) in 2002. He has Registered Financial Planner qualification. Prior to his joining of the Group, Mr. Wu was an auditor of an accounting firm and a finance manager of a property development company.

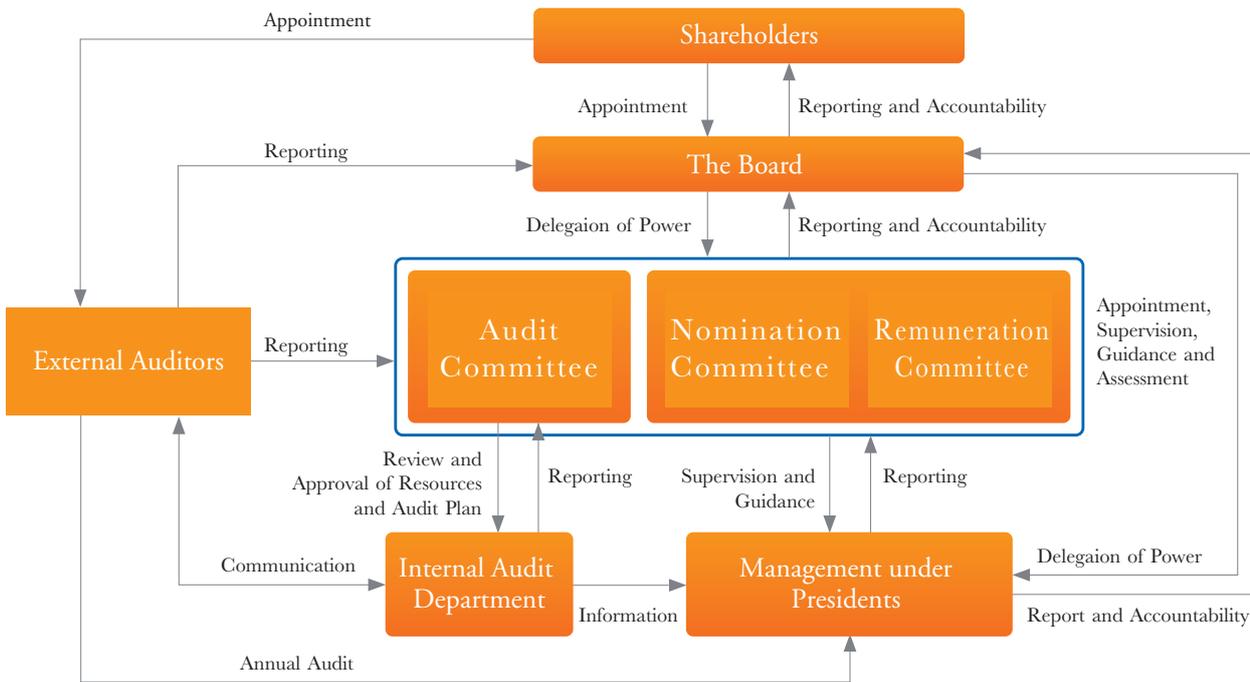
**WANG Zhe** (王哲), aged 46, is a Financial Controller of the Group. Since joining the Group in 2000, Mr. Wang had been a senior manager, regional deputy financial controller and financial controller of the Group's project in Guangzhou region. He is mainly responsible for the financial management and accounting, tax planning and financing of the Group. Mr. Wang graduated from Shaanxi Financial Collage (陝西財經學院) in 1995 and has Chinese Certified Public Accountant and Chinese Certified Tax Agent qualifications. Prior to his joining of the Group, Mr. Wang worked with Shaanxi Province Tongchuan City Post & Telecommunication Bureau (陝西省銅川市郵電局) from 1985 to 1996 and Guangzhou Eastern Group (廣州東方人集團) from 1996 to 2000. Due to the pending legal proceeding of Mr. Chui Wing Nin, Mr. Wang will oversee the financial operations of the Company.

**WAI Ching Sum** (衛靜心), aged 44, is a Deputy General Manager and Company Secretary of the Company. Since joining the Group in 2005, Ms. Wai is mainly responsible for corporate governance and corporate affairs of the Group, and the management and business operation of Group's company in Hong Kong region. Ms. Wai graduated with a Master of Science degree in Financial Economics from The University of London, England in 1997 and a Master of Laws degree in Chinese Laws and Comparative Laws from City University of Hong Kong in 2002. She is a fellow member of The Institute of Chartered Secretaries and Administrators in the United Kingdom and The Hong Kong Institute of Chartered Secretaries and possesses the Practitioner's Endorsement issued by The Hong Kong Institute of Chartered Secretaries. Prior to her joining of the Group, Ms. Wai had worked in a number of companies listed on the Stock Exchange and has over 21 years of relevant professional experience.



# Corporate Governance Report

## Corporate Governance Structure



The Group firmly believes in operating and developing various business sectors in an enlightened and responsible way; while it is beneficial for the keeping up and building of Agile’s renowned branding, helps realizing the target of profit maximisation for the enterprise; it also contributes to consolidate and enhance the long-term benefits of the Group as well as its Shareholders. Accordingly, the Group attaches great importance to the quality of the management and leadership of the Board and the management, adopts a steady and responsible policy for operation and development as well as an effective but stringent style of governance and reviewing and improving the internal monitoring and control system from time to time.

Strict corporate governance can enhance the Group’s credibility and transparency, thus strengthening the confidence of the Shareholders and the public in the Group. During the year, the Group has complied with all code provisions of CG Code, and adopted and complied with certain recommended best practices.

Particulars about the Group’s investor relations and recognitions received in respect of the good management and corporation governance are set out in the investor relations on page 80 of this annual report.



## Corporate Governance Report

### Compliance with Model Code

The Company has made its own code for securities transactions by Directors (“Securities Dealing Code for Directors”), 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 set out in Appendix 10 to the Listing Rules as the code of conduct for Directors in dealings with the Company’s securities. After enquiry, each of the Directors has confirmed to the Company that he or she had completely complied with the Securities Dealing Code for Directors during the year ended 31 December 2011.

In addition, the Group’s staff is required to comply with the code for securities transactions by the Group’s employees adopted and amended by the Board.

### The Board

The Board currently comprises 9 members, with 6 executive Directors and 3 INEDs, being one-third of the Board. They possess professional qualification and experience in the three areas of financial accounting, law and real estate industry respectively. Relevant list of members of the Board has been published on the Company’s website, and the relations and biographical details of each Director is set out on pages 84 to 86 of this annual report.

The Board will assign task and power according to the function and ability of the management when formulating development strategies and management policies, and present a clear guidance. The Company also formulates its own terms of reference of the Board and clearly presents the division of responsibilities of the Board and the president.

### Chairman and Co-Presidents

The role and division of responsibilities between the Chairman and Co-Presidents are clearly defined. Mr. Chen Zhuo Lin is the Chairman of the Board, and Mr. Chan Cheuk Yin and Ms. Luk Sin Fong, Fion, are the Vice Chairpersons and Co-Presidents respectively.

The Chairman is responsible for formulating the Company’s overall strategies and policies, and organising the works of the Board, ensuring its effectiveness; and instructing the company secretary from time to time to provide the Directors with the Group’s development situation and the latest information or provisions relating to the corporate governance so that the Directors can perform their duties. Meanwhile, the Chairman will, from time to time arrange, the INEDs and executive Directors to jointly attend the opening ceremony of new projects, site visits and participate in golf activities as well as Company’s dinner party to promote a favourable and constructive relationship between the executive Directors and INEDs. During the year, the Chairman held one separate meeting alone with all INEDs without the presence of other executive Directors.

The presidents are also authorised by the Board to lead the senior management to carry out the day-to-day management and operations of the business of the Company according to the objectives and directions determined by the Board, and internal control policy and procedure.



## Corporate Governance Report

### **Independence of the independent non-executive Directors**

Each INED has given the Company his confirmation of independence under the standard set out in rules 3.13 of the Listing Rules, and the Company also considers these Directors to be independent. No INED has served the Company for more than 9 years.

INEDs may offer independent opinions on the operation management and development strategies of the Group, and vote independently on matters where executive Directors shall abstain from voting when there is a potential conflict of interests between executive Directors and the matter under consideration.

### **Appointment and re-election**

The tenure of INEDs is 3 years, calculating from the date of the annual general meeting approving the appointment by the Shareholders to the end of the third annual general meeting. The Company has entered into service agreements with each executive Director, and appointment letters with INEDs. Both service agreements and appointment letters clearly set out the powers and duties of the Directors.

Each Director has disclosed to Company about the names, titles and nature of the Company or organisation hold in public companies or organisations, when accepted the appointment, and informs timely the Company of its any relevant change. The Company will also require Directors to submit written confirmation or update on their biographical details every year, and set out the updated biographical details of Directors in this annual report.

Pursuant to requirements of the articles of association of the Company, each Director (including INEDs) shall retire by rotation once every 3 years in annual general meeting and being entitled to re-election. Both names and biographical details of Directors eligible for re-election are set out in circular for Shareholders to make informed decisions with grounds in the election of Directors. All Directors appointed to fill a casual vacancy will be subject to election by Shareholders at the first general meeting after their appointments. Any further appointment of such director of the Company shall be subject to a separate resolution to be approved by Shareholders.

Pursuant to established procedures of the Company, any newly appointed Director will be provided with information relating to the discharge of his or her duties as directors, including “Statement of Policy for Corporate Governance”, the operation and financial information of the Group, “A Guide on Directors Duties” issued by Companies Registry, and Listing Rules. The company secretary will also provide Directors with latest information on Listing Rules and other applicable regulatory requirements, so as to update and strengthen the Directors’ awareness of the development of corporate governance.

### **Board and board committee meetings**

During the year, the Board held a total of 4 regular meetings in March, May, August and December respectively, with one held outside Hong Kong.



## Corporate Governance Report

The Board will determine the date of the following year's regular meetings on the last regular meeting during the year so as to ensure that all the Directors can have the opportunity to attend the meetings. In addition, the Company will also provide all the Directors with at least 14 working days notice in respect of holding regular Board meetings. The Chairman will instruct the company secretary to circulate the draft Board meeting agenda to all Directors for their perusal and comment 21 days before meeting date. The Board meeting agenda will be signed and issued by the company secretary only after incorporating all the comments of Directors (if any). Meeting documents will normally be delivered to all Directors 3 working days before meeting date, so as to ensure they are fully informed before the meeting.

Any matter involving interest of substantial Shareholder or Directors shall be subject to the consideration and approval by Board attend personally at a Board meeting, or to be implemented and dealt with by designated Board committee. Directors who have interest may attend meeting but shall not be counted towards quorum and Directors who have interest shall abstain from voting on the relevant matter. All Directors can require the company secretary to provide advice and service on relevant aspects, including the follow-up of or the provision of support to any matters; ensuring the Board procedures and all applicable rules and regulations are complied with.

The management will submit relevant reports and report the content of the meeting to the Directors on every quarterly Board meeting, and will also submit last month's report on relevant financial and operational data of the Group at the beginning of every month, and other reports required by the Board from time to time to the Directors for their perusal and comment. The management will also give detailed explanation to any enquiry made by the Directors. Therefore, the Board may make informed assessment in respect of the financial and other information submitted to them for their approval.

The meeting minutes of the Board and its committees are drafted and kept by the company secretary. All meeting minutes will set out in detail the matters considered and decisions made at the meetings, including, among others, any queries made or views expressed by the Directors. Generally, the company secretary will distribute the first draft of the meeting minutes to all the relevant attending Directors for their comment within 7 working days after the end of the meetings of the Board and its committees. Having incorporated the comments of the Directors (if any), the finalised version of the meeting minutes as assigned on by the chairman of such meetings will be distributed by the company secretary to all relevant attending Directors for record-keeping purpose.

All the executive Directors and the INEDs have allocated a reasonable amount of time to follow and deal with various affairs of the Company during the year. In addition to attending the meetings of the Board and its committees, the Directors also spend sufficient time in reviewing the monthly internal audit reports provided by the Internal Audit Department.

### **Liability insurance of Directors and senior management**

Since its listing in 2005 and to date, the Company has taken up the "Directors and Officers Liability Insurance" for its Directors and senior management, in order to safeguard them from any legal and compensation liabilities arising in the course of discharging their duties.



## Corporate Governance Report

### The committees of the Board

The Company has established 3 committees, including remuneration committee, nomination committee and audit committee. Each of the committees has its own defined terms of reference. The role and authority of the 3 committees under the Board have been set out respectively in the terms of reference and posted onto the Company's website, and will be amended from time to time.

#### Remuneration committee

The Board has established remuneration committee since November 2005. The committee comprises 3 INEDs and an executive Director, and is chaired by Dr. Cheng Hon Kwan, an INED.

The major duties of the remuneration committee are to formulate the Group's remuneration policy and give advice to the Board. In determining remuneration of executive Directors, remuneration committee will take into consideration the remuneration level of peers with similar scale, the time spent by respective executive Director, individual performance and Company's performance. Before the remuneration committee proceeds to discuss and determine the remuneration for executive Directors, the remuneration committee will first consult the Chairman and, if necessary, consult the management for their advice.

Pursuant to the relevant requirements of "Statement of Policy for Corporate Governance", remuneration committee, if necessary, may seek independent professional opinions when discharging their duties at the fees and expenses of the Company.

During the year, the remuneration committee held one meeting, the summary of which is set out below:

- Reviewing the remuneration adjustments of senior management in 2011;
- Confirming the remuneration of executive Directors and INEDs in 2010;
- Determining the remuneration of executive Directors in 2011; and
- Discussing the remuneration of INEDs in 2011 and giving advice to the Board.

#### Nomination committee

The Board has established nomination committee since December 2006. The committee comprises 3 INEDs and an executive Director, and is chaired by Mr. Cheung Wing Yui, an INED.



## Corporate Governance Report

The major duties of nomination committee are to give advice to the Board on the appointment/re-appointment of Directors, and to review the structure, number of members and composition of the Board and to assess the independence of INEDs.

Pursuant to the relevant requirements of “Statement of Policy for Corporate Governance”, nomination committee, if necessary, may seek independent professional opinions when discharging their duties at the fees and expense of the Company.

During the year, the nomination committee held one meeting for considering the contribution to the Group by the retiring Directors of Mr. Chan Cheuk Yin and Mr. Chan Cheuk Hei, executive Directors, and Mr. Kwong Che Keung, Gordon, an INED, and advising the Board on the re-election of proposed retiring Directors.

### **Audit committee**

The Board has established audit committee since November 2005. Audit committee comprises 3 INEDs and is chaired by Mr. Kwong Che Keung, Gordon, an INED.

According to its terms of reference, the main duties of audit committee are reviewing accounting policy, monitoring the works of both the Company’s external auditors and internal audit department, reviewing and assessing the financial reporting procedure and its effectiveness, as to ensure the compliance with the regulations of applicable accounting and reporting and the requirements of law and provisions, and considering and reviewing the adequacy of resources, qualifications and experience of staff of the Company’s accounting and financial function, and reporting the results to the Board.

Regarding the re-appointment of the external auditors, the Board and the audit committee do not differ in views. In addition, pursuant to the relevant requirements of Statement of Policy for Corporate Governance, audit committee, if necessary, may seek independent professional opinions when discharging their duties at the fees and expenses of Company.

During the year, audit committee held 2 meetings in March and August respectively, the summary of which is set out below:

- Reviewing annual results of 2010 and annual report of 2010, interim results of 2011 and interim report of 2011;
- Reviewing audit works report, the advice report of internal control and management presented by auditors;
- Discussing and reviewing presented internal control management report, audit monitoring plan and audit timetable; and
- Reviewing the matters of the Group’s internal control and risk assessment.



## Corporate Governance Report

### External auditor

At the 2011 annual general meeting, the Shareholders approved the re-appointment of PricewaterhouseCoopers as the auditor of the Group. For the year ended 31 December 2011, remuneration paid and payable to PricewaterhouseCoopers in relation to audit and non-audit services are detailed as below:

	2011	2010
	RMB	RMB
Fee for audit services	5,400,000	4,950,000
Fee for non-audit services	1,440,000	900,000

### Responsibility in financial statements

Directors have acknowledged their responsibilities for preparing the accounts in this annual report, and PricewaterhouseCoopers, the external auditor of the Group have also stated their reporting responsibility in the auditor's report of financial statements.

The Board is not aware of any uncertainty or conditions of a material nature that would affect the Company's ability as to continue as a going concern.

### Internal control

The Board is responsible for formulating proper internal control and risk management system for the Group, and reviewing its effectiveness regularly through the audit committee.

The internal audit department of the Company reports directly to the audit committee, responsible for constantly supervising the work flow and risk assessment of each department of the Group, to assist the Board and senior management complying with the applicable supervising requirements and guidelines in risk control and supervision, so as to improve the efficiency of internal control system. Through continuous internal audit and reporting from time to time, the internal audit department will ensure the effective operation of the internal control system.

During the year, the audit committee held 2 meetings with the internal audit department. The audit committee reviewed the works done and planning reports submitted by the internal audit department, reviewed the effectiveness of the internal control at the meetings and reported the results of review and discussion to the Board. Should any material fault be found or any material weakness in monitoring be found, the internal audit department will report them to the audit committee immediately. During the year, the audit committee and the Board considered that the internal control system of the Group worked effectively.



## Corporate Governance Report

For risk management, the Board will review the finance, operation and compliance, and risk management corresponding to the changes in its business and the external environment, and to cope with by discussing and formulating strategies or measures in each of quarterly meeting.

In addition, the Company has also appointed BDO Financial Services Limited (“BDO Financial”) to conduct the internal control review and reports to the audit committee. During the year, the work of BDO Financial is as follows:

- The first stage: to carry out tests on property management, investment management, contract process, human resources and financial statements of the Group’s property management companies;
- The second stage: for the real estate projects development, to spot check the operational process and valuation of the project in Zhongshan, Shunde, Guangzhou and Nanjing and their financial contents and carry out tests;
- The third stage: to spot check the operational process of several hotel projects; and
- After the accomplishment of the tests, BDO Financial will assess the subsequent impacts of the weakness of internal control and give corresponding advice.

The Board also instructs the management to take corresponding measures according to the weakness of internal control pointed out by BDO Financial.

### Relation between Agile and Shareholders

Both the Board and the management fully understand that there must be good communications with the Shareholders in order to help Shareholders and investors to have a better understanding of the businesses of the Group. Therefore, the Company has been reporting the performance and latest development of the Group to Shareholders through various channels and platforms, as follows:

- Apart from publishing the annual reports, interim reports, announcements, and circulars to Shareholders on the Company’s website ([www.agile.com.cn](http://www.agile.com.cn)) pursuant to Listing Rules, the Company has also posted onto its website the financial highlights, press release, and the terms of reference of the Board’s committees, such that Shareholders can obtain more corporate information from the website of the Company. Moreover, in order to enable Shareholders to have a better understanding of the latest movement and development of the Group, a “Monthly Newsletter” (including the monthly focus of the Group) and company news has been added to the Company’s website;
- The Company is committed to improve its investor relations. During the year, senior management of the Company had conducted road shows and interviews with investment banks, fund managers, and financial analysts. The records of interview are reviewed in the quarterly meetings of the Board to ensure that their views and recommendations can reach the Board;
- The Company also establishes investor relations contact information for Shareholders to express their opinions and making enquiries. The details are set out on page 202 in the stakeholders’ information of this annual report;



## Corporate Governance Report

- Members of the Board actively take part in the annual general meetings in order to have more contacts with the Shareholders. The chairman of the Board, the chairperson of the audit committee, the chairperson of remuneration committee and the proxy of the chairperson of nomination committee and the external auditors have attended the 2011 annual general meeting. In the general meeting, there is a briefing on the business of the Company by the Chairman of the Board and a question and answer session as well as a discussion with shareholders on the long-term development strategy of the Company. Poll results are posted onto the websites of Company and HKEx after the general meeting; and
- The Company's notice of 2011 annual general meeting and 2011 extraordinary general meeting had been despatched to Shareholders respectively in no less than 20 business days and 10 business days before the commencing date of the meeting. Meanwhile, the Shareholders' circular of the Company in 12 April 2011 set out that all resolutions proposed at the general meeting had been taken by way of poll pursuant to Rules 13.39 of the Listing Rules while the chairman of the meeting further announced at 2011 annual general meeting that all resolutions had been taken by way of one vote per share. The company secretary is responsible for specifying the relevant procedures to the attendant shareholders to ensure that the shareholders are familiar with the details of the procedures of voting by poll.

During the year, the Company had no changes made to the Articles of Association of the Company.

### Other disclosures

#### Attendance of Directors and members of Board committees

	Number of attendance <sup>note</sup> /meetings held in 2011					
	The Board	Audit Committee	Nomination Committee	Remuneration Committee	Annual General Meeting	Extraordinary General Meeting
<b>Executive Directors</b>						
Mr. Chen Zhuo Lin ( <i>Chairman</i> )	4/4	—	—	—	1/1	1/1
Mr. Chan Cheuk Yin ( <i>Vice Chairperson and Co-President</i> )	3/4	—	—	—	0/1	0/1
Ms. Luk Sin Fong, Fion ( <i>Vice Chairperson and Co-President</i> )	4/4	—	1/1	1/1	1/1	1/1
Mr. Chan Cheuk Hung	4/4	—	—	—	0/1	0/1
Mr. Chan Cheuk Hei	4/4	—	—	—	0/1	0/1
Mr. Chan Cheuk Nam	4/4	—	—	—	0/1	0/1
<b>Independent Non-executive Directors</b>						
Dr. Cheng Hon Kwan	4/4	2/2	1/1	1/1	1/1	1/1
Mr. Kwong Che Keung, Gordon	4/4	2/2	1/1	1/1	1/1	1/1
Mr. Cheung Wing Yui	3/4	2/2	1/1	1/1	0/1	0/1

Note: The Directors can attend meetings in person, by phone or through other means of electronic communication in accordance with the Company's Articles of Association.



# Report of the Directors

The Board are pleased to present this report of the directors for the year ended 31 December 2011.

## Principal activities

The Company is principally engaged in investment holdings. Its subsidiaries are principally engaged in property development, property management, hotel operations and property investment.

An analysis of the Group's turnover and operating profit during the year by principal business segments is set out in note 5 to the consolidated financial statements.

## Subsidiaries

Particulars of the Company's major subsidiaries as at 31 December 2011 are set out in note 44 to the consolidated financial statements.

## Results

The results of the Group for the year ended 31 December 2011 are set out on page 120 of this annual report.

## Dividends

The Company's interim dividend of HK10.8 cents (2010: HK6.1 cents) per Share was distributed to Shareholders on 27 September 2011. The Board has proposed the payment of a final dividend of HK23.4 cents (2010: HK23.0 cents) per Share, if approved by Shareholders, the total dividend of 2011 was HK34.2 cents (2010: HK29.1 cents) per Share.

Upon approval at the 2012 AGM, the proposed final dividend will be paid on or about Friday, 8 June 2012 to Shareholders whose names appear on the register of members of the Company on Friday, 18 May 2012.

## Share capital

Details of movements in the share capital of the Company during the year are set out in note 20 to the consolidated financial statements.

## Reserves

Details of movements in reserves of the Group during the year are set out in note 21 to the consolidated financial statements.

As at 31 December 2011, the distributable reserves of the Company were approximately RMB4.7 billion (2010: RMB4.5 billion).



## Report of the Directors

### **Investment properties**

During the year, the Group has designated certain of its properties as investment properties which were stated at fair value after initial recognition. The fair value gains of the investment properties amounted to RMB96 million and has been recognised directly in the consolidated income statement.

Details of movements of the Group's investment properties during the year are set out in note 9 to the consolidated financial statements.

### **Property, plant and equipment**

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

### **Borrowings and interest capitalised**

Borrowings repayable on demand or within one year are classified under current liabilities. Details of the borrowings of the Group are set out in note 22 to the consolidated financial statements. Interest and other borrowing costs capitalised by the Group during the year are set out in note 33 to the consolidated financial statements.

### **Senior notes**

The Company issued two different senior notes in November 2009 and April 2010 respectively, (i) 10% senior notes in an aggregate principal amount of US\$300 million due by 2016 ("2009 Notes") and (ii) 8.875% senior notes in an aggregate principal amount of US\$650 million due by 2017 ("2010 Notes"). Details of 2009 Notes and 2010 Notes are set out in note 22 to the consolidated financial statements.

### **Convertible bonds**

On 28 April 2011, the Company issued 4% convertible bonds in an aggregate principal amount of US\$500 million due by 2016 (the "Convertible Bonds"). The net proceeds from the issue of the Convertible Bonds are used for possible land acquisitions and used as general working capital. Details of the Convertible Bonds are set out in note 23 to the consolidated financial statements.

### **Donations**

Donations made by the Group during the year amounted to RMB83 million (2010: RMB155 million).

### **Retirement benefit scheme**

Details of retirement benefit scheme of the Group are set out in note 31 to the consolidated financial statements.



## Report of the Directors

### Five-year financial summary

The financial summary of the Group for the year ended 31 December 2011 and the last 4 financial years are set out on pages 200 to 201 of this annual report.

### Senior management

Biographical details of the senior management of the Group are set out on pages 87 to 89 of this annual report.

### Directors

The list of Directors is set out on page 202 of this annual report and their biographical details are set out on pages 84 to 86 of this annual report. All Directors held office for the whole year.

In accordance with Article 87 of the Company's articles of association, Mr. Chen Zhuo Lin, Ms. Luk Sin Fong, Fion and Dr. Cheng Hon Kwan shall retire from office by rotation and being eligible, offer themselves for re-election at 2012 AGM. None of the retiring Directors to be re-elected in the 2012 AGM has a service agreement or appointment letter with the Company or any of its subsidiaries which is not terminable within one year without payment of compensation other than statutory compensation.

The Company has received from each INED a confirmation of his independence pursuant to the independence guidelines under the Listing Rules. The Company considered all the INEDs to be independent.

### Share option scheme

The Company has adopted a share option scheme (the "Scheme") on 23 November 2005, but no option has been granted under the Scheme.

Summary of the Scheme disclosable pursuant to Chapter 17 of the Listing Rules is as follows:

Purpose and objectives of the Scheme	<p>To recognise and commend eligible participants who have or may have contribution to the Group:</p> <ol style="list-style-type: none"> <li>1. to motivate the eligible participants to optimise their performance efficiency for the benefit of the Group; and</li> <li>2. to attract and retain or otherwise maintain good relationship with eligible participants whose contributions are or will be beneficial to the long-term growth of the Group.</li> </ol>
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## Report of the Directors

Participants of the Scheme	<p>Eligible participants can be any of the following class of persons or entities:</p> <ol style="list-style-type: none"> <li>1. any full-time or part-time employees, executives or officers of the Company or any of its subsidiaries;</li> <li>2. any directors (including non-executive directors and independent non-executive directors) of the Company or any of its subsidiaries;</li> <li>3. any advisers, consultants, suppliers, customers and agents to the Company or any of its subsidiaries; and</li> <li>4. such other persons who, in the opinion of the Board, will contribute or have contributed to the Group, the assessment criteria of which are:             <ol style="list-style-type: none"> <li>(i) contribution to the development and performance of the Group;</li> <li>(ii) quality of work performed for the Group;</li> <li>(iii) initiative and commitment in performing his/her duties; and</li> <li>(iv) length of service or contribution to the Group.</li> </ol> </li> </ol>
Total number of shares available for issue under the Scheme and percentage to the issued share capital as at 31 December 2011	The number of shares available for issue under the Scheme is 332,200,000 shares, representing approximately 9.63% of the issued share capital as at 31 December 2011.
Maximum entitlement of each participant	The maximum entitlement for each participant is that the total number of shares of the Company issued and to be issued upon exercise of the option granted to each participant (including exercised, cancelled or outstanding options) in any 12-month period shall not exceed 1% of the total number of shares of the Company in issue. Any grant of further options above this limit shall be subject to certain requirements as stipulated in the rules of the Scheme.
The period within which the share options must be exercised	Commencing on the date of grant and deemed accepted of an option and expiring at 10 years from that date.
The minimum period for which an option must be held before it can be exercised	A grantee may be required to achieve any performance targets as the Board may then specify in the grant before any option granted under the Scheme can be exercised.



## Report of the Directors

The amount payable on application or acceptance of the option, and the period within which payments or calls must or may be made, or loans for such purposed must be paid	Upon acceptance of the option, the grantee shall pay HK\$1.00 to the Company by way of consideration for the grant. Any offer to grant an option to subscribe for shares may be accepted in respect of less than the number of shares for which it is offered provided that it is accepted in respect of a board lot of dealing in shares on the Stock Exchange or an integral multiple thereof and such number is clearly stated in the duplicate document constituting acceptance of the option. To the extent that the offer to grant an option is not accepted by any prescribed acceptance date, it shall be deemed to have been irrevocably declined.
The basis of determining the exercise price	<p>The subscription price of a share in respect of any particular option granted under the Scheme shall be such price as the Board in its discretion shall determine, save that such price will not be less than the highest of:</p> <ol style="list-style-type: none"> <li>1. the closing price of shares as stated in the Stock Exchange's daily quotation sheets on the date of grant, which must be a day on which the Stock Exchange is open for business of dealing in securities;</li> <li>2. the average of the closing price of shares as stated in the Stock Exchange's daily quotation sheets for five business days immediately preceding the date of grant; and</li> <li>3. the nominal value of a share.</li> </ol>
Validity of the Scheme	10 years, from 23 November 2005 to 22 November 2015.

### Model code for securities transactions by Directors

The Company has established its own code for securities transactions by Directors ("Securities Dealing Code for Directors") on terms no less exacting than those criteria set out in Model Code. After the inquiries made, each of the Directors has confirmed to the Company that he or she complied with the Securities Dealing Code for Directors during the year ended 31 December 2011.

### Directors' interests in shares, underlying shares and debentures and short positions

As at 31 December 2011, the interests or short positions of the Directors and chief executives of the Company in the shares, underlying shares and debentures of the Company and any of its associated corporations (within the meaning of Part XV of SFO) which (i) were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of SFO (including interests or short positions which they were taken or deemed to have under such provisions of SFO); or (ii) were recorded in the register required to be kept by the Company under Section 352 of SFO; or (iii) were required by Securities Dealing Code for Directors to be notified to the Company and the Stock Exchange, were as follows:



## Report of the Directors

### (1) Long positions in Shares of the Company

Director	Number of shares held in the Company			Total number of Shares	Approximate percentage to issued Share capital
	Personal interests		Interests of controlled corporation		
	Beneficiary of a trust (Note 1)	Beneficial owner			
Chen Zhuo Lin	2,180,530,000	Nil	12,690,000 (Note 2)	2,193,220,000	63.58%
Chan Cheuk Yin	2,180,530,000	Nil	12,000,000 (Note 3)	2,192,530,000	63.56%
Luk Sin Fong, Fion	2,180,530,000	Nil	12,690,000 (Note 2)	2,193,220,000	63.58%
Chan Cheuk Hung	2,180,530,000	Nil	Nil	2,180,530,000	63.21%
Chan Cheuk Hei	2,180,530,000	7,000,000 (Note 4)	Nil	2,187,530,000	63.42%
Chan Cheuk Nam	2,180,530,000	6,028,000 (Note 5)	Nil	2,186,558,000	63.39%

Notes:

1. Held by Top Coast as trustee.
2. Held by Brilliant Hero Capital Limited and Famous Tone Investments Limited which are jointly controlled by Mr. Chen Zhuo Lin and Ms. Luk Sin Fong, Fion.
3. Held by Renowned Idea Investments Limited, which is wholly-owned by Mr. Chan Cheuk Yin.
4. Jointly held by Mr. Chan Cheuk Hei and his spouse Ms. Lu Yanping.
5. Jointly held by Mr. Chan Cheuk Nam and his spouse Ms. Chan Siu Na.



## Report of the Directors

### (2) Long positions in the debentures of the Company

Director	Type	Personal interests	Approximate percentage to the debentures
Kwong Che Keung, Gordon	8.875% senior notes in an aggregate principal amount of US\$650 million due by 2017	US\$1,000,000	0.154%

Save as disclosed above, as at 31 December 2011, none of the Directors and chief executives of the Company had any interests or short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of SFO) which (i) were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of SFO (including interests or short positions which they were taken or deemed to have under such provisions of SFO); or (ii) were recorded in the register required to be kept by the Company under Section 352 of SFO; or (iii) were required by Securities Dealing Code for Directors to be notified to the Company and the Stock Exchange.

### Substantial shareholders' interests and short positions

So far as is known to the Directors or chief executives of the Company, as at 31 December 2011, the interests or short positions of substantial shareholders (other than Directors or the chief executives of the Company) in the shares or underlying shares of the Company which (i) would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of SFO or (ii) were recorded in the register required to be kept by the Company under Section 336 of SFO were as follows:

Shareholder	Number of shares held in the Company				Total number of shares (Note 7)	Approximate percentage to issued share capital
	Trustee interests	Personal interests	Spouse's interests			
Top Coast	2,180,530,000	Nil	Nil		2,180,530,000	63.21%
Zheng Huiqiong	Nil	Nil	2,192,530,000		2,192,530,000	63.56%
				(Note 1)		
Lu Liqing	Nil	Nil	2,180,530,000		2,180,530,000	63.21%
				(Note 2)		
Lu Yanping	Nil	7,000,000	2,180,530,000		2,187,530,000	63.42%
		(Note 3)	(Note 4)			
Chan Siu Na	Nil	6,028,000	2,180,530,000		2,186,558,000	63.39%
		(Note 5)	(Note 6)			



## Report of the Directors

### Notes:

1. Deemed interests attributable to the spouse relationship with Mr. Chan Cheuk Yin (Director).
2. Deemed interests attributable to the spouse relationship with Mr. Chan Cheuk Hung (Director).
3. Jointly held by Ms. Lu Yanping and her spouse Mr. Chan Cheuk Hei (Director).
4. Deemed interests attributable to the spouse relationship with Mr. Chan Cheuk Hei (Director).
5. Jointly held by Ms. Chan Siu Na and her spouse Mr. Chan Cheuk Nam (Director).
6. Deemed interests attributable to the spouse relationship with Mr. Chan Cheuk Nam (Director).
7. All interests in the above Shares were long positions.

Save as disclosed above, as at 31 December 2011, none of the substantial Shareholders (other than Directors or chief executives of the Company) had informed to the Company that they had any interests or short positions in the shares which (i) would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of SFO or (ii) were recorded in the register required to be kept by the Company under Section 336 of SFO.

### Interests of any other persons

Save as disclosed above, as at 31 December 2011, none of any other persons had informed to the Company that they had any interests and short positions in the shares which (i) would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of SFO or (ii) were recorded in the register required to be kept by the Company under Section 336 of SFO.

### Emolument policy and long-term incentive schemes of the Group

As at 31 December 2011, the Group had a total of 11,897 employees. The related employees' costs for the year amounted to approximately RMB856 million. The compensation of the Group is determined with reference to the market, individual performance and contributions. Bonuses are also distributed based on the performance of employees. The Group also provides a comprehensive benefit package and career development opportunities, including retirement scheme, medical benefits, and both internal and external training appropriate to individual needs.

A share option scheme is in place to provide appropriate long-term incentive to key staff of the Group. Details of the share option scheme of the Company are set out in the section headed share option scheme.

### Basis for determining emoluments for Directors

The same remuneration philosophy is applicable to the Directors. Apart from benchmarking against the market, the Company looks at individual competence, contributions and the affordability of the Company in determining the exact level of remuneration for each Director. Appropriate benefit schemes are in place for the executive Directors, including the share option scheme, similar to those offered to other employees of the Group.



## Report of the Directors

### Directors' interests in competing business

For the year ended 31 December 2011 and up to the date of this annual report, Directors were considered to have interests in the following businesses to be disclosed as required pursuant to Rule 8.10 of the Listing Rules, being businesses which competed or were likely to compete, either directly or indirectly, with the businesses of the Group, other than those businesses in which (i) the Group was interested and (ii) the Directors' only interests were as Directors appointed to represent the interests of the Group.

To avoid interested in any business apart from the Group's business which competes or is likely to compete, either directly or indirectly, with businesses of the Group, on 23 November 2005, Mr. Chen Zhuo Lin, Mr. Chan Cheuk Yin, Ms. Luk Sin Fong, Fion, Mr. Chan Cheuk Hung, Mr. Chan Cheuk Hei and Mr. Chan Cheuk Nam (the "Executive Directors") entered into a deed of non-competition and compensation with the Company (the "Deed") to undertake that they will not, and shall procure their controlled affiliates not to engage in any possible competing business.

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

The Group has gradually developed its hotels business operation, and Executive Directors have interests in the shares and/or are directors of Zhongshan Agile Changjiang Hotel Co., Ltd ("Changjiang Hotel") and had interests in Zhongshan Agile Hotel Co., Ltd ("Zhongshan Agile"). The business of these companies also includes holding and operating hotels ("Excluded Businesses"). In view of this, Executive Directors issued a letter dated 10 September 2007 to the Company inviting the Company to exercise its rights to acquire the Excluded Businesses. A Board committee comprising INEDs ("INED Committee") was formed to consider the acquisition of the Excluded Businesses. As the Excluded Businesses were in operation before the Group started its own hotel business and that the scale of the Excluded Businesses were considered insignificant compared with the businesses of the Group as a whole, the INED Committee concluded that the Excluded Businesses were unlikely to compete with the hotel business of the Group and decided not to acquire the Excluded Businesses.

In order to minimise the number of transactions of the Group with Executive Directors, the Group entered into a sale and purchase agreement with Zhongshan Agile on 29 December 2008 ("Agile Hotel Agreement") to acquire Agile Hotel in Sanxiang Town, Zhongshan City, Guangdong Province PRC ("Zhongshan Agile Hotel") (including the basement of a complex and floors up to 6/F with a total GFA of approximately 17,854 sq.m.), and a supplemental agreement was made on 30 June 2011 amended Agile Hotel Agreement. The acquisition has been completed in 2011 and Zhongshan Agile is indirectly wholly-owned by the Company.

Since the business of Changjiang Hotel is operated and managed independently by individual companies, Directors are of the view that the Group is capable of carrying on its hotel businesses independently and at arm's length from Changjiang Hotel.

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



## Report of the Directors

### Directors' interests in contracts

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

### Major customers and suppliers

For the year ended 31 December 2011, the five largest customers of the Group accounted for less than 30% of sales of the Group for the year, and the five largest suppliers of the Group accounted for less than 30% of purchases of the Group for the year.

None of the directors, their respective associates nor any shareholders (who are interested in more than 5% of the issued share capital of the Company to the knowledge of the Directors) had any interests in any of the five largest customers or suppliers of the Group.

### Connected transactions

Pursuant to Chapter 14A of the Listing Rules, the following connected transactions require disclosure in this annual report. The connected transactions which also constitute significant related party transactions are set out in note 42 to the consolidated financial statements.

As disclosed in the Company's announcement dated 7 April 2011, the Company and the Subsidiary Guarantors entered into a subscription agreement with Standard Chartered Bank, Morgan Stanley & Co. International PLC ("Morgan Stanley"), The Hongkong and Shanghai Banking Corporation Limited, Barclays Bank PLC and The Royal Bank of Scotland plc, Hong Kong Branch (collectively the "Managers") dated 6 April 2011 in relation to the issue of 4% convertible bonds ("Convertible Bonds") due 2016, in an aggregate principal amount of US\$500 million (equivalent to approximately RMB3.253 billion). In connection with the issue of the Convertible Bonds, the Company engaged Morgan Stanley to act as one of the Managers and joint bookrunners pursuant to the terms of the subscription agreement. Morgan Stanley received the bond issue consideration for its services as a manager and joint bookrunner and the Company provided the bond issue indemnity to Morgan Stanley, pursuant to the terms of the subscription agreement. The applicable percentage ratios (excluding of profit margin) under the Listing Rules in respect of the bond issue consideration and the bond issue indemnity for the issue of the Convertible Bonds are lower than 5%.

As Morgan Stanley is an indirect substantial shareholder of Crystal I Limited ("Crystal I"), which in turn holds 30% interest in Crown Golden Investments Limited, a subsidiary of the Company, Morgan Stanley is therefore an associate of Crystal I and thus a connected person of the Company for the purpose of the Listing Rules.

### Management contracts

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



## Report of the Directors

### Purchase, sale or redemption of listed securities

For the year ended 31 December 2011, the Company repurchased from the market a total of 23,272,000 Shares at an average price of HK\$7.14 per Share for a total consideration of HK\$166,081,471.40, excluding the related expenses on Shares repurchased. After the repurchased Shares has been cancelled the issued share capital of the Company was diminished by the nominal value thereof. The premium payable on repurchases was charged against the share premium account of the Company. Repurchases of Shares were made by the Board for enhancing the long-term interest of the Shareholders. Particulars of the repurchases of Shares were as follows:

Month of repurchase	Total number of Shares repurchased	Repurchase price per Share		Consideration (HK\$)
		Highest (HK\$)	Lowest (HK\$)	
August 2011	1,724,000	9.70	9.50	16,582,606.20
September 2011	21,548,000	9.70	5.02	149,498,865.20
Total	<u>23,272,000</u>	Expenses on Shares repurchased		<u>635,303.19</u>
				166,716,774.59

Particulars of purchase, sales or redemption of the Company's listed securities are set out in note 20 to the consolidated financial statements.

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 year ended 31 December 2011.

### Specific performance by the controlling Shareholders

- As disclosed in the Company's announcement dated 4 December 2009, the Company (as the borrower) had entered into a facility agreement with The Hongkong and Shanghai Banking Corporation Limited (as the lender, facility agent and security trustee) pursuant to which a loan of US\$150 million for a period of 36 months from 4 December 2009 ("2009 HSBC Facility") had been granted under the guarantees of the subsidiaries of the Company. The loan was fully prepaid to The Hongkong and Shanghai Banking Corporation Limited on 29 June 2011.
- As disclosed in the Company's announcement dated 25 January 2010, the Company (as the borrower) had entered into a facility agreement with Banc of America Securities Asia Limited (as the facility agent and security agent) pursuant to which a loan of US\$125 million for a period of 36 months from 25 January 2010 ("BOA Facility") had been granted under the guarantees of the subsidiaries of the Company. The loan was fully prepaid to Bank of America, N.A (replacing Banc of America Securities Asia Limited as the new facility agent) on 30 June 2011.



## Report of the Directors

3. As disclosed in the Company's announcement dated 29 June 2010, the Company (as the borrower) had entered into a facility agreement with The Bank of East Asia, Limited (as the lender) pursuant to which a loan of HK\$800 million for a period of 24 months from 29 June 2010 ("BEA Facility") had been granted under the guarantees given of the subsidiaries of the Company. The loan was fully prepaid to The Bank of East Asia, Limited on 9 May 2011.
4. As disclosed in the Company's announcement dated 8 September 2010, the Company (as the borrower) had entered into a facility agreement with Standard Chartered Bank (Hong Kong) Limited, Hang Seng Bank Limited, Bank of China Limited (Macau branch) and Tai Fung Bank Limited (collectively, the lenders) and Standard Chartered Bank (Hong Kong) Limited (as the facility agent and security agent) pursuant to which a loan of HK\$1,592.5 million for a period of 36 months from 8 September 2010 ("2010 Club Facility") had been granted under the guarantees of the subsidiaries of the Company.
5. As disclosed in the Company's announcement dated 17 January 2011, the Company (as the borrower) had entered into a facility agreement with Standard Chartered Bank (Hong Kong) Limited (as the lender) pursuant to which a loan of HK\$1,550 million for the period up to 31 December 2011 ("Standard Chartered Facility") had been granted under the guarantees of the subsidiaries of the Company. HK\$780 million of the said loan was prepaid by the Company to Standard Chartered Bank (Hong Kong) Limited on 28 July 2011. The balance of HK\$770 million was fully prepaid on 30 December 2011.
6. As disclosed in the Company's announcement dated 16 June 2011, the Company (as the borrower) had entered into a facility agreement with The Hongkong and Shanghai Banking Corporation Limited (as the lender) pursuant to which a loan of US\$100 million for a period of 36 months from 16 June 2011 ("2011 HSBC Facility") had been granted under the guarantees of the subsidiaries of the Company.
7. As disclosed in the Company's announcement dated 14 July 2011, the Company (as the borrower) had entered into a facility agreement with Standard Chartered Bank (Hong Kong) Limited, Barclays Bank PLC, The Royal Bank of Scotland plc, Hong Kong Branch, The Bank of East Asia, Limited, Hang Seng Bank Limited, Industrial and Commercial Bank of China (Asia) Limited and Wing Lung Bank Limited (collectively, as the lenders) and Standard Chartered Bank (Hong Kong) Limited (as the facility agent and security agent) pursuant to which a loan of HK\$2,350 million for a period of 36 months from 14 July 2011 ("2011 Club Facility") had been granted under the guarantees of the subsidiaries of the Company.

In connection with 2009 HSBC Facility, BOA Facility, BEA Facility, 2010 Club Facility, Standard Chartered Facility, 2011 HSBC Facility and 2011 Club Facility, 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 (hereinafter collectively the "Controlling Shareholders") collectively, directly or indirectly, do not or cease to own at least 50% of equity interests of the Company (only for 2009 HSBC Facility, BOA Facility, BEA Facility and 2011 HSBC Facility)/more than 50% of the issued share capital of the Company (only for 2010 Club Facility, Standard Chartered Facility and 2011 Club Facility); and/or (ii) the Controlling Shareholders do not or cease to be entitled to exercise management control of the Company; and/or (iii) Mr. Chen Zhuo Lin does not or ceases to be the chairman of the Board (only for 2010 Club Facility, Standard Chartered Facility, 2011 HSBC Facility and 2011 Club Facility). In case of an occurrence of an event of default, the facility agent may, and shall if so directed by the majority lenders (only for 2009 HSBC Facility, BOA Facility, 2010 Club Facility and 2011 Club Facility)/the lender (only for BEA Facility, Standard Chartered Facility and 2011 HSBC Facility) may by notice to the Company (a) cancel the facility; and/or (b)



## Report of the Directors

declare that all or part of the loans, together with accrued interest, and all other amounts accrued or outstanding under the finance documents be immediately due and payable; and/or (c) declare that all or part of the loans be payable on demand acting on the instructions of the majority lenders (only for 2009 HSBC Facility, BOA Facility, 2010 Club Facility and 2011 Club Facility); and/or (d) exercise or direct the security trustee (only for 2009 HSBC Facility)/security agent (only for BOA Facility, 2010 Club Facility and 2011 Club Facility) to exercise all or any of its rights, remedies, powers or discretions under the finance documents (subject to the terms of the intercreditor agreement).

### Pre-emptive rights

No provision has been made both in the memorandum of association and articles of association of the Company and under the laws of Cayman Islands in respect of pre-emptive rights, as such, the Company shall offer pro rata new shares (if any) to the existing Shareholders.

### Corporate governance

The principal corporate governance practices adopted by the Company are set out in corporate governance report on pages 90 to 98 of this annual report.

### Public float

Based on the information that is publicly available to the Company and to the knowledge of the Directors, they confirm that the Company has maintained the public float as required by the Listing Rules for the year ended 31 December 2011.

### Audit committee

The audit committee of the Company had reviewed the audited consolidated financial statements of the Group for the year ended 31 December 2011, and reviewed with the management of the Group regarding the accounting principles and practices adopted by the Group, and discussed with them the internal controls and financial reporting matters.

### Auditors

The consolidated financial statements of the Group for the year ended 31 December 2011 were audited by PricewaterhouseCoopers (the “Auditors”), the auditors of the Company. The tenure of the Auditors will expire at 2012 AGM and they are willing to continue to offer themselves for re-appointment. A resolution for the re-appointment of the Auditors and authorisation of the Board to determine their remuneration will be proposed at 2012 AGM.

On behalf of the Board

**Chen Zhuo Lin**

*Chairman*

Hong Kong, 8 March 2012

A large, light gray decorative graphic of a flowering branch with leaves and curls, positioned behind the text.

# FINANCIAL SECTION

114	Independent Auditor's Report
116	Consolidated Balance Sheet
118	Balance Sheet
120	Consolidated Income Statement
121	Consolidated Statement of Comprehensive Income
122	Consolidated Statement of Changes in Equity
123	Consolidated Statement of Cash Flows
124	Notes to the Consolidated Financial Statements
200	Five-year Financial Summary





## Independent Auditor's Report



羅兵咸永道

### TO THE SHAREHOLDERS OF AGILE PROPERTY HOLDINGS LIMITED

*(incorporated in the Cayman Islands with limited liability)*

We have audited the consolidated financial statements of Agile Property Holdings Limited (the "Company") and its subsidiaries (together, the "Group") set out on pages 116 to 199, which comprise the consolidated and company balance sheets as at 31 December 2011, and the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Directors' responsibility for the consolidated financial statements

The directors of the Company are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

### Auditor's responsibility

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

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

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## Independent Auditor's Report (*Continued*)

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the consolidated financial statements.

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

### Opinion

In our opinion, the consolidated financial statements give a true and fair view of the state of affairs of the Company and of the Group as at 31 December 2011, and of the Group's profit and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

**PricewaterhouseCoopers**  
*Certified Public Accountants*

Hong Kong, 8 March 2012



## Consolidated Balance Sheet

(All amounts in RMB thousands unless otherwise stated)

		As at 31 December	
	Note	2011	2010
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	6	3,573,802	2,253,235
Land use rights	7	2,455,028	2,283,309
Properties under development	14	13,865,049	5,674,988
Intangible assets	8	19,192	12,017
Investment properties	9	5,248,000	4,997,900
Prepayments for acquisition of properties		—	92,820
Interest in an associate	10	204,762	—
Other non-current asset	10	—	1,653,979
Prepayments for acquisition of equity interests	11	102,850	—
Deferred income tax assets	24	173,346	70,346
		<b>25,642,029</b>	<b>17,038,594</b>
<b>Current assets</b>			
Properties under development	14	32,291,852	25,626,102
Completed properties held for sale	15	3,637,562	3,376,142
Prepayments for acquisition of land use rights	16	7,993,747	10,140,836
Trade and other receivables	17	4,814,471	2,911,666
Prepaid taxes		70,719	104,368
Restricted cash	18	2,644,128	4,198,962
Cash and cash equivalents	19	4,683,714	6,481,663
		<b>56,136,193</b>	<b>52,839,739</b>
<b>Total assets</b>		<b>81,778,222</b>	<b>69,878,333</b>
<b>EQUITY</b>			
<b>Capital and reserves attributable to the shareholders of the Company</b>			
Share capital and premium	20	3,658,542	3,795,047
Other reserves	21	946,992	783,320
Retained earnings			
— Proposed final dividend	37	657,319	675,874
— Unappropriated retained earnings		16,411,680	13,426,841
		<b>21,674,533</b>	<b>18,681,082</b>
<b>Non-controlling interests</b>		<b>2,082,310</b>	<b>1,654,077</b>
<b>Total equity</b>		<b>23,756,843</b>	<b>20,335,159</b>



## Consolidated Balance Sheet *(Continued)*

(All amounts in RMB thousands unless otherwise stated)

	Note	As at 31 December	
		2011	2010
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Borrowings	22	12,170,458	15,495,769
Convertible Bonds — debt component	23	2,200,997	—
Convertible Bonds — embedded financial derivatives	23	860,497	—
Deferred income tax liabilities	24	1,549,574	2,047,587
		<b>16,781,526</b>	<b>17,543,356</b>
<b>Current liabilities</b>			
Borrowings	22	7,659,710	5,262,251
Trade and other payables and accruals	25	11,650,073	9,646,258
Advanced proceeds received from customers		13,511,865	12,333,749
Current income tax liabilities	26	8,418,205	4,757,560
		<b>41,239,853</b>	<b>31,999,818</b>
<b>Total liabilities</b>		<b>58,021,379</b>	<b>49,543,174</b>
<b>Total equity and liabilities</b>		<b>81,778,222</b>	<b>69,878,333</b>
<b>Net current assets</b>		<b>14,896,340</b>	<b>20,839,921</b>
<b>Total assets less current liabilities</b>		<b>40,538,369</b>	<b>37,878,515</b>

**Chen Zhuo Lin**  
*Director*

**Luk Sin Fong, Fion**  
*Director*

The notes on pages 124 to 199 form an integral part of these consolidated financial statements.



## Balance Sheet

(All amounts in RMB thousands unless otherwise stated)

		As at 31 December	
	Note	2011	2010
<b>ASSETS</b>			
<b>Non-current assets</b>			
Investments in subsidiaries	44	448,520	448,520
<b>Current assets</b>			
Amounts due from subsidiaries	17	20,386,130	17,154,609
Other receivables and prepayments	17	532	1,365
Restricted cash	18	440,951	2,450,399
Cash and cash equivalents	19	75,412	51,480
		<b>20,903,025</b>	19,657,853
<b>Total assets</b>		<b>21,351,545</b>	20,106,373
<b>EQUITY</b>			
<b>Capital and reserves attributable to the shareholders of the Company</b>			
Share capital and premium	20	3,658,542	3,795,047
Other reserves	21	427,512	427,512
Retained earnings	35		
— Proposed final dividend	37	657,319	675,874
— Unappropriated retained earnings		356,927	4,295
<b>Total equity</b>		<b>5,100,300</b>	4,902,728



## Balance Sheet (Continued)

(All amounts in RMB thousands unless otherwise stated)

	Note	As at 31 December	
		2011	2010
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Borrowings	22	8,967,656	9,476,257
Convertible Bonds — debt component	23	2,200,997	—
Convertible Bonds — embedded financial derivatives	23	860,497	—
		<b>12,029,150</b>	<b>9,476,257</b>
<b>Current liabilities</b>			
Borrowings	22	645,798	1,984,248
Amounts due to subsidiaries	25	2,856,975	3,000,638
Other payables and accruals	25	719,322	742,502
		<b>4,222,095</b>	<b>5,727,388</b>
<b>Total liabilities</b>		<b>16,251,245</b>	<b>15,203,645</b>
<b>Total equity and liabilities</b>		<b>21,351,545</b>	<b>20,106,373</b>
<b>Net current assets</b>		<b>16,680,930</b>	<b>13,930,465</b>
<b>Total assets less current liabilities</b>		<b>17,129,450</b>	<b>14,378,985</b>

**Chen Zhuo Lin**  
*Director*

**Luk Sin Fong, Fion**  
*Director*

The notes on pages 124 to 199 form an integral part of these consolidated financial statements.



## Consolidated Income Statement

(All amounts in RMB thousands unless otherwise stated)

	Note	Year ended 31 December	
		2011	2010
Revenue	5	22,944,566	20,520,192
Cost of sales		(10,590,392)	(11,131,277)
<b>Gross profit</b>		<b>12,354,174</b>	<b>9,388,915</b>
Selling and marketing costs		(835,042)	(694,639)
Administrative expenses		(876,565)	(718,340)
Fair value gains on investment properties	9	96,418	3,198,208
Other income	27	200,220	113,656
Other expenses	28	(105,322)	(397,612)
Exchange losses, net	29	(152,867)	(125,327)
<b>Operating profit</b>		<b>10,681,016</b>	<b>10,764,861</b>
Fair value gains on embedded financial derivatives	23	176,922	—
Finance income, net	33	644,608	269,217
Share of post-tax profit of an associate	10	120,938	—
<b>Profit before income tax</b>		<b>11,623,484</b>	<b>11,034,078</b>
Income tax expenses	34	(6,389,804)	(4,615,482)
<b>Profit for the year</b>		<b>5,233,680</b>	<b>6,418,596</b>
<b>Attributable to:</b>			
Shareholders of the Company		4,105,255	5,975,707
Non-controlling interests		1,128,425	442,889
		<b>5,233,680</b>	<b>6,418,596</b>
<b>Earnings per share for profit attributable to the shareholders of the Company during the year</b> (expressed in Renminbi per share)			
— Basic	36	1.184	1.707
— Diluted	36	1.067	1.707

The notes on pages 124 to 199 form an integral part of these consolidated financial statements.

	Note	Year ended 31 December	
		2011	2010
Dividends	37	964,564	850,059



## Consolidated Statement of Comprehensive Income

(All amounts in RMB thousands unless otherwise stated)

	Year ended 31 December	
	2011	2010
<b>Profit for the year</b>	<b>5,233,680</b>	6,418,596
<b>Other comprehensive income for the year, net of tax</b>	<b>—</b>	—
<b>Total comprehensive income for the year</b>	<b>5,233,680</b>	6,418,596
<b>Total comprehensive income attributable to:</b>		
— Shareholders of the Company	4,105,255	5,975,707
— Non-controlling interests	1,128,425	442,889
	<b>5,233,680</b>	6,418,596

The notes on pages 124 to 199 form an integral part of these consolidated financial statements.



## Consolidated Statement of Changes in Equity

(All amounts in RMB thousands unless otherwise stated)

	Attributable to the shareholders of the Company				Non-controlling interests	Total equity
	Share capital and premium	Other reserves	Retained earnings	Total		
	(note 20)	(note 21)				
<b>Balance at 1 January 2010</b>	4,597,107	699,773	8,764,875	14,061,755	1,011,424	15,073,179
<b>Comprehensive income</b>						
Profit for the year	—	—	5,975,707	5,975,707	442,889	6,418,596
Other comprehensive income	—	—	—	—	—	—
<b>Total comprehensive income for the year</b>	—	—	5,975,707	5,975,707	442,889	6,418,596
<b>Total contributions by and distributions to the shareholders of the Company recognised directly in equity:</b>						
Repurchase of shares of the Company (note 20(a))	(802,060)	—	—	(802,060)	—	(802,060)
Acquisition of subsidiaries	—	—	—	—	199,764	199,764
Transfer to statutory reserve and enterprise expansion funds	—	83,547	(83,547)	—	—	—
Dividends	—	—	(554,320)	(554,320)	—	(554,320)
<b>Total contributions by and distributions to the shareholders of the Company recognised directly in equity</b>	(802,060)	83,547	(637,867)	(1,356,380)	199,764	(1,156,616)
<b>Balance at 31 December 2010</b>	3,795,047	783,320	14,102,715	18,681,082	1,654,077	20,335,159
<b>Balance at 1 January 2011</b>	3,795,047	783,320	14,102,715	18,681,082	1,654,077	20,335,159
<b>Comprehensive income</b>						
Profit for the year	—	—	4,105,255	4,105,255	1,128,425	5,233,680
Other comprehensive income	—	—	—	—	—	—
<b>Total comprehensive income for the year</b>	—	—	4,105,255	4,105,255	1,128,425	5,233,680
<b>Total contributions by and distributions to the shareholders of the Company recognised directly in equity:</b>						
Repurchase of shares of the Company (note 20(a))	(136,505)	—	—	(136,505)	—	(136,505)
Transfer to statutory reserve and enterprise expansion funds	—	163,672	(163,672)	—	—	—
Dividends (note 37)	—	—	(975,299)	(975,299)	—	(975,299)
Dividends declared to non-controlling interests	—	—	—	—	(700,192)	(700,192)
<b>Total contributions by and distributions to the shareholders of the Company recognised directly in equity</b>	(136,505)	163,672	(1,138,971)	(1,111,804)	(700,192)	(1,811,996)
<b>Balance at 31 December 2011</b>	3,658,542	946,992	17,068,999	21,674,533	2,082,310	23,756,843

The notes on pages 124 to 199 form an integral part of these consolidated financial statements.



## Consolidated Statement of Cash Flows

(All amounts in RMB thousands unless otherwise stated)

	Note	Year ended 31 December	
		2011	2010
<b>Cash flows from operating activities</b>			
Cash generated from operations	38	1,195,482	835,781
Interest paid		(1,409,610)	(1,164,601)
PRC enterprise income tax paid		(1,928,264)	(1,204,807)
PRC land appreciation tax paid		(1,368,259)	(1,100,254)
Net cash used in operating activities		(3,510,651)	(2,633,881)
<b>Cash flows from investing activities</b>			
Payments of construction cost of investment properties		(153,682)	(68,037)
Prepayment for self-used land use rights		(16,838)	—
Net cash flows from a jointly development project		430,438	386,021
Prepayment for acquisitions of equity interests		(92,849)	—
Purchase of property, plant and equipment		(1,154,766)	(674,280)
Purchase of intangible assets		(10,505)	(6,068)
Interest received		122,442	84,722
Net cash used in investing activities		(875,760)	(277,642)
<b>Cash flows from financing activities</b>			
Repurchase of shares of the Company		(136,505)	(802,060)
Net proceeds from issuance of Convertible Bonds	23	3,199,875	—
Proceeds from issuance of senior notes		—	4,436,965
Senior notes issuance cost		—	(93,155)
Redemption of senior notes issued in 2006 (“2006 Senior Notes”)		—	(2,731,320)
Redemption cost of 2006 Senior Notes		—	(184,872)
Proceeds from bank and other borrowings		8,555,396	7,713,256
Repayments of bank borrowings		(7,199,769)	(2,475,419)
Cash advances from related parties		142,275	—
Repayments of cash advances to related parties		(10,826)	(477,554)
Dividends paid to shareholders of the Company		(1,108,925)	(232,898)
Dividends paid to non-controlling interests		(700,192)	—
Net cash generated from financing activities		2,741,329	5,152,943
<b>(Decrease)/ increase in cash and cash equivalents</b>		<b>(1,645,082)</b>	<b>2,241,420</b>
Net cash and cash equivalents at beginning of year		6,481,663	4,372,155
Exchange losses on cash and cash equivalents		(152,867)	(131,912)
<b>Cash and cash equivalents at end of the year</b>	19	<b>4,683,714</b>	<b>6,481,663</b>

The notes on pages 124 to 199 form an integral part of these consolidated financial statements.



# Notes to the Consolidated Financial Statements

(All amounts in RMB thousands unless otherwise stated)

## 1 General information

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

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

These consolidated financial statements have been approved for issue by the Board of Directors of the Company on 8 March 2012.

## 2 Summary of significant accounting policies

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

### 2.1 Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with Hong Kong Financial Reporting Standards (the “HKFRS”). The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of derivative financial instruments at fair value through profit or loss and investment properties, which are carried at fair value.

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



## Notes to the Consolidated Financial Statements (*Continued*)

(All amounts in RMB thousands unless otherwise stated)

### 2 Summary of significant accounting policies (*Continued*)

#### 2.1 Basis of preparation (*Continued*)

(a) **Amendments to existing standards and revised standards adopted by the Group**

The revised standards are mandatory for the first time for the financial year beginning 1 January 2011.

- HKAS 24 (Revised), “Related Party Disclosures” is effective for annual period beginning on or after 1 January 2011. It clarifies and simplifies the definition of a related party and introduces an exemption from all of the disclosure requirements of HKAS 24 for transactions among government related entities and the government. This amendment has no significant impact on the Group’s financial statements as the Group does not have any transactions with government related entities.
- HKAS 32 (Amendment), “Classification of rights issues” is effective for annual periods beginning on or after 1 February 2010. This amendment is not relevant to the Group, as it has not made any rights issue which fall into the scope of the amendment during the year.
- HK(IFRIC)-Int 14 (Amendment), “Prepayments of a minimum funding requirement” is effective for annual periods beginning on or after 1 January 2011. This is not currently relevant to the Group, as it has not made any prepayment for the pension contributions during the year.
- HK(IFRIC)-Int 19, “Extinguishing financial liabilities with equity instruments” is effective for annual periods beginning on or after 1 July 2010. This is not relevant to the Group, as it has no extinguishment of financial liabilities with equity instruments during the year.
- HKFRS 1 (Amendment), “Limited exemption from comparative HKFRS 7 disclosures for first-time adopters” is effective for annual periods beginning on or after 1 July 2010. This is not relevant to the Group as it is existing HKFRS preparer.
- Third improvements to HKFRS (2010) were issued in May 2010 by the HKICPA. All improvements are effective for annual periods beginning on or after 1 January 2011 and are not currently relevant to the Group.



## Notes to the Consolidated Financial Statements (*Continued*)

(All amounts in RMB thousands unless otherwise stated)

### 2 Summary of significant accounting policies (*Continued*)

#### 2.1 Basis of preparation (*Continued*)

(b) **New and amended standards issued but are not effective in 2011 and have not been early adopted by the Group**

		<b>Effective for annual periods beginning on or after</b>
HKFRS 7 (Amendment)	Disclosures — Transfers of financial assets	1 July 2011
HKFRS 1 (Amendment)	Severe hyperinflation and removal of fixed dates for first-time adopters	1 July 2011
HKFRS 7 (Amendment)	Financial instruments: Disclosures — Offsetting financial assets and financial liabilities	1 January 2013
HKFRS 9	Financial instruments	1 January 2015
HKFRS 10	Consolidated financial statements	1 January 2013
HKFRS 11	Joint arrangements	1 January 2013
HKFRS 12	Disclosures of interests in other entities	1 January 2013
HKFRS 13	Fair value measurements	1 January 2013
HKFRS 7 and HKFRS 9 (Amendment)	Mandatory effective date and transition disclosures	1 January 2015
HKAS 1 (Amendment)	Presentation of financial statements	1 July 2012
HKAS 12 (Amendment)	Deferred tax: Recovering of underlying assets	1 January 2012
HKAS 19 (Amendment)	Employee benefits	1 January 2013
HKAS 27 (Revised 2011)	Separate financial statements	1 January 2013
HKAS 28 (Revised 2011)	Associate and joint ventures	1 January 2013
HKAS 32 (Amendment)	Financial instruments: Disclosures — Offsetting financial assets and financial liabilities	1 January 2014

Management is in the process of making an assessment of their impact and is not yet in a position to state whether any substantial changes to the Group's significant accounting policies and presentation of the financial information will be resulted.



## Notes to the Consolidated Financial Statements (*Continued*)

(All amounts in RMB thousands unless otherwise stated)

## 2 Summary of significant accounting policies (*Continued*)

### 2.2 Subsidiaries

#### 2.2.1 Consolidation

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

Inter-company transactions, balances and income and expenses on transactions between group companies are eliminated. Unrealised profits and losses resulting from inter-company transactions are also eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

#### (a) *Business combinations*

The Group uses the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of the acquiree's net assets.

If the business combination is achieved in stages, the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date through profit or loss.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with HKAS 39 either in profit or loss or as a change to other comprehensive income. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity.

Goodwill is initially measured as the excess of the aggregate of the consideration transferred and the fair value of non-controlling interest over the net identifiable assets acquired and liabilities assumed. If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognised in profit or loss.



## Notes to the Consolidated Financial Statements (*Continued*)

(All amounts in RMB thousands unless otherwise stated)

### 2 Summary of significant accounting policies (*Continued*)

#### 2.2 Subsidiaries (*Continued*)

##### 2.2.1 Consolidation (*Continued*)

(b) *Changes in ownership interests in subsidiaries without change of control*

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions — that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

(c) *Disposal of subsidiaries*

When the Group ceases to have control, any retained interest in the entity is re-measured to its fair value at the date when control is lost, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities, which may result in that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

(d) *Joint ventures*

The Group's interests in jointly controlled entities are accounted for by proportionate consolidation. The Group combines its share of income and expenses, assets and liabilities and cash flows of the joint venture on a line-by-line basis with similar items in the Group's financial statements. The Group recognises the portion of gains or losses on the sale of assets by the Group to the joint venture that is attributable to the other venturers. The Group does not recognise its share of profits or losses from the joint venture that result from the Group's purchase of assets from the joint venture until it re-sells the assets to an independent party. However, a loss on the transaction is recognised immediately if the loss provides evidence of a reduction in the net realisable value of current assets, or an impairment loss.

##### 2.2.2 Separate financial statements

Investments in subsidiaries are accounted for at cost less impairment. Cost is adjusted to reflect changes in consideration arising from contingent consideration amendments. Cost also includes direct attributable costs of investment. The results of subsidiaries are accounted for by the Company on the basis of dividend received and receivable.

Impairment testing of the investments in subsidiaries is required upon receiving dividends from these investments if the dividend exceeds the total comprehensive income of the subsidiary in the period the dividend is declared or if the carrying amount of the investment in the separate financial statements exceeds the carrying amount in the consolidated financial statements of the investee's net assets including goodwill.



## Notes to the Consolidated Financial Statements *(Continued)*

(All amounts in RMB thousands unless otherwise stated)

### 2 Summary of significant accounting policies (Continued)

#### 2.3 Associates

Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Interests in associates are accounted for using the equity method of accounting. Under the equity method, the investment is initially recognised at cost, and the carrying amount is increased or decreased to recognise the investor's share of the profit or loss of the investee after the date of acquisition. The Group's interests in associates include goodwill identified on acquisition.

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income is reclassified to the profit or loss where appropriate.

The Group's share of post-acquisition profit or loss is recognised in the consolidated income statement, and its share of its associates' post-acquisition movements in other comprehensive income is recognised in other comprehensive income with a corresponding adjustment to the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.

The Group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Group calculates the amount of the impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount in the consolidated income statement.

Profits and losses resulting from upstream and downstream transactions between the Group and its associate are recognised in the Group's financial statements only to the extent of unrelated investor's interests in the associates. Unrealised losses are eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

Dilution gains and losses arising in investments in associates are recognised in the consolidated income statement.

#### 2.4 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker ("CODM"). The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors of the Company that makes strategic decisions of the Group.



## Notes to the Consolidated Financial Statements (*Continued*)

(All amounts in RMB thousands unless otherwise stated)

### 2 Summary of significant accounting policies (*Continued*)

#### 2.5 Foreign currency translation

**(a) Functional and presentation currency**

Items included in the financial statements of each of the group companies are measured using the currency of the primary economic environment in which the entity operates (the “functional currency”). The consolidated financial statements are presented in Renminbi (“RMB”), which is the Company’s functional and the Group’s presentation currency.

**(b) Transactions and balances**

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the consolidated income statement, except when deferred in equity as qualifying cash flow hedges and qualifying net investment hedges.

Foreign exchange gains and losses that relate to borrowings and Convertible Bonds denominated in foreign currencies are presented in the consolidated income statement within ‘finance income/(costs), net’. All other foreign exchange gain and losses are presented in the consolidated income statement within ‘exchange losses, net’.

**(c) Group companies**

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

- assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
- income and expenses for each income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); and
- all resulting exchange differences are recognised in other comprehensive income.



## Notes to the Consolidated Financial Statements *(Continued)*

(All amounts in RMB thousands unless otherwise stated)

### 2 Summary of significant accounting policies (Continued)

#### 2.6 Property, plant and equipment

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

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

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

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

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (note 2.9).

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised with 'other income' and 'other expenses' in the consolidated income statement.

#### 2.7 Construction in progress

Construction in progress represents property under construction and is stated at cost less accumulated impairment loss, if any. Cost includes the costs of construction of buildings and interest charges arising from borrowings used to finance these assets during the period of construction, if any. No provision for depreciation is made on construction in progress until such times as the relevant assets are completed and are available for intended use. When the assets concerned are brought into use, the costs are transferred to property, plant and equipment and depreciated in accordance with the policy as stated in the preceding paragraphs.



## Notes to the Consolidated Financial Statements (*Continued*)

(All amounts in RMB thousands unless otherwise stated)

### 2 Summary of significant accounting policies (*Continued*)

#### 2.8 Intangible assets

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

#### 2.9 Impairment of non-financial assets

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

Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

#### 2.10 Investment property

Investment property, principally comprising land use rights and buildings, is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the Group. It also includes properties that are being constructed or developed for future use as investment properties. Land held under operating leases are accounted for as investment property when the rest of the definition of an investment property is met. In such cases, the operating leases concerned are accounted for as if they were finance leases. Investment property is initially measured at cost, including related transaction costs and where applicable borrowing costs. After initial recognition, investment property is carried at fair value, representing open market value determined at each reporting date by external valuers. 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. Changes in fair values are recognised as 'fair value gains on investment properties' in the consolidated income statement.



## Notes to the Consolidated Financial Statements (*Continued*)

(All amounts in RMB thousands unless otherwise stated)

## 2 Summary of significant accounting policies (*Continued*)

### 2.11 Financial assets

#### 2.11.1 Classification

Financial assets of the Group represent loans and receivables. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for the amounts that are settled or expected to be settled more than 12 months after the end of the reporting period. These are classified as non-current assets. The Group's loans and receivables comprise 'trade and other receivables' and 'cash and cash equivalents' in the consolidated balance sheet (notes 2.16 and 2.17).

#### 2.11.2 Recognition and measurement

Regular purchases and sales of financial assets are recognised on the trade-date — the date on which the Group commits to purchase or sell the asset. Loans and receivables are initially recognised at fair value plus transaction costs and are subsequently carried at amortised cost using the effective interest method. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

### 2.12 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

### 2.13 Impairment of financial assets carried at amortised cost

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation, and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.



## Notes to the Consolidated Financial Statements (*Continued*)

(All amounts in RMB thousands unless otherwise stated)

### 2 Summary of significant accounting policies (*Continued*)

#### 2.13 Impairment of financial assets carried at amortised cost (*Continued*)

The amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in the consolidated income statement.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the reversal of the previously recognised impairment loss is recognised in the consolidated income statement.

#### 2.14 Properties under development

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

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

Properties under development are classified as current assets unless the construction period of the relevant property development project is expected to complete beyond an operating cycle.

#### 2.15 Completed properties held for sale

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

Cost comprises development costs attributable to the unsold properties.

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



## Notes to the Consolidated Financial Statements *(Continued)*

(All amounts in RMB thousands unless otherwise stated)

### 2 Summary of significant accounting policies (Continued)

#### 2.16 Trade and other receivables

Trade receivables are amounts due from customers for properties sold or services performed in the ordinary course of business. If collection of trade and other receivables is expected in one year or less, they are classified as current assets. If not, they are presented as non-current assets.

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

#### 2.17 Cash and cash equivalents

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

#### 2.18 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Where any group company purchases the Company's equity share capital (treasury shares), the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to owners of the Company until the shares are cancelled or reissued. Where such shares are subsequently reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to owners of the Company.

#### 2.19 Trade and other payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade and other payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

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



## Notes to the Consolidated Financial Statements (*Continued*)

(All amounts in RMB thousands unless otherwise stated)

### 2 Summary of significant accounting policies (*Continued*)

#### 2.20 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the consolidated income statement over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

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

#### 2.21 Borrowing costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in the consolidated income statement in the period in which they are incurred.

#### 2.22 Convertible Bonds

The Company issued United States dollars (“USD”) denominated Convertible Bonds (the “Convertible Bonds”) which can be converted into ordinary shares of the Company and redeemed under certain circumstances.

If the conversion of the Convertible Bonds will not result in delivering a fixed number of the Company’s own equity instruments in exchange for a fixed amount of cash or another financial asset, the Convertible Bonds contract will be separated into two component elements: a financial derivative component consisting of the embedded options and a debt component consisting of the straight debt element of the Convertible Bonds.



## Notes to the Consolidated Financial Statements *(Continued)*

(All amounts in RMB thousands unless otherwise stated)

### 2 Summary of significant accounting policies (Continued)

#### 2.22 Convertible Bonds (Continued)

On the issue of the Convertible Bonds, the fair value of the financial derivatives component is calculated using a valuation technique. The financial derivative component is carried at fair value on the consolidated balance sheet with any subsequent changes in fair value being charged or credited to the consolidated income statement in the period when the change occurs. The remainder of the proceeds is allocated to debt component of the Convertible Bonds, net of transaction costs, and is recorded as a liability. The debt component is subsequently carried at amortised cost until extinguished on conversion or redemption.

Interest expense is calculated using the effective interest method by applying the effective interest rate to the debt component through the maturity date.

If the Convertible Bonds are converted, the carrying amounts of the corresponding financial derivative and debt components are transferred to share capital and share premium as consideration for the shares issued. If the Convertible Bonds are redeemed, any difference between the amount paid and the carrying amounts of the corresponding financial derivative and debt components is recognised in consolidated income statement.

An exchange between the Company and lender of debt instruments with substantially different terms shall be accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability or a part of it (whether or not attributable to the financial difficulty of the debtor) shall be accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability.

The difference between the carrying amount of a financial liability (or part of a financial liability) extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, shall be recognised in consolidated income statement.

If the exchange or modification is not constituted as an extinguishment, any costs or fees incurred shall be accounted for as adjustments to the carrying amount of the liability and being amortised over the remaining term of the modified liability.



## Notes to the Consolidated Financial Statements (*Continued*)

(All amounts in RMB thousands unless otherwise stated)

### 2 Summary of significant accounting policies (*Continued*)

#### 2.23 Current and deferred income tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in the consolidated income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or in equity.

(a) **Current income tax**

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

(b) **Deferred income tax**

*Inside basis differences*

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

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

*Outside basis differences*

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

(c) **Offsetting**

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.



## Notes to the Consolidated Financial Statements (*Continued*)

(All amounts in RMB thousands unless otherwise stated)

### 2 Summary of significant accounting policies (*Continued*)

#### 2.24 Employee benefits

**(i) Employee leave entitlements**

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

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

**(ii) Pension obligations**

In accordance with the rules and regulations in the PRC, the PRC based employees of the Group participate in various defined contribution retirement benefit plans organised by the relevant municipal and provincial governments in the PRC under which the Group and the PRC based employees are required to make monthly contributions to these plans calculated as a percentage of the employees' salaries. The municipal and provincial governments undertake to assume the retirement benefit obligations of all existing and future retired PRC based employees payable under the plans described above. Other than the monthly contributions, the Group has no further obligation for the payment of retirement and other post retirement benefits of its employees. The assets of these plans are held separately from those of the Group in independently administrated funds managed by the governments.

The Group also participates in a retirement benefit scheme under the rules and regulations of the Mandatory Provident Fund Scheme Ordinance ("MPF Scheme") for all employees in Hong Kong. The contributions to the MPF Scheme are based on minimum statutory contribution requirement of 5% of eligible employees' relevant aggregate income. The assets of this MPF Scheme are held separately from those of the Group in independently administered funds.

The Group's contributions to the defined contribution retirement scheme are expensed as incurred.

**(iii) Termination benefits**

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



## Notes to the Consolidated Financial Statements (*Continued*)

(All amounts in RMB thousands unless otherwise stated)

### 2 Summary of significant accounting policies (*Continued*)

#### 2.25 Provisions

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

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

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

#### 2.26 Revenue recognition

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

The Group recognises revenue when the amount of revenue can be reliably measured; when it is probable that future economic benefits will flow to the entity; and when specific criteria have been met for each of the Group's activities as described below. The Group bases its estimates of returns on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

**(i) Sales of properties**

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

**(ii) Property management**

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

**(iii) Hotel operations**

Hotel revenue from room rentals, food and beverage sales and other ancillary services are recognised when the goods are delivered or services are rendered.



## Notes to the Consolidated Financial Statements *(Continued)*

(All amounts in RMB thousands unless otherwise stated)

### 2 Summary of significant accounting policies (Continued)

#### 2.26 Revenue recognition (Continued)

**(iv) Interest income**

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

**(v) Rental income**

Rental income from investment properties is recognised in the consolidated income statement on a straight-line basis over the term of lease.

**(vi) Dividend income**

Dividend income is recognised when the right to receive payment is established.

#### 2.27 Leases

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

**(i) The Group is the lessee other than operating lease of land use rights**

Payments made under operating leases (net of any incentives received from the lessor) are charged to the consolidated income statement on a straight-line basis over the period of the lease.

**(ii) The Group is the lessee under operating lease of land use rights**

Land use rights under operating lease, which mainly comprised land use rights to be developed for hotel properties and self-use buildings, are stated at cost and subsequently amortised in the Consolidated Income Statement on a straight-line basis over the operating lease periods.

**(iii) The Group is the lessor**

Assets leased out under operating leases are included in investment property in the consolidated balance sheet.

#### 2.28 Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the Group's and the Company's financial statements in the period in which the dividends are approved by the Company's shareholders or directors, where appropriate.



## Notes to the Consolidated Financial Statements (*Continued*)

(All amounts in RMB thousands unless otherwise stated)

### 2 Summary of significant accounting policies (*Continued*)

#### 2.29 Insurance contracts

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

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

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

### 3 Financial risk management

#### 3.1 Financial risk factor

The Group's activities expose it to a variety of financial risks: market risk (including currency risk and interest rate risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. The property industry is highly sensitive to the economic environment in the PRC. The Group finances its operations from shareholders' fund, sales of properties, issuance of senior notes, Convertible Bonds, bank and other borrowings. The Group has alternative plans to monitor liquidity risk should there be significant adverse changes on the Group's cash flow projections.

##### (i) Currency risk

The Group's businesses are principally conducted in RMB, except that certain receipts of proceeds from sales of properties, fees of property management services, senior notes, Convertible Bonds, bank borrowings and syndicated loans are in other foreign currencies. As at 31 December 2011, major non-RMB assets and liabilities are cash and cash equivalents, senior notes, Convertible Bonds, bank borrowings and syndicated loans dominated in either HK dollar ("HK\$") or US dollar ("US\$"). Fluctuation of the exchange rates of RMB against foreign currencies could affect the Group's results of operations. Given the general expectations about the strengthening of RMB, the Group has not entered into any forward exchange contracts to hedge its exposure to foreign exchange risk during the year ended 31 December 2011.



## Notes to the Consolidated Financial Statements (Continued)

(All amounts in RMB thousands unless otherwise stated)

### 3 Financial risk management (Continued)

#### 3.1 Financial risk factor (Continued)

##### (i) Currency risk (Continued)

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

	Group		Company	
	2011	2010	2011	2010
Monetary assets				
— HK\$	462,286	800,083	73,801	21,276
— US\$	442,525	2,480,616	442,467	2,480,603
	<b>904,811</b>	<b>3,280,699</b>	<b>516,268</b>	<b>2,501,879</b>
Monetary liabilities				
— HK\$	3,166,060	2,007,808	3,166,060	2,007,808
— US\$	8,780,218	9,547,137	8,780,218	9,547,137
	<b>11,946,278</b>	<b>11,554,945</b>	<b>11,946,278</b>	<b>11,554,945</b>

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

	Group		Company	
	2011	2010	2011	2010
HK\$				
— Increase in profit for the year	135,189	60,386	154,613	99,326
US\$				
— Increase in profit for the year	416,885	353,326	416,888	353,327



## Notes to the Consolidated Financial Statements (*Continued*)

(All amounts in RMB thousands unless otherwise stated)

### 3 Financial risk management (*Continued*)

#### 3.1 Financial risk factor (*Continued*)

##### (i) Currency risk (*Continued*)

If there is a 5% decrease in RMB against the relevant currencies, the effect in the profit for the year is as follows:

	Group		Company	
	2011	2010	2011	2010
HK\$				
— Decrease in profit for the year	(135,189)	(60,386)	(154,613)	(99,326)
US\$				
— Decrease in profit for the year	(416,885)	(353,326)	(416,888)	(353,327)

##### (ii) Interest rate risk

The Group's exposure to changes in interest rates is mainly attributable to its borrowings. Senior notes and other borrowings at fixed rate expose the Group to fair value interest rate risk. Borrowings at variable rates expose the Group to cash flow interest-rate risk. The Group closely monitors trend of interest rate and its impact on the Group's interest rate risk exposure. The Group currently has not used any interest rate swap arrangements but will consider hedging interest rate risk should the need arise.

As at 31 December 2011 and 2010, if interest rates on borrowings had been 1% higher or lower with all other variables held constant, interest charges for the years ended 31 December 2011 and 2010 would have been RMB17,810,000 and RMB12,950,000 lower or higher respectively, mainly as a result of higher or lower interest expense on floating rate borrowings.

##### (iii) Credit risk

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

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



## Notes to the Consolidated Financial Statements (*Continued*)

(All amounts in RMB thousands unless otherwise stated)

### 3 Financial risk management (*Continued*)

#### 3.1 Financial risk factor (*Continued*)

##### (iii) Credit risk (*Continued*)

To manage this risk, deposits are mainly placed with licensing banks which are all high-credit-quality financial institutions. For the trade receivables arising from sales of properties, the Group managed the credit risk by fully receiving cash or properly arranging the purchasers' mortgage loans financing procedures before delivery of properties unless strong credit records of the customers could be established. The Group has policies in place to ensure that sales are made to purchasers with an appropriate financial strength and appropriate percentage of down payments. It also has other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews regularly the recoverable amount of each individual trade receivables to ensure that adequate impairment provisions are made for irrecoverable amounts. The Group has no significant concentrations of credit risk, with exposure spread over a number of counterparties and customers.

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

The Group has arranged bank financing for certain purchasers of property units and provided guarantees to secure obligations of such purchasers for repayments. Detailed disclosure of these guarantees is made in the note 39.

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

##### (iv) Liquidity risk

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



## Notes to the Consolidated Financial Statements (Continued)

(All amounts in RMB thousands unless otherwise stated)

### 3 Financial risk management (Continued)

#### 3.1 Financial risk factor (Continued)

##### (iv) Liquidity risk (Continued)

The Group has a number of alternative plans to mitigate the potential impacts on anticipated cash flows should there be significant adverse changes in economic environment. These include control on investment in land bank, adjusting project development timetable to adapt the changing local real estate market environment, implementing cost control measures, promotion of sales of completed properties, accelerating sales with more flexible pricing. The Group will pursue such options basing on its assessment of relevant future costs and benefits.

The table below depicts the Group's financial liabilities maturity profile at the balance sheet date. The amounts disclosed thereon are the contractual undiscounted cash flows. Balances due within 12 months from the balance sheet date equal to their carrying amounts in the balance sheets, as the impact of discount should not be significant.

Group

	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total
<b>At 31 December 2011</b>					
Bank borrowings	4,774,908	1,544,483	1,334,573	516,469	8,170,433
Convertible Bonds — debt component	126,018	126,018	2,493,989	—	2,746,025
Convertible Bonds — embedded financial derivatives	—	—	860,497	—	860,497
Senior notes	552,510	552,510	3,449,629	4,129,246	8,683,895
Syndicated loans	831,042	1,762,129	1,539,653	684,310	4,817,134
Other borrowings	2,725,122	—	—	—	2,725,122
Trade and other payables and accruals	11,339,906	—	—	—	11,339,906
<b>At 31 December 2010</b>					
Bank borrowings	5,658,717	2,985,510	1,413,322	—	10,057,549
Senior notes	580,728	580,728	1,742,184	6,787,389	9,691,029
Syndicated loans	149,586	149,996	2,396,725	1,083,646	3,779,953
Other borrowings	—	2,551,500	—	—	2,551,500
Trade and other payables and accruals	9,370,377	—	—	—	9,370,377



## Notes to the Consolidated Financial Statements *(Continued)*

(All amounts in RMB thousands unless otherwise stated)

### 3 Financial risk management (Continued)

#### 3.1 Financial risk factor (Continued)

##### (iv) Liquidity risk (Continued)

Company

	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total
<b>At 31 December 2011</b>					
Bank borrowings	26,063	214,971	445,768	—	686,802
Convertible Bonds — debt component	126,018	126,018	2,493,989	—	2,746,025
Convertible Bonds — embedded financial derivatives	—	—	860,497	—	860,497
Senior notes	552,510	552,510	3,449,629	4,129,246	8,683,895
Syndicated loans	763,979	1,595,249	1,038,830	—	3,398,058
Amounts due to subsidiaries	2,856,975	—	—	—	2,856,975
Other payables and accruals	719,322	—	—	—	719,322
<b>At 31 December 2010</b>					
Bank borrowings	2,054,061	1,266,333	—	—	3,320,394
Senior notes	580,728	580,728	1,742,184	6,787,389	9,691,029
Syndicated loans	90,453	90,701	2,219,327	—	2,400,481
Amounts due to subsidiaries	3,000,638	—	—	—	3,000,638
Other payables and accruals	742,502	—	—	—	742,502

#### 3.2 Capital risk management

The Group's objectives of capital management are to ensure that the Group continues to operate as a going concern. Besides, the Group is able to provide returns for shareholders and benefits for other stakeholders. Accordingly, the Group has maintained an optimal capital structure in order to reduce any unnecessary cost of capital.

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



## Notes to the Consolidated Financial Statements (*Continued*)

(All amounts in RMB thousands unless otherwise stated)

### 3 Financial risk management (*Continued*)

#### 3.2 Capital risk management (*Continued*)

The Group monitors its capital structure on a basis of gearing ratio. This ratio is calculated as net borrowings divided by total equity as shown in the consolidated balance sheet. Net borrowings are calculated as total borrowings (including current and non-current borrowings as shown in the consolidated balance sheet) less total of cash and cash equivalents and restricted cash.

	2011	2010
Total borrowings including debt component of Convertible Bonds (note 22 and note 23)	22,031,165	20,758,020
Less: Cash and cash equivalents (note 19)	(4,683,714)	(6,481,663)
Restricted cash (note 18)	(2,644,128)	(4,198,962)
Net borrowings	14,703,323	10,077,395
Total equity	23,756,843	20,335,159
Gearing ratio	61.9%	49.6%

The increase in the gearing ratio during 2011 resulted primarily from the issuance of Convertible Bonds.

#### 3.3 Fair value estimation

The different levels of valuation method have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. The Group uses a variety of methods and makes assumptions that are based on market conditions existing at respective balance sheet date. Quoted market prices or dealer quotes for similar instruments are used for senior notes. If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. Embedded financial derivatives of RMB860,497,000 are carried at fair value, which is categorised under level 3. Specific valuation technique used includes binomial model. Detailed disclosure of this valuation is made in the note 23.



## Notes to the Consolidated Financial Statements (*Continued*)

(All amounts in RMB thousands unless otherwise stated)

### 4 Critical accounting estimates and judgements

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

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

#### (a) Current and deferred income tax

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

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

#### (b) Land appreciation taxes

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

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



## Notes to the Consolidated Financial Statements (*Continued*)

(All amounts in RMB thousands unless otherwise stated)

### 4 Critical accounting estimates and judgements (*Continued*)

#### (c) Provisions for properties under development and completed properties held for sale

For the purpose of assessing provision, properties under development and completed properties held for sale are grouped at the lowest levels for which there are separately identifiable cash flows. The recoverability of the carrying amounts of land use rights, properties under development and completed properties held for sale was assessed according to their recoverable amount based on HKAS 36, taking into account costs to completion based on past experience and net sales value based on prevailing market conditions. Provision is made when events or changes in circumstances indicate that the carrying amounts may not be recoverable. The assessment requires the use of judgement and estimates.

As at 31 December 2011, no impairment was provided for properties under development or completed properties held for sale.

#### (d) 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, by reference to independent valuations; and
- (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, by reference to independent valuations.

In the case of investment properties under development, their fair value reflects the expectations of market participants of the value of the properties when they are completed, less deductions for the costs required to complete the projects and appropriate adjustments for profit and risk. The valuation and all key assumptions used in the valuation should reflect market conditions at the balance sheet date. The key assumptions include value of completed properties, period of development, outstanding construction costs, other professional costs, risk associated with completing the projects and generating income after completion and investors' return as a percentage of value or cost. The fair value is made by reference to independent valuation.



## Notes to the Consolidated Financial Statements (Continued)

(All amounts in RMB thousands unless otherwise stated)

### 4 Critical accounting estimates and judgements (Continued)

#### (e) Fair value estimation of embedded financial derivatives of the Group's Convertible Bonds

As described in note 23, the Company's Convertible Bonds contain a number of embedded financial derivatives that are measured at fair value through profit or loss. The Company engaged an independent valuer to assist it in determining the fair value of these embedded financial derivatives. The determination of fair value was made after consideration of a number of factors, including but not limited to: the Group's financial and operating results; the global economic outlook in general and the specific economic and competitive factors affecting the Group's business; the nature and prospects of the PRC property market; the Group's business plan and prospects; business risks the Group faces; and market yields and return volatility of comparable corporate bonds. This conclusion of fair value was based on generally accepted valuation procedures and practices that rely extensively on the use of numerous assumptions and the consideration of many uncertainties, not all of which can be easily quantified or ascertained.

### 5 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.

The Group is organised into four business segments: property development, property management, hotel operations and property investment. The associate and joint ventures of the Group are principally engaged in property development and are included in the property development segment. 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 considered necessary.

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.

Analysis of turnover by the Group's business segments for the years ended 31 December 2011 and 2010 is as follows:

	2011	2010
<b>Revenue:</b>		
— Property development	22,466,034	20,196,817
— Property management	338,698	257,349
— Hotel operations	121,671	49,551
— Property investment	18,163	16,475
	<b>22,944,566</b>	<b>20,520,192</b>



## Notes to the Consolidated Financial Statements (Continued)

(All amounts in RMB thousands unless otherwise stated)

### 5 Segment information (Continued)

Segment results and capital expenditure for the years ended 31 December 2011 and 2010 are as follows:

#### Year ended 31 December 2011

	Property development	Property management	Hotel operations	Property investment	Elimination	Group
Gross segment sales	22,466,034	458,216	121,671	18,163	—	23,064,084
Inter-segment sales	—	(119,518)	—	—	—	(119,518)
Sales to external customers	22,466,034	338,698	121,671	18,163	—	22,944,566
Segment results	10,721,076	(24,519)	(115,592)	100,051	—	10,681,016
Fair value gains on embedded financial derivatives (note 23)						176,922
Finance income, net (note 33)						644,608
Share of post-tax profit of an associate (note 10)	120,938	—	—	—	—	120,938
Profit before income tax						11,623,484
Income tax expenses (note 34)						(6,389,804)
Profit for the year						5,233,680
Segment assets	71,363,323	301,435	4,943,360	5,248,000	(321,961)	81,534,157
Segment assets includes:						
Interests in an associate	204,762	—	—	—	—	204,762
Unallocated assets						244,065
Total assets						81,778,222
Segment liabilities	21,064,578	344,558	3,521,579	553,184	(321,961)	25,161,938
Unallocated liabilities						32,859,441
Total liabilities						58,021,379
Capital expenditure	762,643	5,068	881,710	153,683	—	1,803,104
Depreciation	50,473	4,639	13,181	—	—	68,293
Amortisation of land use rights and intangible assets	43,297	43	34,249	—	—	77,589
Fair value gains on investment properties (note 9)	—	—	—	96,418	—	96,418



## Notes to the Consolidated Financial Statements *(Continued)*

(All amounts in RMB thousands unless otherwise stated)

### 5 Segment information (Continued)

Segment assets and liabilities are reconciled to total assets and liabilities as follows:

	Assets	Liabilities
Segment assets/liabilities	81,534,157	25,161,938
Unallocated:		
Deferred income taxes	173,346	1,549,574
Prepaid taxes	70,719	—
Current income tax liabilities	—	8,418,205
Current borrowings	—	7,659,710
Non-current borrowings	—	12,170,458
Convertible Bonds — debt component	—	2,200,997
Convertible Bonds — embedded financial derivatives	—	860,497
<b>Total</b>	<b>81,778,222</b>	<b>58,021,379</b>

#### Year ended 31 December 2010

	Property development	Property management	Hotel operations	Property investment	Elimination	Group
Gross segment sales	20,196,817	335,661	49,551	16,475	—	20,598,504
Inter-segment sales	—	(78,312)	—	—	—	(78,312)
Sales to external customers	20,196,817	257,349	49,551	16,475	—	20,520,192
Segment results	7,516,714	19,269	27,375	3,201,503	—	10,764,861
Finance income, net (note 33)						269,217
Profit before income tax						11,034,078
Income tax expenses (note 34)						(4,615,482)
Profit for the year						6,418,596
Segment assets	60,840,025	255,483	3,946,093	5,000,219	(338,201)	69,703,619
Unallocated assets						174,714
Total assets						69,878,333
Segment liabilities	19,292,155	277,682	2,316,178	432,193	(338,201)	21,980,007
Unallocated liabilities						27,563,167
Total liabilities						49,543,174
Capital expenditure	248,724	5,509	382,362	68,037	—	704,632
Depreciation	32,037	6,389	8,854	—	—	47,280
Amortisation of land use rights and intangible assets	43,583	34	43,082	—	—	86,699
Fair value gains on investment properties (note 9)	—	—	—	3,198,208	—	3,198,208



## Notes to the Consolidated Financial Statements (Continued)

(All amounts in RMB thousands unless otherwise stated)

### 5 Segment information (Continued)

Segment assets and liabilities are reconciled to total assets and liabilities as follows:

	Assets	Liabilities
Segment assets/liabilities	69,703,619	21,980,007
Unallocated:		
Deferred income taxes	70,346	2,047,587
Prepaid taxes	104,368	—
Current income tax liabilities	—	4,757,560
Current borrowings	—	5,262,251
Non-current borrowings	—	15,495,769
Total	69,878,333	49,543,174

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

Eliminations comprise inter-segment trade and non-trade balances.

Pricing policy for inter-segment transactions is determined by reference to market price.

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.



## Notes to the Consolidated Financial Statements (Continued)

(All amounts in RMB thousands unless otherwise stated)

### 6 Property, plant and equipment — Group

	Buildings	Motor vehicles	Office equipment	Machinery	Construction in progress	Total
<b>At 1 January 2010</b>						
Cost	286,354	128,566	56,010	31,378	1,505,510	2,007,818
Accumulated depreciation	(25,327)	(69,377)	(25,146)	(19,270)	—	(139,120)
Net book amount	261,027	59,189	30,864	12,108	1,505,510	1,868,698
<b>Year ended 31 December 2010</b>						
Opening net book amount	261,027	59,189	30,864	12,108	1,505,510	1,868,698
Additions	68,024	20,520	14,774	4,989	347,186	455,493
Disposals	(15,249)	(2,488)	(5,674)	(265)	—	(23,676)
Depreciation	(14,045)	(20,371)	(10,224)	(2,640)	—	(47,280)
Closing net book amount	299,757	56,850	29,740	14,192	1,852,696	2,253,235
<b>At 31 December 2010</b>						
Cost	337,718	145,536	64,403	35,824	1,852,696	2,436,177
Accumulated depreciation	(37,961)	(88,686)	(34,663)	(21,632)	—	(182,942)
Net book amount	299,757	56,850	29,740	14,192	1,852,696	2,253,235
<b>Year ended 31 December 2011</b>						
Opening net book amount	299,757	56,850	29,740	14,192	1,852,696	2,253,235
Additions	343,190	33,185	26,633	63,227	926,704	1,392,939
Reclassification	1,564,376	—	—	—	(1,564,376)	—
Disposals	(202)	(1,816)	(143)	(1,918)	—	(4,079)
Depreciation	(30,009)	(19,029)	(10,620)	(8,635)	—	(68,293)
Closing net book amount	2,177,112	69,190	45,610	66,866	1,215,024	3,573,802
<b>At 31 December 2011</b>						
Cost	2,245,014	172,022	87,448	98,863	1,215,024	3,818,371
Accumulated depreciation	(67,902)	(102,832)	(41,838)	(31,997)	—	(244,569)
Net book amount	2,177,112	69,190	45,610	66,866	1,215,024	3,573,802



## Notes to the Consolidated Financial Statements (*Continued*)

(All amounts in RMB thousands unless otherwise stated)

### 6 Property, plant and equipment — Group (Continued)

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

	2011	2010
Cost of sales	24,832	12,228
Selling and marketing costs	3,423	3,708
Administrative expenses	40,038	31,344
	68,293	47,280

As at 31 December 2011, property, plant and equipment of RMB92,949,000 were pledged as collateral for the Group's borrowings (note 22(d)).

During the year, the Group has capitalised borrowing costs amounting to RMB73,769,000 (2010: RMB119,793,000) on property, plant and equipment. Borrowing costs were capitalised at the weighted average rate of its general borrowings of 7.26%.

### 7 Land use rights — Group

	2011	2010
Opening net book amount	2,283,309	2,191,417
Additions	245,978	175,034
Amortisation		
— Capitalised in construction in progress	(34,187)	(43,035)
— Recognised as expenses (note 30)	(40,072)	(40,107)
Closing net book amount	2,455,028	2,283,309

Land use rights comprise cost of acquiring rights to use certain land, which are located in the PRC, held on leases of over 50 years, and mainly for hotel buildings and self-use buildings over fixed periods.

Amortisation of RMB40,072,000 (2010: RMB40,107,000) is included in the 'administrative expenses' of the income statement.

As at 31 December 2011, land use rights of RMB1,571,944,000 (2010: RMB1,359,135,000) were pledged as collateral for the Group's borrowings (note 22(d)).



## Notes to the Consolidated Financial Statements (Continued)

(All amounts in RMB thousands unless otherwise stated)

### 8 Intangible assets — Group

Intangible assets mainly comprised acquired computer software licences:

	2011	2010
Opening net book amount	12,017	9,506
Additions	10,505	6,068
Amortisation (note 30)	(3,330)	(3,557)
Closing net book amount	19,192	12,017
Cost	31,869	22,590
Accumulated amortisation	(12,677)	(10,573)
Net book amount	19,192	12,017

Amortisation of RMB3,330,000 (2010: RMB3,557,000) is included in the 'administrative expenses' of the income statement.

### 9 Investment properties — Group

	Under construction	Completed	Total
<b>Year ended 31 December 2010</b>			
As at 1 January 2010	—	—	—
Transfer from properties under development and completed properties held for sale to investment properties	972,856	758,799	1,731,655
Additions	68,037	—	68,037
Fair value gains on investment properties	2,403,226	794,982	3,198,208
As at 31 December 2010	3,444,119	1,553,781	4,997,900
<b>Year ended 31 December 2011</b>			
As at 1 January 2011	3,444,119	1,553,781	4,997,900
Additions	153,682	—	153,682
Fair value gains on investment properties	38,599	57,819	96,418
As at 31 December 2011	3,636,400	1,611,600	5,248,000



## Notes to the Consolidated Financial Statements (Continued)

(All amounts in RMB thousands unless otherwise stated)

### 9 Investment properties — Group (Continued)

- (a) The investment properties are located in the PRC and are held on lease of between 30 to 70 years.
- (b) Amounts recognised in the consolidated income statement for investment properties.

	2011	2010
Rental income	18,163	16,475
Direct operating expenses arising from investment properties that generate rental income	(13,222)	(13,180)
Direct operating expenses that did not generate rental income	(1,308)	—
	3,633	3,295

(c) **Valuation basis**

The fair values of the Group's investment properties as at 31 December 2011 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 31 December 2011.

(d) **Investment properties pledged as security**

As at 31 December 2011, investment properties of RMB3,262,846,000 (2010: RMB2,382,291,000) were pledged as collateral for the Group's bank borrowings (note 22(d)).

(e) **Leasing arrangements**

Some of the investment properties are leased to tenants under long term operating leases with rentals payable monthly. Minimum lease payments receivable on leases of investment properties are shown in note 41.

The period of leases whereby the Group leases out its investment properties under operating leases ranged from 1 year to 20 years.



## Notes to the Consolidated Financial Statements (Continued)

(All amounts in RMB thousands unless otherwise stated)

### 10 Other non-current asset and interest in an associate — Group

In December 2009, the Group and certain PRC real estate developers have jointly bid a tract of land in Guangzhou. In April 2010, Guangzhou Li He Property Development Company Limited (廣州利合房地產開發有限公司) (“Li He”), the project company principally engaged in development of this project, has been set up and thereafter was undertaking a reorganisation of its shareholding structure. Each of the Group and other four parties (the “Five Shareholders”) agreed to evenly hold 20% equity interests in Li He. As at 31 December 2010, since the restructuring of Li He was still in progress, the net contribution in Li He by the Group of approximately RMB1,653,979,000 was recorded as other non-current asset.

The reorganisation of shareholding structure of Li He was completed in 2011. According to the articles of association of Li He, the Group has significant influence over Li He. Therefore, in 2011, the interest in Li He was reclassified from other non-current asset to interest in an associate and trade and other receivables (note 17) accordingly.

The movement of the interest in an associate during the year is:

	2011
Balance as at 1 January	—
Addition	83,824
Share of post-tax profits of an associate	120,938
Balance as at 31 December	204,762

The Group’s share of the aggregated assets, liabilities, revenue and results of its associate are as follows:

	2011
Assets	4,632,830
Liabilities	4,428,068
Revenue	1,289,614
Post-tax profits	120,938



## Notes to the Consolidated Financial Statements (*Continued*)

(All amounts in RMB thousands unless otherwise stated)

### 11 Prepayment for acquisition of equity interests

Amounts represent the prepayment for acquisition of 2.5% equity interests in a real estate project in the PRC.

### 12 Interest in jointly controlled entities

In August 2010, the Group and three PRC real estate developers (collectively refer to as the “JV Parties”) jointly established Tianjin Jinnan Xincheng Real Estate Development Company Limited (天津津南新城房地產開發有限公司) (“Tianjin Jinnan”) and Tianjin He An Investment Company Limited (天津和安投資有限公司) (“He An”, an investment holding company) to develop a real estate project in Tianjin. Each of JV Parties evenly held 25% equity interest in Tianjin Jinnan. As at 31 December 2011 and 2010, the Group has contributed capital of RMB916,825,000 to Tianjin Jinnan.

Subsequent to establishment of Tianjin Jinnan, JV Parties, Tianjin Jinnan and a financial institution in the PRC have entered into a funding arrangement, pursuant to which the financial institution granted a fund in sum of RMB3,600,000,000 to Tianjin Jinnan (note 22(f)(i)).



## Notes to the Consolidated Financial Statements (Continued)

(All amounts in RMB thousands unless otherwise stated)

### 12 Interest in jointly controlled entities (Continued)

The following amounts represent the Group's share of the assets, liabilities and results of the project. They are included in the consolidated balance sheet and income statement:

	As at 31 December	
	2011	2010
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	787	—
Properties under development	—	1,826,009
Deferred income tax assets	11,278	8,654
	<b>12,065</b>	<b>1,834,663</b>
<b>Current assets</b>		
Properties under development	1,993,135	—
Trade and other receivables	1,458	1,289
Prepaid taxes	1,832	—
Cash and cash equivalents	101,123	49,403
	<b>2,097,548</b>	<b>50,692</b>
<b>Total assets</b>	<b>2,109,613</b>	<b>1,885,355</b>
<b>EQUITY</b>		
<b>Capital and reserves attributable to the share holders of the Company</b>		
Share capital	977,500	977,500
Accumulated losses	(34,034)	(26,764)
<b>Total equity</b>	<b>943,466</b>	<b>950,736</b>
<b>Non-current liabilities</b>		
Borrowings	—	934,619
<b>Current liabilities</b>		
Borrowings	1,051,450	—
Trade and other payables and accruals	114,697	—
<b>Total liabilities</b>	<b>1,166,147</b>	<b>934,619</b>
<b>Total equity and liabilities</b>	<b>2,109,613</b>	<b>1,885,355</b>
<b>Net current assets</b>	<b>931,401</b>	<b>50,692</b>
<b>Total assets less current liabilities</b>	<b>943,466</b>	<b>1,885,355</b>



## Notes to the Consolidated Financial Statements (Continued)

(All amounts in RMB thousands unless otherwise stated)

### 12 Interest in jointly controlled entities (Continued)

	Year ended 31 December	
	2011	2010
<b>Expenses</b>		
Administrative expenses	(10,366)	(799)
Finance income/(costs), net	671	(34,619)
<b>Loss before income tax</b>	<b>(9,695)</b>	<b>(35,418)</b>
Income tax credit	2,425	8,654
<b>Loss for the year</b>	<b>(7,270)</b>	<b>(26,764)</b>
Proportionate interest in jointly controlled entities' commitments	38,323	—
Proportionate liabilities in jointly controlled entities' contingency	—	—

### 13 Financial instruments by category

#### (a) Group

	At 31 December	At 31 December
	2011	2010
<b>Assets as per consolidated balance sheet</b>		
<b>Loans and receivables</b>		
Trade and other receivables from third parties and related parties, excluding prepaid business taxes and other taxes and prepayments	4,245,184	2,555,667
Restricted cash	2,644,128	4,198,962
Cash and cash equivalents	4,683,714	6,481,663
<b>Total</b>	<b>11,573,026</b>	<b>13,236,292</b>

	At 31 December	At 31 December
	2011	2010
<b>Liabilities as per consolidated balance sheet</b>		
<b>Financial liabilities at fair value through profit or loss</b>		
Convertible Bonds — embedded financial derivatives	860,497	—
<b>Other financial liabilities</b>		
Borrowings	19,830,168	20,758,020
Convertible Bonds — debt component	2,200,997	—
Trade and other payables and accruals, excluding staff welfare benefit payable and other taxes payable	11,339,906	9,370,377
<b>Total</b>	<b>33,371,071</b>	<b>30,128,397</b>
<b>Total</b>	<b>34,231,568</b>	<b>30,128,397</b>



## Notes to the Consolidated Financial Statements *(Continued)*

(All amounts in RMB thousands unless otherwise stated)

### 13 Financial instruments by category (Continued)

#### (b) Company

	At 31 December 2011	At 31 December 2010
<b>Assets as per balance sheet</b>		
<b>Loans and receivables</b>		
Receivables from subsidiaries and third parties	20,386,662	17,155,907
Restricted cash	440,951	2,450,399
Cash and cash equivalents	75,412	51,480
Total	20,903,025	19,657,786
	At 31 December 2011	At 31 December 2010
<b>Liabilities as per balance sheet</b>		
<b>Financial liabilities at fair value through profit or loss</b>		
Convertible Bonds — embedded financial derivatives	860,497	—
<b>Other financial liabilities</b>		
Borrowings	9,613,454	11,460,505
Convertible Bonds — debt component	2,200,997	—
Amounts due to subsidiaries	2,856,975	3,000,638
Other payables and accruals	719,322	742,502
Total	15,390,748	15,203,645
Total	16,251,245	15,203,645



## Notes to the Consolidated Financial Statements (Continued)

(All amounts in RMB thousands unless otherwise stated)

### 14 Properties under development — Group

	2011	2010
Properties under development expected to be completed:		
— Within an operating cycle included under current assets	32,291,852	25,626,102
— Beyond an operating cycle included under non-current assets	13,865,049	5,674,988
	46,156,901	31,301,090
Properties under development comprise:		
— Construction costs and capitalised expenditures	15,517,378	10,530,295
— Capitalised interests	2,078,474	1,024,416
— Land use rights	28,561,049	19,746,379
	46,156,901	31,301,090

All properties under development are located in the PRC.

The capitalisation rate of borrowings is 7.26% for the year ended 31 December 2011 (2010: 6.94%).

As at 31 December 2011 and 2010, land use rights included in the properties under developments with net book value of RMB6,828,212,000 (2010: RMB5,335,327,000) were pledged as collateral for the Group's borrowings (note 22(d)).

### 15 Completed properties held for sale — Group

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

As at 31 December 2011, completed properties held for sale of approximately RMB24,254,000 (2010: RMB88,662,000) were pledged as collateral for the Group's bank borrowings (note 22(d)).

### 16 Prepayments for acquisition of land use rights — Group

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



## Notes to the Consolidated Financial Statements (Continued)

(All amounts in RMB thousands unless otherwise stated)

### 17 Trade and other receivables

	Group		Company	
	2011	2010	2011	2010
Trade receivables (note (a))	1,444,652	1,512,143	—	—
Other receivables due from:				
— Subsidiaries	—	—	20,386,130	17,154,609
— An associate (note 42(c))	1,139,716	—	—	—
— Third parties	1,200,816	486,081	532	1,298
Prepaid business taxes and other taxes	536,588	329,964	—	—
Deposits for acquisition of land use rights	460,000	557,443	—	—
Prepayments	32,699	26,035	—	67
	<b>4,814,471</b>	<b>2,911,666</b>	<b>20,386,662</b>	<b>17,155,974</b>

As at 31 December 2011, the fair value of trade and other receivables approximated their carrying amounts. All the balances were fully performing except the balances which were past due but not impaired as described below.

Notes:

- (a) Trade receivables mainly arose from sale of properties. Considerations in respect of properties sold are settled in accordance with the terms of the related sales and purchase agreements or mortgage agreements with the banks. As at 31 December 2011 and 2010, the ageing analysis of the trade receivables is as follows:

	Group	
	2011	2010
Within 90 days	838,672	1,359,138
Over 90 days and within 365 days	605,980	153,005
	<b>1,444,652</b>	<b>1,512,143</b>

As at 31 December 2011, trade receivables of RMB483,138,000 (2010: RMB70,155,000) were past due but not impaired. These accounts are related to certain customers who did not have a recent history of default. The ageing analysis of these trade receivables is as follows:

	Group	
	2011	2010
Over 90 days and within 365 days	483,138	70,155

- (b) The carrying amounts of trade and other receivables are mainly denominated in RMB.



## Notes to the Consolidated Financial Statements (Continued)

(All amounts in RMB thousands unless otherwise stated)

### 18 Restricted cash

	Group		Company	
	2011	2010	2011	2010
Guarantee deposits for mortgage loans (note (a))	40,096	358,028	—	—
Guarantee deposits for construction of pre-sold properties (note (b))	2,021,140	1,294,947	—	—
Deposits for accident compensation (note (c))	121,941	95,588	—	—
Collateral for borrowings (note (d))	460,951	2,450,399	440,951	2,450,399
	<b>2,644,128</b>	<b>4,198,962</b>	<b>440,951</b>	<b>2,450,399</b>
Denominated in RMB (note (e))	2,203,177	1,748,563	—	—
Denominated in USD	440,951	2,450,399	440,951	2,450,399
	<b>2,644,128</b>	<b>4,198,962</b>	<b>440,951</b>	<b>2,450,399</b>

Notes:

- (a) Amounts represent cash deposited in certain banks as guarantee deposits for the 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 settlements of payables of construction materials or construction fee of the relevant property projects when approval from local State-Owned Land and Resource Bureau is obtained. The remaining balance of guarantee deposits will be released upon completion of construction of related pre-sold properties or issuance of the real estate ownership certificate, whichever is earlier.
- (c) In accordance with regulation issued by certain local governments 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) Amounts represent bank deposits pledged as collateral for the Group's bank borrowings of RMB446,197,000 (2010: RMB2,432,499,000) (note 22(d)). Such guarantee deposits will be released after the repayment of the relevant borrowings.
- (e) The conversion of RMB denominated balances into foreign currencies and the remittance of such foreign currencies denominated bank balances and cash out of the PRC are subject to relevant rules and regulation of foreign exchange control promulgated by the PRC government.



## Notes to the Consolidated Financial Statements (Continued)

(All amounts in RMB thousands unless otherwise stated)

### 19 Cash and cash equivalents

	Group		Company	
	2011	2010	2011	2010
Cash and cash equivalents comprise the following:				
Cash at bank and in hand	4,611,683	6,470,051	3,381	39,868
Short-term bank deposits	72,031	11,612	72,031	11,612
	4,683,714	6,481,663	75,412	51,480
Denominated in RMB (note (a))	4,219,854	5,651,363	95	—
Denominated in other currencies	463,860	830,300	75,317	51,480
	4,683,714	6,481,663	75,412	51,480

Note:

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

### 20 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>Authorised</b>					
At 31 December 2011 and 2010	10,000,000,000	1,000,000			
<b>Movements were:</b>					
<b>Issued and fully paid</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 31 December 2010	3,472,722,000	347,272	365,121	3,429,926	3,795,047
Repurchase of shares of the Company (note (a))	(23,272,000)	(2,327)	(1,904)	(134,601)	(136,505)
At 31 December 2011	3,449,450,000	344,945	363,217	3,295,325	3,658,542

Note:

- (a) During the year ended 31 December 2011, the Company has acquired 23,272,000 (2010: 102,786,000) of its own shares through purchases on the Stock Exchange. The total consideration of HK\$166,716,000, equivalent to RMB136,505,000 (2010: total consideration of HK\$909,891,000, equivalent to RMB802,060,000), paid for repurchases of shares has been deducted from share capital and premium.



## Notes to the Consolidated Financial Statements (Continued)

(All amounts in RMB thousands unless otherwise stated)

### 21 Other reserves

#### Group

	Merger reserve	Statutory reserve and enterprise expansion fund	Total
	(note (a))	(note (b))	
Balance at 1 January 2010	442,395	257,378	699,773
Transfer from retained earnings	—	83,547	83,547
Balance at 31 December 2010	442,395	340,925	783,320
Balance at 1 January 2011	<b>442,395</b>	<b>340,925</b>	<b>783,320</b>
Transfer from retained earnings	—	<b>163,672</b>	<b>163,672</b>
Balance at 31 December 2011	<b>442,395</b>	<b>504,597</b>	<b>946,992</b>

Notes:

- (a) Merger reserve of the Group represents the difference between the share capital of subsidiaries acquired over the nominal value of the shares of the Company issued in exchange pursuant to the group reorganisation undertaken for listing of Company on the Stock 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, those subsidiaries are required to transfer an amount of their profit after taxation to the statutory reserve fund, until the accumulated total of the fund reaches 50% of their registered capital. The statutory reserve fund may be distributed to equity holders in the form of bonus issue.

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

#### Company

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



## Notes to the Consolidated Financial Statements *(Continued)*

(All amounts in RMB thousands unless otherwise stated)

### 22 Borrowings

	Group		Company	
	2011	2010	2011	2010
Borrowings included in non-current liabilities:				
Senior notes (note (a))				
— Senior notes issued in 2009 (“2009 Senior Notes”) (note (a)(i))	1,816,777	1,900,290	1,816,777	1,900,290
— Senior notes issued in 2010 (“2010 Senior Notes”) (note (a)(ii))	4,022,221	4,219,819	4,022,221	4,219,819
Long-term syndicated loans				
— secured (note (b))	1,000,000	905,000	—	—
— unsecured (note (c))	3,152,385	2,146,650	3,152,385	2,146,650
Bank borrowings				
— secured (note (d))	5,168,236	5,159,260	—	—
— unsecured (note (e))	2,070,071	2,291,498	622,071	1,209,498
Other borrowings — secured (note (f))	2,600,478	2,151,255	—	—
Less: current portion of long-term syndicated loans				
— secured (note (b))	(50,000)	—	—	—
— unsecured (note (c))	(645,798)	—	(645,798)	—
Less: current portion of other borrowings (note (f))	(2,600,478)	—	—	—
Less: current portion of long-term bank borrowings				
— secured (note (d))	(3,374,760)	(2,500,423)	—	—
— unsecured	(988,674)	(777,580)	—	—
	<b>12,170,458</b>	<b>15,495,769</b>	<b>8,967,656</b>	<b>9,476,257</b>
Borrowings included in current liabilities:				
Short-term bank borrowings — secured (note (d))	—	1,984,248	—	1,984,248
Current portion of long-term syndicated loans	695,798	—	645,798	—
Current portion of other borrowings (note (f))	2,600,478	—	—	—
Current portion of long-term bank borrowings	4,363,434	3,278,003	—	—
	<b>7,659,710</b>	<b>5,262,251</b>	<b>645,798</b>	<b>1,984,248</b>
<b>Total borrowings</b>	<b>19,830,168</b>	<b>20,758,020</b>	<b>9,613,454</b>	<b>11,460,505</b>



## Notes to the Consolidated Financial Statements (Continued)

(All amounts in RMB thousands unless otherwise stated)

### 22 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 RMB5,440,076,000 as at 31 December 2011.

(i) 2009 Senior Notes

On 14 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 on 14 November 2016. The Company, at its option, can redeem all or a portion of the senior notes at any time prior to the maturity date at the redemption prices plus accrued and unpaid interest up to the redemption date.

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

	2011	2010
Carrying amount as at 1 January	1,900,290	1,949,946
Amortisation of issuance costs	13,507	11,994
Exchange gain	(97,020)	(61,650)
Carrying amount at 31 December	1,816,777	1,900,290

(ii) 2010 Senior Notes

On 28 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 up to the redemption date.

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

	2011	2010
Carrying amount as at 1 January/date of issuance	4,219,819	4,343,810
Amortisation of issuance costs	12,612	8,222
Exchange gain	(210,210)	(132,213)
Carrying amount at 31 December	4,022,221	4,219,819



## Notes to the Consolidated Financial Statements (Continued)

(All amounts in RMB thousands unless otherwise stated)

### 22 Borrowings (Continued)

Notes: (Continued)

- (b) A subsidiary of the Group 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 subsidiary which will be expired on 3 January 2019. The facility is secured by certain properties of the subsidiary. As at 31 December 2011, the carrying value of the loans outstanding amounted to RMB1,000,000,000 (2010: RMB905,000,000).
- (c) In 2010, 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 by pledges of the shares of these subsidiaries. As at 31 December 2010, the carrying value of the loans outstanding amounted to US\$123,333,000 (equivalent to RMB816,420,000). This loan has been early settled in 2011.

In 2010, the Company has entered into another bank loan agreement with a group of banks pursuant to which the Company has been granted a facility of HK\$1,592,500,000 expiring on 7 September 2013. The facility is jointly guaranteed by certain subsidiaries of the Group by pledges of the shares of these subsidiaries. As at 31 December 2011, the carrying value of the loans outstanding amounted to HK\$1,574,806,000, equivalent to approximately RMB1,275,672,000 (2010: HK\$1,564,189,000, equivalent to approximately RMB1,330,230,000).

In 2011, the Company has entered into another bank loan agreement with a group of banks pursuant to which the Company has been granted a facility of HK\$2,350,000,000 expiring on 27 July 2014. The facility is jointly guaranteed by certain subsidiaries of the Group by pledges of the shares of these subsidiaries. As at 31 December 2011, the carrying value of the loans outstanding amounted to HK\$2,314,750,000, equivalent to approximately RMB1,876,713,000.

- (d) As at 31 December 2011, the Group's bank borrowings of RMB4,722,039,000 (2010: RMB4,711,009,000) are secured by its land use rights and properties (note 6, note 7, note 9, note 14 and note 15) and the Group's bank borrowings of RMB446,197,000 (2010: RMB2,432,499,000) are secured by its bank deposits (note 18(d)).
- (e) As at 31 December 2011, the Company's unsecured bank borrowings of RMB622,071,000 (2010: RMB1,209,498,000) are jointly guaranteed by certain subsidiaries of the Group.
- (f) Other borrowings — secured
- (i) Fund raised by a joint venture in Tianjin (note 12)

In August 2010, JV Parties, Tianjin Jinnan and a financial institution (the "Trustee I") entered into a fund arrangement, pursuant to which Trustee I raised a trust fund totalling RMB3,600,000,000 and injected the fund to Tianjin Jinnan. The fund bears interest at a fixed interest rate and will mature on 13 March 2012. During the period of the fund, 98.16% shares of Tianjin Jinnan are held by Trustee I as security. JV Parties provide guarantee in proportion to respective shareholders in Tianjin Jinnan on the repayment of the fund to the Trustee I and the Group's share of the guarantee amounted to RMB900,000,000 (note 42(b)). Upon the maturity of the fund, Trustee I has a call option to acquire 16% shares in Tianjin Jinnan at a pre-agreed consideration.



## Notes to the Consolidated Financial Statements (Continued)

(All amounts in RMB thousands unless otherwise stated)

### 22 Borrowings (Continued)

Notes: (Continued)

(f) Other borrowings — secured (Continued)

(i) Fund raised by a joint venture in Tianjin (note 12) (Continued)

This fund arrangement is a compound financial instrument comprised of a liability component and an embedded financial derivative as follows:

- The liability component represent the present value of the contractually determined stream of future cash flows discounted at the prevailing market interest rate at the time applicable to instruments of comparable credit status and providing substantially the same cash flows, on the same terms, but without the call option. The interest charged for the period is calculated by applying the relevant effective interest rate to the liability since the trust establishment date.
- The call option is accounted for as a separate derivative at fair value. The portion attributable to the Group is immaterial as at the grant date, 31 December 2010 and 2011.

The movements of the Group's portion of liability for the year ended 31 December 2011 and 2010 are set out below:

	2011	2010
Carrying amount at 1 January/date of issuance	934,619	900,000
Interest charged during the period	116,831	34,619
Carrying amount at 31 December	1,051,450	934,619

(ii) Fund raised by a subsidiary in Guangzhou

In 2010, an indirect wholly owned subsidiary of the Company who is principally engaged in development of a real estate project in Guangzhou ("Guangzhou Project Company") and a financial institution (the "Trustee II") entered into a fund arrangement, pursuant to which Trustee II raised a trust fund totalling RMB1,500,000,000 and injected the fund to Guangzhou Project Company. The fund bears a fixed interest rate and will mature in November 2012. During the period of the fund, 33% shares of Guangzhou Project Company are held by Trustee II as security and land use right of Guangzhou Project Company of RMB4,419,212,000 are pledged to Trustee II.



## Notes to the Consolidated Financial Statements (Continued)

(All amounts in RMB thousands unless otherwise stated)

### 22 Borrowings (Continued)

Notes: (Continued)

(f) Other borrowings — secured (Continued)

(ii) Fund raised by a subsidiary in Guangzhou (Continued)

The movements of the liability for the years ended 31 December 2011 and 2010 are set out below:

	2011	2010
Carrying amount at 1 January/ date of issuance	1,216,636	1,200,000
Addition	300,000	—
Interest charged during the period	166,476	16,636
Interest paid during the period	(134,084)	—
Carrying amount at 31 December	1,549,028	1,216,636

The exposure of the Group's borrowings to interest-rate changes and the contractual repricing dates are as follows:

The Group	6 months or less	6–12 months	1-5 years	Over 5 years
Borrowings included in non-current liabilities:				
At 31 December 2011	3,837,809	2,493,651	1,816,777	4,022,221
At 31 December 2010	502,291	3,365,966	5,507,403	6,120,109
Borrowings included in current liabilities:				
At 31 December 2011	1,587,634	6,072,076	—	—
At 31 December 2010	2,490,648	2,771,603	—	—

The Company	6 months or less	6–12 months	1-5 years	Over 5 years
Borrowings included in non-current liabilities:				
At 31 December 2011	3,128,658	—	1,816,777	4,022,221
At 31 December 2010	—	—	3,356,148	6,120,109
Borrowings included in current liabilities:				
At 31 December 2011	645,798	—	—	—
At 31 December 2010	1,984,248	—	—	—



## Notes to the Consolidated Financial Statements (Continued)

(All amounts in RMB thousands unless otherwise stated)

### 22 Borrowings (Continued)

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

The Group	2011		2010	
	RMB'000	Effective interest rate	RMB'000	Effective interest rate
2009 Senior notes — US\$	1,816,777	11.02%	1,900,290	11.02%
2010 Senior notes — US\$	4,022,221	9.29%	4,219,819	9.29%
Syndicated loans — RMB	1,000,000	6.96%	905,000	6.53%
Syndicated loans — HK\$	3,152,385	4.22%	1,330,230	3.47%
Syndicated loans — US\$	—	—	816,420	4.76%
Bank borrowings — HK\$	—	—	677,578	3.51%
Bank borrowings — US\$	622,071	4.53%	2,516,168	3.88%
Bank borrowings and other borrowings — RMB	9,216,714	7.85%	8,392,515	7.46%
	<b>19,830,168</b>		<b>20,758,020</b>	

The Company	2011		2010	
	RMB'000	Effective interest rate	RMB'000	Effective interest rate
2009 Senior notes — US\$	1,816,777	11.02%	1,900,290	11.02%
2010 Senior notes — US\$	4,022,221	9.29%	4,219,819	9.29%
Syndicated loans — HK\$	3,152,385	4.22%	1,330,230	3.47%
Syndicated loans — US\$	—	—	816,420	4.76%
Bank borrowings — HK\$	—	—	677,578	3.51%
Bank borrowings — US\$	622,071	4.53%	2,516,168	3.88%
	<b>9,613,454</b>		<b>11,460,505</b>	

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

The Group	2011		2010	
	Carrying amount	Fair value	Carrying amount	Fair value
Bank borrowings (note (i))	2,874,873	2,874,873	4,172,755	4,172,755
2009 Senior notes (note (ii))	1,816,777	1,677,071	1,900,290	2,206,787
2010 Senior notes (note (ii))	4,022,221	3,341,588	4,219,819	4,379,604
Syndicated loans (note (i))	3,456,587	3,456,587	3,051,650	3,051,650
Other borrowings	—	—	2,151,255	2,151,255
	<b>12,170,458</b>	<b>11,350,119</b>	<b>15,495,769</b>	<b>15,962,051</b>



## Notes to the Consolidated Financial Statements *(Continued)*

(All amounts in RMB thousands unless otherwise stated)

### 22 Borrowings (Continued)

The Company	2011		2010	
	Carrying amount	Fair value	Carrying amount	Fair value
Bank borrowings (note (i))	622,071	622,071	1,209,498	1,209,498
2009 Senior notes (note (ii))	1,816,777	1,677,071	1,900,290	2,206,787
2010 Senior notes (note (ii))	4,022,221	3,341,588	4,219,819	4,379,604
Syndicated loans (note (i))	2,506,587	2,506,587	2,146,650	2,146,650
	<b>8,967,656</b>	<b>8,147,317</b>	<b>9,476,257</b>	<b>9,942,539</b>

Notes:

- (i) The fair values of non-current bank borrowings and syndicated loans approximate their carrying amount as all such borrowings are with floating interest rate.
- (ii) The fair values of senior notes are determined directly by references to the price quotations published by Singapore Exchange Limited on 31 December 2011, the last dealing date of 2011.

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

#### As of 31 December 2011

The Group	Bank borrowings	Senior notes	Syndicated loans	Other borrowings	Total
Between 1 and 2 years	1,383,905	—	1,606,673	—	2,990,578
Between 2 and 5 years	1,149,888	1,816,777	1,299,914	—	4,266,579
Over 5 years	341,080	4,022,221	550,000	—	4,913,301
	<b>2,874,873</b>	<b>5,838,998</b>	<b>3,456,587</b>	<b>—</b>	<b>12,170,458</b>

The Company	Bank borrowings	Senior notes	Syndicated loans	Other borrowings	Total
Between 1 and 2 years	188,979	—	1,506,673	—	1,695,652
Between 2 and 5 years	433,092	1,816,777	999,914	—	3,249,783
Over 5 years	—	4,022,221	—	—	4,022,221
	<b>622,071</b>	<b>5,838,998</b>	<b>2,506,587</b>	<b>—</b>	<b>8,967,656</b>



## Notes to the Consolidated Financial Statements (Continued)

(All amounts in RMB thousands unless otherwise stated)

### 22 Borrowings (Continued)

As of 31 December 2010

The Group	Bank borrowings	Senior notes	Syndicated loans	Other borrowings	Total
Between 1 and 2 years	2,781,319	—	—	2,151,255	4,932,574
Between 2 and 5 years	1,391,436	—	2,146,650	—	3,538,086
Over 5 years	—	6,120,109	905,000	—	7,025,109
	4,172,755	6,120,109	3,051,650	2,151,255	15,495,769

The Company	Bank borrowings	Senior notes	Syndicated loans	Other borrowings	Total
Between 1 and 2 years	1,209,498	—	—	—	1,209,498
Between 2 and 5 years	—	—	2,146,650	—	2,146,650
Over 5 years	—	6,120,109	—	—	6,120,109
	1,209,498	6,120,109	2,146,650	—	9,476,257

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

The Group has the following undrawn borrowing facilities:

	2011	2010
Floating rate		
— expiring beyond one year	1,813,899	1,715,675

### 23 Convertible Bonds

On 28 April 2011, the Company issued 4.0% Convertible Bonds due 2016, in the aggregate principal amount of US\$500 million (equivalent to RMB3,253 million). The Convertible Bonds, at the option of the bond holders, will be convertible into fully paid ordinary shares with a par value of HK\$0.1 each of the Company. The initial conversion price of the Convertible Bonds is HK\$18.256 per share (with a fixed exchange rate of US\$1.00 = HK\$7.774), subject to adjustments pursuant to the terms and conditions of the Convertible Bonds. On 19 May 2011, the initial conversion price of HK\$18.256 per share has been adjusted to HK\$17.839 per share following the distribution of final dividend for the year ended 31 December 2010.

The net proceeds from issuance of the Convertible Bonds of US\$491,902,000 (equivalent to RMB3,199,875,000) were received on 28 April 2011.



## Notes to the Consolidated Financial Statements (Continued)

(All amounts in RMB thousands unless otherwise stated)

### 23 Convertible Bonds (Continued)

The Convertible Bonds were recognised as embedded financial derivatives and a debt component as follows:

- Embedded financial derivatives, comprise the fair value of the option of the holders of the Convertible Bonds to convert the Convertible Bonds into ordinary shares of the Company at the conversion price; the fair value of the option of the holders of the Convertible Bonds to require the Company to redeem the Convertible Bonds; and the fair value of the option of the Company to redeem the Convertible Bonds.

These embedded options are interdependent as only one of these options can be exercised. Therefore, they are not able to be accounted for separately and a single compound derivative was recognised.

- Debt component initially recognised at its fair value, which is the residual amount after deducting the fair value of the derivative component from the net proceeds at the initial recognition, and is subsequently carried at amortised cost.

A valuation on the Convertible Bonds has been performed by Vigers Appraisal and Consulting Limited, an independent qualified valuer, on 28 April 2011 and 31 December 2011. The binomial model is used in the valuation of the embedded financial derivatives. Key assumption and variables used in the model are as follows:

	note	28 April 2011	31 December 2011
Conversion price		HKD18.256	HKD17.839
Risk-free rate of interest	(a)	2.84%	1.97%
Time to expiration		5 yrs	4.33 yrs
Volatility	(b)	43%	68%

Notes:

- (a) The risk-free rate of interest adopted approximated the interest rate of Chinese government bonds with maturity of three years.
- (b) The volatility adopted for a private company was based on the average of the upper range between the industry volatility and the peer companies' volatilities.



## Notes to the Consolidated Financial Statements (Continued)

(All amounts in RMB thousands unless otherwise stated)

### 23 Convertible Bonds (Continued)

The value of embedded financial derivatives varies with different variables of certain subjective assumptions, which have been made by the directors of the Company based on their best estimates.

The movement of the debt component and embedded financial derivative of the Convertible Bonds is set out below:

	Debt component	Embedded financial derivatives	Total
<b>For the period from inception to 31 December 2011</b>			
The Convertible Bonds issued on 28 April 2011	2,162,456	1,037,419	3,199,875
Fair value gains on embedded financial derivatives	—	(176,922)	(176,922)
Interest expenses	194,587	—	194,587
Interest paid	(85,062)	—	(85,062)
Exchange gains	(70,984)	—	(70,984)
<b>As at 31 December 2011</b>	<b>2,200,997</b>	<b>860,497</b>	<b>3,061,494</b>

Up to 31 December 2011, there was no conversion or redemption of the Convertible Bonds.

### 24 Deferred income tax — Group

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes relate to the same fiscal authority. As at 31 December 2011 and 2010, the Group did not have such offset amount and the amounts shown in the consolidated balance sheets are as follows:

	2011	2010
Deferred income tax assets to be recovered within 12 months	173,346	70,346
Deferred income tax liabilities to be payable after more than 12 months	(1,549,574)	(2,047,587)



## Notes to the Consolidated Financial Statements *(Continued)*

(All amounts in RMB thousands unless otherwise stated)

### 24 Deferred income tax — Group (Continued)

The movements in deferred tax assets/(liabilities) during the years ended 31 December 2010 and 2011 were as follows:

	Deferred tax assets — unrealised profit on intra-group transactions	Deferred tax assets — tax losses	Deferred tax liabilities — temporary difference on recognition of sales and related cost of sales	Deferred tax liabilities — excess of carrying amount of land use right over the tax bases	Deferred tax liabilities — excess of fair value of investment properties over the tax bases	Net
At 1 January 2010	48,356	—	(655,632)	(353,231)	—	(960,507)
Reclassification	—	—	—	66,401	(66,401)	—
Credited/(charged) to the consolidated income statement	21,990	—	(239,172)	—	(799,552)	(1,016,734)
At 31 December 2010	70,346	—	(894,804)	(286,830)	(865,953)	(1,977,241)
Reclassification	—	—	—	—	—	—
Credited/(charged) to the consolidated income statement	59,527	43,473	521,332	786	(24,105)	601,013
At 31 December 2011	129,873	43,473	(373,472)	(286,044)	(890,058)	(1,376,228)

Deferred income tax assets are recognised for tax losses carry-forwards to the extent that the realisation of the related benefit through the future taxable profits is probable. Tax losses of approximately RMB11,274,000, RMB23,082,000, RMB31,963,000, RMB148,030,000 and RMB305,144,000, will expire in 2012, 2013, 2014, 2015 and 2016, respectively.



## Notes to the Consolidated Financial Statements (Continued)

(All amounts in RMB thousands unless otherwise stated)

### 25 Trade and other payables and accruals

	Group		Company	
	2011	2010	2011	2010
Trade payables (note (a))	8,176,679	6,604,515	—	—
Other payables due to:				
— Subsidiaries	—	—	2,856,975	3,000,638
— Related parties (note 42 (c))	708,240	710,417	572,357	570,676
— Third parties (note (b))	2,014,782	1,702,943	10,260	61,856
Staff welfare benefit payable	34,301	29,005	—	—
Accruals	440,205	352,502	136,705	109,970
Other taxes payable	275,866	246,876	—	—
	<b>11,650,073</b>	<b>9,646,258</b>	<b>3,576,297</b>	<b>3,743,140</b>

Notes:

- (a) The ageing analysis of trade payables of the Group as at 31 December 2011 and 2010 is as follows:

	Group	
	2011	2010
Within 90 days	6,288,702	5,643,242
Over 90 days and within 180 days	866,998	243,484
Over 180 days and within 365 days	594,464	553,945
Over 365 days	426,515	163,844
	<b>8,176,679</b>	<b>6,604,515</b>

- (b) A local government appointed the Group to carry out a project of land clearance and primary infrastructure construction for the local government. The government shall make progress payments to the Group, which are interest free, and the construction cost incurred by the Group will be reimbursed or off set against the progress payments of the government on an actual basis. As at 31 December 2011, the project was in progress. The advances received from the government after net off the relevant construction cost incurred, which amounted to approximately RMB561,498,000 (2010: RMB602,622,000), was recognised as other payables.



## Notes to the Consolidated Financial Statements (Continued)

(All amounts in RMB thousands unless otherwise stated)

### 26 Current income tax liabilities — Group

Current income tax liabilities are analysed as follows:

	2011	2010
Income tax payables		
— PRC enterprise income tax payables	646,926	31,606
— PRC land appreciation tax payables	7,375,719	4,700,928
— PRC withholding tax payable	395,560	25,026
	<b>8,418,205</b>	<b>4,757,560</b>

### 27 Other income

	2011	2010
Interest income of bank deposits	137,095	84,722
Income in relation to a cancellation of land acquisition agreement (note (a))	29,911	—
Forfeited deposits from customers	9,574	8,241
Rental income	—	8,994
Miscellaneous income	23,640	11,699
	<b>200,220</b>	<b>113,656</b>

Note:

(a) Amount represented receipt in relation to a cancellation of land acquisition agreement.

### 28 Other expenses

	2011	2010
Charitable donations	83,334	155,280
Early redemption premium of 2006 Senior Notes	—	184,872
Miscellaneous	21,988	57,460
	<b>105,322</b>	<b>397,612</b>



## Notes to the Consolidated Financial Statements (Continued)

(All amounts in RMB thousands unless otherwise stated)

### 29 Exchange losses, net

Amount mainly represents the gain or loss of translation of financial assets and liabilities, which are denominated in foreign currency, into RMB at the prevailing period-end exchange rate. It does not include the exchange gain or loss related to borrowings and Convertible Bonds which are included in the finance income, net (note 33).

### 30 Expenses by nature

	2011	2010
Employee benefit expense — including directors' emoluments (note 31)		
— property development	496,554	340,021
— property management	274,385	180,314
— hotel operations	85,480	20,224
Auditors' remuneration	5,400	5,200
Advertising costs	659,081	516,261
Depreciation (note 6)	68,293	47,280
Amortisation of intangible assets (note 8)	3,330	3,557
Amortisation of land use rights relating to property, plant and equipment (note 7)	40,072	40,107
Cost of properties sold	8,635,701	9,638,967
Business taxes and other levies on sales of properties (note (a))	1,254,716	1,033,236
Cost of property management	201,872	137,596
Cost of hotel operations	179,690	30,347
Commission fee	68,925	56,734

Note:

- (a) The Group is subject to business taxes of 5% and other levies on their revenues from sales of properties in the PRC.



## Notes to the Consolidated Financial Statements (Continued)

(All amounts in RMB thousands unless otherwise stated)

### 31 Employee benefit expense — including directors' emoluments

	2011	2010
Wages and salaries	739,919	486,537
Pension costs — statutory pension (note (a))	40,788	19,996
Staff welfare	13,748	7,441
Medical benefits	12,050	3,982
Other allowances and benefits	49,914	22,603
	<b>856,419</b>	<b>540,559</b>

Note:

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

The gross retirement scheme contributions for the employees, which have been charged in the consolidated income statement of the Group, amounted to RMB40,788,000 (2010: RMB19,996,000).

### 32 Directors' and senior management's emoluments

#### (a) Directors' emoluments

The emoluments of directors of the Company for the year ended 31 December 2011 are set out below:

	Contribution to			Total
	Fees	Salary	pension scheme	
Mr. Chen Zhuo Lin	—	3,743	10	3,753
Mr. Chan Cheuk Yin	—	3,202	10	3,212
Ms. Luk Sin Fong, Fion	—	3,202	10	3,212
Mr. Chan Cheuk Hung	—	2,658	10	2,668
Mr. Chan Cheuk Hei	—	2,658	10	2,668
Mr. Chan Cheuk Nam	—	2,658	10	2,668
Dr. Cheng Hon Kwan (*)	282	—	—	282
Mr. Kwong Che Keung, Gordon (*)	282	—	—	282
Mr. Cheung Wing Yui (*)	282	—	—	282
	<b>846</b>	<b>18,121</b>	<b>60</b>	<b>19,027</b>



## Notes to the Consolidated Financial Statements (Continued)

(All amounts in RMB thousands unless otherwise stated)

### 32 Directors' and senior management's emoluments (Continued)

#### (a) Directors' emoluments (Continued)

The emoluments of directors of the Company for the year ended 31 December 2010 are set out below:

	Fees	Salary	Contribution to pension scheme	Total
Mr. Chen Zhuo Lin	—	3,861	10	3,871
Mr. Chan Cheuk Yin	—	3,304	10	3,314
Ms. Luk Sin Fong, Fion	—	3,304	10	3,314
Mr. Chan Cheuk Hung	—	2,745	10	2,755
Mr. Chan Cheuk Hei	—	2,745	10	2,755
Mr. Chan Cheuk Nam	—	2,745	10	2,755
Dr. Cheng Hon Kwan (*)	277	—	—	277
Mr. Kwong Che Keung, Gordon (*)	277	—	—	277
Mr. Cheung Wing Yui (*)	277	—	—	277
	831	18,704	60	19,595

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

#### (b) Five highest paid individuals

During the year ended 31 December 2011, none of the five highest paid individuals in the Group is director of the Company (2010: five). The aggregate amounts of emoluments of the five highest paid individuals for the years ended 31 December 2011 and 2010 are set out below:

	2011	2010
Salaries and bonuses	29,592	27,555

The emoluments fell within the following bands:

	Number of individuals	
	2011	2010
Emoluments bands		
RMB5,000,001 — RMB5,500,000	2	4
RMB6,000,001 — RMB6,500,000	3	1



## Notes to the Consolidated Financial Statements (Continued)

(All amounts in RMB thousands unless otherwise stated)

### 32 Directors' and senior management's emoluments (Continued)

- (c) During the years ended 31 December 2011 and 2010, no emolument was paid by the Group to any of the above directors or the five highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of offices.

### 33 Finance income, net

	2011	2010
Interest expenses:		
— bank borrowings and syndicated loans	(716,915)	(599,982)
— senior notes	(586,191)	(643,735)
— other borrowings	(283,307)	(51,255)
— Convertible Bonds	(194,587)	—
Exchange gain from borrowings and Convertible Bonds	644,608	360,453
Less: interest capitalised	1,781,000	1,203,736
	<b>644,608</b>	269,217

### 34 Income tax expenses

	2011	2010
Current income tax		
— PRC enterprise income tax	2,577,233	1,088,448
— PRC land appreciation tax	4,043,050	2,485,274
— PRC withholding income tax	370,534	25,026
Deferred income tax (note 24)		
— PRC enterprise income tax	(601,013)	1,016,734
	<b>6,389,804</b>	4,615,482



## Notes to the Consolidated Financial Statements (Continued)

(All amounts in RMB thousands unless otherwise stated)

### 34 Income tax expenses (Continued)

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

	2011	2010
Profit before PRC enterprise income tax	11,623,484	11,034,078
Tax calculated at tax rates applicable to profits in the respective entities of the Group	2,845,658	2,707,965
Effect of		
— An associate's result reported net of tax	(30,235)	—
— Income not subject to enterprise income tax (note (a))	(173,788)	(78,668)
— Expense not deductible for enterprise income tax (note (b))	320,715	80,311
— PRC land appreciation tax deductible for calculation of income tax purposes	(986,130)	(604,426)
PRC enterprise income tax	1,976,220	2,105,182
PRC withholding income tax	370,534	25,026
PRC land appreciation tax	4,043,050	2,485,274
	6,389,804	4,615,482

Notes:

- (a) Income not subject to income tax for the years ended 31 December 2011 and 2010 mainly comprises the exchange gains generated from offshore borrowings and the bank interest income of the Company.
- (b) Expense not deductible for income tax for the years ended 31 December 2011 and 2010 mainly comprises donations made to non-official public welfare institutions and expenses of the overseas companies.

#### 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 land use rights and expenditures directly related to property development activities.



## Notes to the Consolidated Financial Statements *(Continued)*

(All amounts in RMB thousands unless otherwise stated)

### 34 Income tax expenses (Continued)

#### PRC enterprise income tax

The income tax provision of the Group in respect of operations in Mainland China has been calculated at the applicable tax rate on the estimated assessable profits for the year, based on the existing legislation, interpretations and practices in respect thereof.

The enterprise income tax rate applicable to the group entities located in Mainland China is 25% pursuant to the Enterprise Income Tax Law of the People's Republic of China (the "new CIT Law") effective on 1 January 2008. Under the new CIT Law, the enterprise income tax rate applicable to certain of the group entities established and operated in Hainan Special Economic Zone is gradually increased from 15% to 25% in a transitional period of five years starting from 1 January 2008, the applicable enterprise income tax rate of these group entities for the year is 24% (2010: 22%).

#### PRC withholding income tax

According to the Enterprise Income Tax Law of the PRC, starting from 1 January 2008, a withholding tax of 10% will be levied on the immediate holding companies outside the PRC when their PRC subsidiaries declare dividend out of profits earned after 1 January 2008. A lower 5% withholding tax rate may be applied when the immediate holding companies of the PRC subsidiaries are established in Hong Kong and fulfill requirements under the tax treaty arrangements between the PRC and Hong Kong.

#### Overseas income tax

Our Company was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law, Cap 22 of Cayman Islands and accordingly, is exempted from Cayman Islands income tax. Our entities in the British Virgin Islands were incorporated either under the BVI Business Companies Act or were automatically re-registered under the same act on 1 January 2007 and, accordingly, are exempted from British Virgin Islands income tax.

#### Hong Kong profits tax

No provision for Hong Kong profits tax has been made in these consolidated financial statements as the Company and the Group did not have assessable profit in Hong Kong for the year. The profit of the group entities in Hong Kong is mainly derived from dividend income, which is not subject to Hong Kong profits tax.



## Notes to the Consolidated Financial Statements (Continued)

(All amounts in RMB thousands unless otherwise stated)

### 35 Retained earnings of the Company

	2011	2010
As at 1 January	680,169	2,275,498
Profit/(loss) for the year	1,309,376	(1,041,009)
Dividends	(975,299)	(554,320)
As at 31 December	1,014,246	680,169
Representing		
— Proposed final dividend	657,319	675,874
— Unappropriated retained earnings	356,927	4,295

### 36 Earnings per share

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

	2011	2010
Profit attributable to shareholders of the Company	4,105,255	5,975,707
Weighted average number of ordinary shares in issue (thousands)	3,466,015	3,501,544
Basic earnings per share (RMB per share)	1.184	1.707

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The Company's only dilutive potential ordinary shares are derived from the Convertible Bonds. The Convertible Bonds are assumed to have been converted into ordinary shares, and the net profit is adjusted to eliminate the interest expenses, exchange gains on debt component and the fair value gains on embedded financial derivatives less the tax effect.

	2011	2010
Profit attributable to shareholders of the Company	4,105,255	5,975,707
Interest expenses charged to the income statement for the year	—	—
Exchange gains on debt component	(70,984)	—
Fair value gains on embedded financial derivatives	(176,922)	—
Profit used to determine diluted earnings per share	3,857,349	5,975,707
Weighted average number of ordinary shares in issue (thousands)	3,466,015	3,501,544
Assumed conversion of Convertible Bonds (thousands)	149,499	—
Weighted average number of ordinary shares for diluted earnings per share (thousands)	3,615,514	3,501,544
Diluted earnings per share (RMB per share)	1.067	1.707



## Notes to the Consolidated Financial Statements *(Continued)*

(All amounts in RMB thousands unless otherwise stated)

### 37 Dividends

	2011	2010
Interim dividend of HK\$0.108 (2010: HK\$0.061) per share (note (a))	307,245	174,185
Proposed final dividend of HK\$0.234 (2010: HK\$ 0.230) per ordinary share (note (b))	657,319	668,054
	<b>964,564</b>	<b>842,239</b>

Notes:

- (a) An interim dividend in respect of six months ended 30 June 2011 of HK\$0.108 per ordinary share totalling HK\$375,970,000 (equivalent to RMB307,245,000) was declared by the Board of Directors of the Company on 18 August 2011.
- (b) A final dividend in respect of 2010 of HK\$0.230 per share totalling HK\$798,726,000 (equivalent to RMB668,054,000) was declared at the Annual General Meeting on 19 May 2011.

A final dividend in respect of 2011 of HK\$0.234 per share totalling HK\$808,212,000 (equivalent to RMB657,319,000) has been proposed by the Board of Directors of the Company is subject to the approval of the shareholders at the Annual General Meeting to be held on 10 May 2012. These financial statements do not reflect this dividend payable.



## Notes to the Consolidated Financial Statements (Continued)

(All amounts in RMB thousands unless otherwise stated)

### 38 Cash generated from operations

	2011	2010
Net profit	5,233,680	6,418,596
Adjustments for:		
Taxation (note 34)	6,389,804	4,615,482
Interest income (note 27)	(137,095)	(84,722)
Finance income, net (note 33)	(644,608)	(269,217)
Depreciation (note 6)	68,293	47,280
Amortisation of intangible assets (note 8)	3,330	3,557
Amortisation of self-used land use right (note 7)	40,072	—
Loss of disposal of property, plant and equipment	4,079	23,676
Net exchange losses	152,867	131,912
Early redemption premium of 2006 Senior Notes	—	184,872
Fair value gains on investment properties	(96,418)	(3,198,208)
Fair value gains on embedded financial derivatives (note 23)	(176,922)	—
Share of post-tax profit of an associate (note 10)	(120,938)	—
Changes in working capital:		
Property under development and completed properties held for sales	(3,122,611)	(13,327,430)
Prepayments for acquisition of land use rights	(7,094,517)	(1,555,911)
Restricted cash	(434,614)	(459,178)
Trade and other receivables	(748,436)	(1,620,942)
Trade and other payables and accruals	1,879,516	9,926,014
Cash generated from operations	1,195,482	835,781

#### Non-cash transaction

There was no major non-cash transaction in 2011. The major non-cash transaction in 2010 was the transfer of certain properties under development and completed properties held for sales to investment properties (note 9).



## Notes to the Consolidated Financial Statements *(Continued)*

(All amounts in RMB thousands unless otherwise stated)

### 39 Financial guarantee — Group

	2011	2010
Guarantee in respect of mortgage facilities for certain purchasers (note (a))	12,442,609	13,092,013
Guarantee in respect of borrowings of an associate (note (b))	1,502,500	1,024,578
	<b>13,945,109</b>	<b>14,116,591</b>

Notes:

- (a) 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 31 December 2011, the outstanding guarantees amounted to RMB12,442,609,000 (2010: RMB13,092,013,000). Such guarantees will be discharged upon the earlier of (i) issuance of the real estate ownership certificate which will generally be available within one year after the purchasers take possession of the relevant property; 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 any 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 starts from the dates the mortgagees grant the mortgage loans. No provision has been made for the guarantees as the 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 any default in payments.

- (b) The Five Shareholders have evenly provided a guarantee in proportion of their shareholding in Li He (note 10) in respect of a loan facility of Li He amounting to RMB3,873,000,000 (2010: RMB5,123,000,000), the Group's share of the guarantee amounted to RMB774,600,000.

In 2011, the Five Shareholders have provided a guarantee in respect of another loan facility of Li He amounting to RMB2,911,600,000, the Group's share of the guarantee amounted to RMB727,900,000.



## Notes to the Consolidated Financial Statements (Continued)

(All amounts in RMB thousands unless otherwise stated)

### 40 Commitments — Group

#### (a) Operating leases commitments

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

	2011	2010
Property, plant and equipment:		
— Not later than one year	53,920	16,959
— Later than one year and not later than five years	80,959	47,469
	<b>134,879</b>	<b>64,428</b>

	2011	2010
Lease of areas adjacent to the property development projects:		
— Not later than one year	500	400
— Later than one year and not later than five years	2,500	1,600
— Later than five years	35,250	35,300
	<b>38,250</b>	<b>37,300</b>

	2011	2010
Lease of the land use right for golf club operation:		
— Not later than one year	3,170	—
— Later than one year and not later than five years	13,629	—
— Later than five years	36,613	—
	<b>53,412</b>	<b>—</b>

#### (b) Other commitments

	2011	2010
Contracted but not provided for		
— Property development activities	25,675,328	15,617,440
— Acquisition of land use rights and other assets	190,550	4,731,624
— Property development activities and other assets of the jointly controlled entities	38,323	—
	<b>25,904,201</b>	<b>20,349,064</b>



## Notes to the Consolidated Financial Statements (Continued)

(All amounts in RMB thousands unless otherwise stated)

### 41 Future minimum rental payments receivable — Group

The Group had future aggregate minimum lease rental receivables under non-cancellable operating leases as follows:

	2011	2010
Not later than one year	29,247	6,260
Later than one year and not later than five years	180,937	52,019
Over five years	205,998	115,078
	<b>416,182</b>	<b>173,357</b>

### 42 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 Hung, Mr. Chan Cheuk Hei, and Mr. Chan Cheuk Nam (the "Founding Shareholders")	The Founding Shareholders are also the directors of the Company
Zhongshan Changjiang Golf Course (note (i)) 中山長江高爾夫球場	Controlled by the Founding Shareholders
Zhongshan Agile Changjiang Hotel Co., Ltd (note (i)) 中山市雅居樂長江酒店有限公司	Controlled by the Founding Shareholders
Guangzhou Li He Property Development Company Limited (note (i)) 廣州利合房地產開發有限公司	Associate of the Group
Tianjin Jinnan Xincheng Real Estate Development Co., Ltd. (note (i)) 天津津南新城房地產開發有限公司	Jointly controlled by the Group
Tianjin He An Investment Company Limited (note (i)) 天津和安投資有限公司	Jointly controlled by the Group

Note:

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



## Notes to the Consolidated Financial Statements (Continued)

(All amounts in RMB thousands unless otherwise stated)

### 42 Related party transactions (Continued)

#### (b) Transactions with related parties

During the years ended 31 December 2011 and 2010, the Group had the following significant transactions with related parties, which are carried out in the normal course of the Group's business:

	2011	2010
Golf facilities service fee charged by Zhongshan Changjiang Golf Course (note (i))	921	846
Restaurant and hotel service fee charged by Zhongshan Agile Changjiang Hotel Co., Ltd. (note (i))	9,724	5,733
Acquisition of property from Mr. Chen Zhuo Lin and Ms. Luk Sin Fong, Fion	—	34,000
	2011	2010
Providing guarantee for borrowings of related parties		
— Li He (note 39(b))	1,502,500	1,024,578
— Tianjin Jinnan (note 22 (f)(i))	900,000	900,000
	2,402,500	1,924,578

#### Key management compensation

Key management includes directors and heads of major operational departments. The compensation paid or payable to key management for employee services is shown below:

	2011	2010
— Salaries and other short-term employee benefits	18,967	18,704
— Retirement scheme contributions	60	60
	19,027	18,764

Note:

- (i) Restaurant and hotel service fees and golf facilities service fees were charged in accordance with the terms of the underlying agreements which, in the opinion of the directors, were determined with reference to the market price at the prescribed year. In the opinion of the directors of the Company, the above related party transactions were carried out in the normal course of business and at terms mutually negotiated between the Group and the respective related parties.



## Notes to the Consolidated Financial Statements (Continued)

(All amounts in RMB thousands unless otherwise stated)

### 42 Related party transactions (Continued)

#### (c) Balances with related parties

As at 31 December 2011 and 2010, the Group had the following significant non-trade balances with related parties:

	2011	2010
Due from related parties		
Included in prepayments for acquisition of properties:		
— Zhongshan Agile Hotel Co., Ltd.	—	92,820
Included in trade and other receivables:		
— Li He (note (i))	1,139,716	—
	<b>1,139,716</b>	<b>92,820</b>
Due to related parties		
— Top Coast Investment Limited (note (ii))	579,325	570,676
— Founding shareholders (note (iii))	92,820	—
— Zhongshan Changjiang Golf Course (note (i))	30,952	139,741
— Zhongshan Agile Changjiang Hotel Co., Ltd.	5,143	—
	<b>708,240</b>	<b>710,417</b>

Notes:

- (i) The balances are cash advances in nature, which are unsecured, interest-free and repayable on demand.
- (ii) Amounts due to Top Coast Investment Limited comprise of dividend payable of RMB191,140,000 (2010: RMB324,766,000) and cash advances of RMB388,185,000 (2010: RMB245,910,000), which are unsecured, interest-free and repayable on demand.
- (iii) Amount due to Founding Shareholders represent the acquisition consideration of a hotel building.

### 43 Ultimate holding company

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



## Notes to the Consolidated Financial Statements (Continued)

(All amounts in RMB thousands unless otherwise stated)

### 44 Investments in subsidiaries — Company

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

Particulars of principal subsidiaries of the Group are set out below:

Name	Place of incorporation and legal status	Nominal value of issued and fully paid share capital/ paid-in capital	Percentage of attributable equity interest	Principal activities/ place of operation
<b>Directly held by the Company</b>				
Eastern Supreme Group Limited	British Virgin Islands (the “BVI”)/ limited liability company	US\$10,000	100%	Investment holding/ BVI
<b>Indirectly held by the Company</b>				
雅居樂地產置業有限公司 (前稱中山市雅居樂地產置業有限公司) Agile Property Land Co., Ltd. (Formerly named Zhangshan Agile Property Land Co., Ltd)	PRC/ wholly foreign owned enterprise	RMB50,000,000	100%	Management consultants/ PRC
中山雅居樂雍景園房地產有限公司 Zhongshan Agile Majestic Garden Real Estate Co., Ltd. (note i)	PRC/ wholly foreign owned enterprise	HK\$700,000,000	100%	Property development/ PRC
廣州番禺雅居樂房地產開發有限公司 Guangzhou Panyu Agile Realty Development Co., Ltd. (note i)	PRC/ wholly foreign owned enterprise	RMB250,000,000	100%	Property development/ PRC
廣州花都雅居樂房地產開發有限公司 Guangzhou Huadu Agile Realty Development Co., Ltd. (note i)	PRC/ wholly foreign owned enterprise	RMB380,000,000	100%	Property development/ PRC
佛山市南海區雅居樂房地產有限公司 Foshan Nanhai Agile Real Estate Development Co., Ltd. (note i)	PRC/ wholly foreign owned enterprise	RMB84,178,700	100%	Property development/ PRC



## Notes to the Consolidated Financial Statements (Continued)

(All amounts in RMB thousands unless otherwise stated)

### 44 Investments in subsidiaries — Company (Continued)

Name	Place of incorporation and legal status	Nominal value of issued and fully paid share capital/ paid-in capital	Percentage of attributable equity interest	Principal activities/ place of operation
中山市凱茵豪園房地產開發有限公司 Zhongshan Greenville Realty Development Co., Ltd. (note i)	PRC/ wholly foreign owned enterprise	RMB102,000,000	100%	Property development/ PRC
中山市雅建房地產發展有限公司 Zhongshan Ever Creator Real Estate Development Co., Ltd. (note i)	PRC/ wholly foreign owned enterprise	RMB93,000,000	100%	Property development/ PRC
廣州雅居樂房地產開發有限公司 Guangzhou Agile Real Estate Development Co., Ltd. (note i)	PRC/ wholly foreign owned enterprise	US\$14,480,000	100%	Property development/ PRC
佛山市雅居樂房地產有限公司 Foshan Agile Real Estate Development Co., Ltd. (note i)	PRC/ wholly foreign owned enterprise	US\$37,500,000	100%	Property development/ PRC
雅居樂物業管理服務有限公司 (前稱中山市雅居樂物業管理服務有限公司) Agile Property Management Services Co., Ltd. (note i) (Formerly named Zhongshan Agile Property Management Services Co., Ltd.)	PRC/ wholly foreign owned enterprise	RMB50,000,000	100%	Property management/ PRC
南京雅居樂房地產開發有限公司 Nanjing Agile Real Estate Development Co., Ltd. (note i)	PRC/ wholly foreign owned enterprise	US\$118,900,000	100%	Property development/ PRC
河源市雅居樂房地產開發有限公司 Heyuan Agile Real Estate Development Co., Ltd. (note i)	PRC/ wholly foreign owned enterprise	HK\$200,000,000	100%	Property development/ PRC
海南雅居樂房地產開發有限公司 Hainan Agile Real Estate Development Co., Ltd. (note i)	PRC/ foreign invested enterprise	HK\$2,100,000,000	70%	Property development/ PRC



## Notes to the Consolidated Financial Statements (Continued)

(All amounts in RMB thousands unless otherwise stated)

### 44 Investments in subsidiaries — Company (Continued)

Name	Place of incorporation and legal status	Nominal value of issued and fully paid share capital/paid-in capital	Percentage of attributable equity interest	Principal activities/place of operation
海南雅恒房地產發展有限公司 Hainan Yaheng Real Estate Development Co., Ltd. (note i)	PRC/ foreign invested enterprise	HK\$1,000,000,000	70%	Property development/ PRC
廣州從化雅居樂房地產開發有限公司 Guangzhou Conghua Agile Real Estate Development Co., Ltd. (note i)	PRC/ wholly foreign owned enterprise	HK\$570,000,000	100%	Property development/ PRC
四川雅居樂房地產開發有限公司 Sichuan Agile Real Estate Development Co., Ltd. (note i)	PRC/ wholly foreign owned enterprise	HK\$750,000,000	100%	Property development/ PRC
佛山市三水雅居樂房地產有限公司 Foshan Sanshui Agile Real Estate Development Co., Ltd. (note i)	PRC/ wholly foreign owned enterprise	HK\$200,000,000	100%	Property development/ PRC
惠州白鷺湖旅遊實業開發有限公司 Huizhou Bailuhu Tour Enterprise Development Co., Ltd. (note i)	PRC/ wholly foreign owned enterprise	HK\$200,000,000	100%	Property development/ PRC
陝西昊瑞房地產開發有限責任公司 Shaanxi Haorui Real Estate Development Co., Ltd. (note i)	PRC/ limited liability company	RMB210,000,000	100%	Property development/ PRC
上海靜安城投重慶市置業有限公司 Shanghai Jing'an Chengtou Chongqing Land Co., Ltd. (note i)	PRC/ wholly foreign owned enterprise	HK\$300,000,000	100%	Property development/ PRC
上海雅恒房地產開發有限公司 (前稱上海金昌房地產開發有限公司) Shanghai Yaheng Real Estate Development Co., Ltd. (formerly named Shanghai Jinchang Real Estate Development Co., Ltd) (note i)	PRC/ wholly foreign owned enterprise	RMB810,000,000	100%	Property development/ PRC



## Notes to the Consolidated Financial Statements *(Continued)*

(All amounts in RMB thousands unless otherwise stated)

### 44 Investments in subsidiaries — Company (Continued)

Name	Place of incorporation and legal status	Nominal value of issued and fully paid share capital/ paid-in capital	Percentage of attributable equity interest	Principal activities/ place of operation
廣州雅居樂酒店有限公司 Guangzhou Agile Hotel Co., Ltd. (note i)	PRC/ wholly foreign owned enterprise	HK\$7,000,000	100%	Hotel operation/ PRC
佛山市雅居樂酒店有限公司 Foshan Agile Hotel Co., Ltd. (note i)	PRC/ wholly foreign owned enterprise	HK\$10,000,000	100%	Hotel operation/ PRC
廣州雅恒房地產開發有限公司 Guangzhou Yaheng Real Estate Development Co., Ltd. (note i)	PRC/ wholly foreign owned enterprise	US\$99,900,000	100%	Property development/ PRC
中山市雅信房地產開發有限公司 Zhongshan Yaxin Real Estate Development Co., Ltd. (note i)	PRC/ limited liability company	RMB220,000,000	100%	Property development/ PRC
中山市雅創房地產開發有限公司 Zhongshan Yachuang Real Estate Development Co., Ltd. (note i)	PRC/ limited liability company	RMB350,000,000	100%	Property development/ PRC
廣州雅生房地產開發有限公司 Guangzhou Yasheng Real Estate Development Co., Ltd. (note i)	PRC/ limited liability company	RMB100,000,000	100%	Property development/ PRC

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

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



## Five-year Financial Summary

### Consolidated Assets, Equity and Liabilities

	31 December 2011 RMB'000	31 December 2010 RMB'000	31 December 2009 RMB'000	31 December 2008 RMB'000	31 December 2007 RMB'000
<b>ASSETS</b>					
Non-current assets	25,642,029	17,038,594	12,958,385	7,386,451	5,548,468
Current assets	56,136,193	52,839,739	31,219,797	27,591,326	23,157,435
<b>Total assets</b>	<b>81,778,222</b>	<b>69,878,333</b>	<b>44,178,182</b>	<b>34,977,777</b>	<b>28,705,903</b>
<b>EQUITY AND LIABILITIES</b>					
<b>Total equity</b>	<b>23,756,843</b>	<b>20,335,159</b>	<b>15,073,179</b>	<b>13,794,626</b>	<b>9,033,705</b>
Non-current liabilities	16,781,526	17,543,356	10,860,297	7,582,469	7,480,609
Current liabilities	41,239,853	31,999,818	18,244,706	13,600,682	12,191,589
<b>Total liabilities</b>	<b>58,021,379</b>	<b>49,543,174</b>	<b>29,105,003</b>	<b>21,183,151</b>	<b>19,672,198</b>
<b>Total equity and liabilities</b>	<b>81,778,222</b>	<b>69,878,333</b>	<b>44,178,182</b>	<b>34,977,777</b>	<b>28,705,903</b>

\* In 2010, the Group changed its accounting policies for land use rights which are held for development and subsequent sale.



## Five-year Financial Summary (Continued)

### Consolidated Income Statement

	2011 RMB'000	2010 RMB'000	2009 RMB'000	2008 RMB'000	2007 RMB'000
Revenue	22,944,566	20,520,192	13,330,783	9,326,292	10,312,324
Cost of sales	(10,590,392)	(11,131,277)	(8,376,704)	(5,889,994)	(5,105,342)
<b>Gross profit</b>	<b>12,354,174</b>	<b>9,388,915</b>	<b>4,954,079</b>	<b>3,436,298</b>	<b>5,206,982</b>
Selling and marketing costs	(835,042)	(694,639)	(537,179)	(462,539)	(326,908)
Administrative expenses	(876,565)	(718,340)	(611,793)	(619,139)	(381,731)
Fair value gains on investment properties	96,418	3,198,208	—	—	—
Other income	200,220	113,656	244,435	4,237,956	140,036
Other expenses	(105,322)	(397,612)	(326,545)	(120,433)	(50,143)
Exchange (losses)/gain, net	(152,867)	(125,327)	(2,235)	64,777	(70,506)
<b>Operating profit</b>	<b>10,681,016</b>	<b>10,764,861</b>	<b>3,720,762</b>	<b>6,536,920</b>	<b>4,517,730</b>
Fair value gains on embedded financial derivatives	176,922	—	—	—	—
Finance income/(costs), net	644,608	269,217	(57,682)	92,437	(63,216)
Share of post-tax profit of an associate	120,938	—	—	—	—
<b>Profit before income tax</b>	<b>11,623,484</b>	<b>11,034,078</b>	<b>3,663,080</b>	<b>6,629,357</b>	<b>4,454,514</b>
Income tax expenses	(6,389,804)	(4,615,482)	(1,661,129)	(1,171,919)	(2,343,729)
<b>Profit for the year</b>	<b>5,233,680</b>	<b>6,418,596</b>	<b>2,001,951</b>	<b>5,457,438</b>	<b>2,110,785</b>
<b>Attributable to:</b>					
Shareholders of the Company	4,105,255	5,975,707	1,865,160	5,466,905	2,102,824
Non-controlling interests	1,128,425	442,889	136,791	(9,467)	7,961
	<b>5,233,680</b>	<b>6,418,596</b>	<b>2,001,951</b>	<b>5,457,438</b>	<b>2,110,785</b>
<b>Earnings per share for profit attributable to the shareholders of the Company during the year</b> (expressed in RMB per share)					
— Basic	1.184	1.707	0.518	1.465	0.561
— Diluted	1.067	1.707	0.518	1.465	0.561
<b>Dividends</b>	<b>964,564</b>	<b>850,059</b>	<b>556,675</b>	<b>1,089,494</b>	<b>713,065</b>

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



# Information for Stakeholders

## Board of Directors

### Executive Directors

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

## Board Committees

### Audit Committee

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

### Remuneration Committee

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

### Nomination Committee

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

## Company Secretary

Ms. Wai Ching Sum

## Authorised Representatives

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

## Auditors

PricewaterhouseCoopers

## Legal Advisers

### as to Hong Kong law:

Sidley Austin Brown & Wood  
Iu, Lai & Li

### as to the PRC law:

Jingtian & Gongcheng

### as to BVI and Cayman Islands law:

Conyers Dill & Pearman

### as to the US law:

Sidley Austin Brown & Wood

## Principal Bankers

Bank of China Limited  
Industrial and Commercial Bank of China Limited  
China Construction Bank Corporation  
Agricultural Bank of China Limited  
The Bank of East Asia, Limited  
The Hongkong and Shanghai Banking Corporation Limited  
Hang Seng Bank Limited  
Standard Chartered Bank (Hong Kong) Limited



## Information for Stakeholders

### Registered Office

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

### Principle Place of Office in the PRC

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

### Principal Place of Business in Hong Kong

33rd Floor  
Citibank Tower  
3 Garden Road  
Central  
Hong Kong

### Principal Share Registrar and Transfer Office

Butterfield Fulcrum Group (Cayman) Limited  
Butterfield House  
68 Fort Street  
P.O. Box 609  
Grand Cayman KY1-1107  
Cayman Islands

### Branch Share Registrar and Transfer Office in Hong Kong

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

### Investor Relations

#### Capital Market Department

E-mail : [ir@agile.com.cn](mailto:ir@agile.com.cn)  
Telephone : (852) 2847 3383  
(86) 760 8668 6868  
Facsimile : (852) 2780 8822  
(86) 760 8632 7753

### Website

[www.agile.com.cn](http://www.agile.com.cn)



## Information for Stakeholders

### Listing Information

#### Equity Securities Listing

The Company's ordinary shares are listed on the Main Board of the Stock Exchange with stock code 3383.

#### As at 31 December 2011

Market capitalisation	:	HK\$24,008 million
Number of issued Shares	:	3,449,450,000 Shares
Closing price	:	HK\$6.96 per Share

#### Debt Securities Listing

The Company's debt securities are listed on the Official List of The Singapore Exchange Securities Trading Limited:

- 10% senior notes in an aggregate principal amount of US\$300 million due 2016
- 8.875% senior notes in an aggregate principal amount of US\$650 million due 2017
- 4% convertible bonds in an aggregate principal amount of US\$500 million due 2016

#### Share Price History

2011	Price per Share	
	Highest (HK\$)	Lowest (HK\$)
January	13.52	11.16
February	12.10	9.50
March	12.64	9.50
April	14.24	12.02
May	13.50	11.82
June	13.70	11.06
July	13.68	11.70
August	12.86	9.44
September	10.84	5.01
October	8.23	4.16
November	7.38	4.76
December	7.23	6.10



## Information for Stakeholders

### Closure of Register of Members and other Key Dates

The Company's register of members will be closed during the following periods:

#### To determine the identity of Shareholders who are entitled to attend and vote at the 2012 AGM

Latest time for lodging transfer	: 4:00 pm on Friday, 4 May 2012
Closure of register of members	: Monday, 7 May to Thursday, 10 May 2012 (both dates inclusive)
Record date	: Thursday, 10 May 2012
2012 AGM	: Thursday, 10 May 2012

#### To determine the Shareholders' entitlement to the proposed final dividend

Ex-entitlement date for final dividend	: Monday, 14 May 2012
Latest time for lodging transfer	: 4:00 pm on Tuesday, 15 May 2012
Closure of register of members	: Wednesday, 16 May to Friday, 18 May 2012 (both dates inclusive)
Record date	: Friday, 18 May 2012
Payment date for final dividend	: on or before Friday, 8 June 2012

No transfer of Shares will be registered during the above periods when the Companies' register of members is closed.

To qualify for attending and voting at the 2012 AGM and for the proposed final dividend, all properly completed 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 the latest time for lodging transfers as stated above.

The proposed final dividend will be paid on or about Friday, 8 June 2012 to Shareholders whose names appear on the register of members of the Company on Friday, 18 May 2012 upon approval by the Shareholders in the 2012 AGM.

### Annual General Meeting

The 2012 AGM will be held on Thursday, 10 May 2012. Notice of 2012 AGM will be set out in the relevant circular and will be despatched together with this annual report to the Shareholders. Notice of 2012 AGM and the proxy form will be published on the websites of Agile and HKEx.

### Dividends

Interim dividend	HK10.8 cents per Share
Proposed final dividend	HK23.4 cents per Share



## Information for Stakeholders

### Financial Calendar

2011 annual general meeting	19 May 2011
Interim results announcement	18 August 2011
Payment of interim dividend	27 September 2011
Annual results announcement	8 March 2012
Closure of register of members <i>(to determine the identity of Shareholders who are entitled to attend and vote at the 2012 AGM)</i>	7 May 2012 to 10 May 2012 (both dates inclusive)
2012 AGM	10 May 2012
Ex-entitlement date for final dividend	14 May 2012
Closure of register of members <i>(to determine the Shareholders' entitlement to the proposed final dividend)</i>	16 May 2012 to 18 May 2012 (both dates inclusive)
Payment for final dividend	on or about 8 June 2012

### Despatch of Corporate Communications

This annual report is printed in both English and Chinese versions and is published on Agile's website at [www.agile.com.cn](http://www.agile.com.cn) and the HKEx's website at [www.hkex.com.hk](http://www.hkex.com.hk). Printed copies in either or both languages will be delivered to Shareholders in accordance with their indicated preference. For environmental protection reasons, Shareholders are encouraged to view the contents of this annual report posted on the aforesaid websites. Registered Shareholders may at any time choose to change their choice of language or means of receipt of the Company's corporate communications free of charge by notice in writing to the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited. For Shareholders whose Shares are being held through brokers or custodians, they should inform their respective brokers or custodians to effect the change.



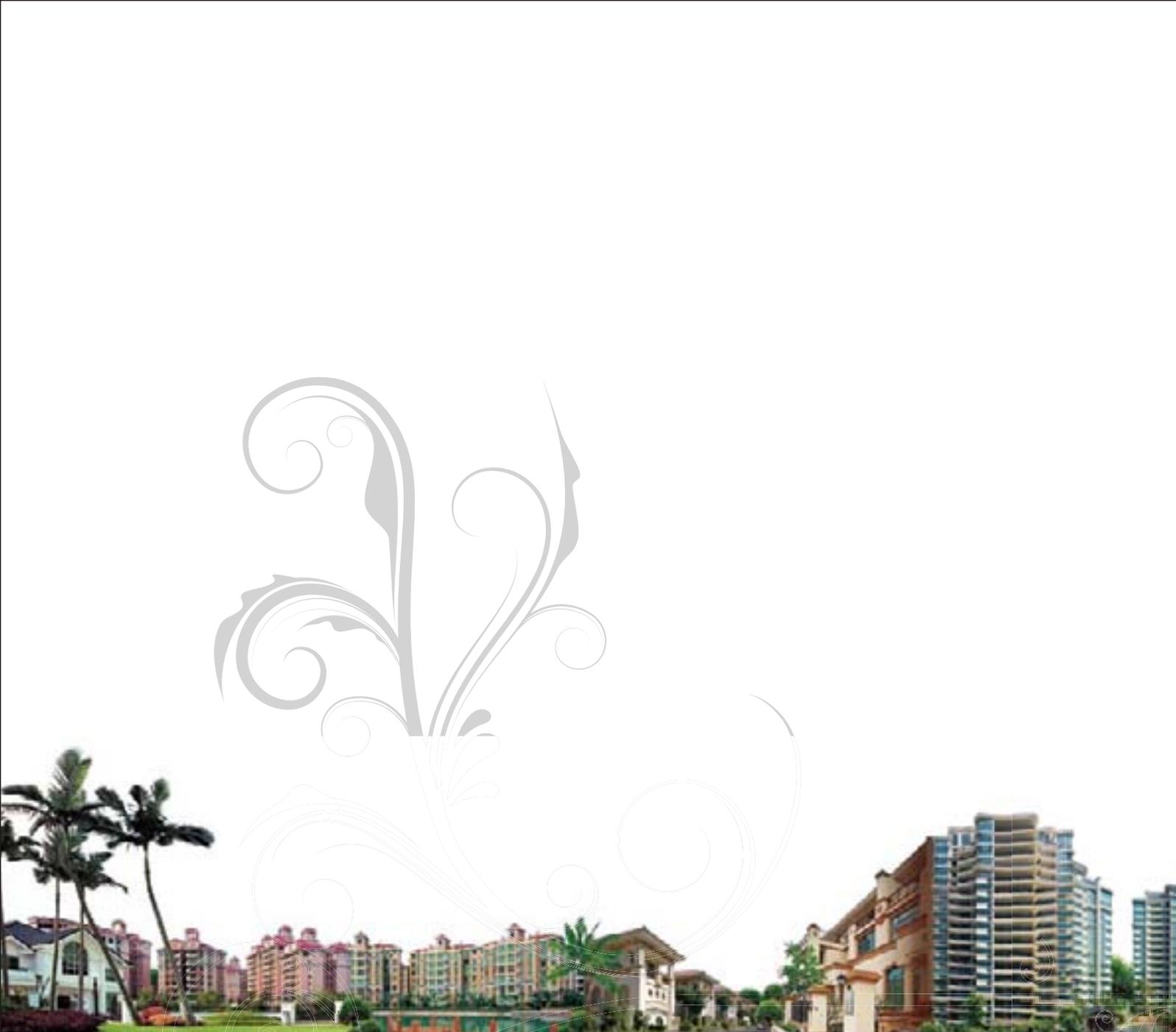
# Glossary

Agile or Company	Agile Property Holdings Limited, a company incorporated in the Cayman Islands with limited liability and the Shares of which are listed on the Main Board of the Stock Exchange
ASP	average selling price
2012 AGM	annual general meeting of the Company to be held on 10 May 2012
Board	board of Directors of the Company
BVI	British Virgin Islands
Chen's Family Trust	a family trust established by Top Coast as trustee and the beneficiaries of which are the Founding Shareholders
China or PRC	The People's Republic of China. For the purpose of this annual report, excluding Hong Kong, Macau Special Administrative Region of the PRC and Taiwan region
CG Code	Code on Corporate Governance Practices as set out in Appendix 14 to the Listing Rules
Directors	directors of the Company for the time being
Founding Shareholders	Chen Zhuo Lin, Chan Cheuk Yin, Luk Sin Fong, Fion, Chan Cheuk Hung, Chan Cheuk Hei and Chan Cheuk Nam, who are the executive Directors
GBS	Gold Bauhinia Star
GDP	gross domestic product
GFA	gross floor area
Group or Agile Group	the Company and its subsidiaries
HIBOR	Hong Kong Interbank Offered Rate
HK\$/HKD	Hong Kong dollar(s), the lawful currency of Hong Kong
HKAS	Hong Kong Accounting Standard
HKEx	Hong Kong Exchanges and Clearing Limited
HKFRS(s)	Hong Kong Financial Reporting Standards
Hong Kong	Hong Kong Special Administrative Region of PRC
Hong Kong Companies Ordinance	Companies Ordinance (Chapter 32 of the Laws of Hong Kong)



## Glossary

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



1992

1998

2003



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