



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



Annual Report 2009



2009 Projects on Sale



Corporate Profile

The Group is one of leading property developers in China. It is principally engaged in the development of large-scale comprehensive property projects. The Group currently owns a diversified portfolio of 66 projects in various stages of development (including 5 developed and sold projects) in 22 different cities and districts such as Guangzhou, Zhongshan, Foshan, Heyuan, Huizhou, Shanghai, Changzhou, Nanjing, Chengdu, Xi'an, Chongqing, Shenyang and Hainan. As of 15 April 2010, the Group has a land bank with total GFA of approximately 32.15 million sq. m. (including both lands with titles and contractual interests).

The shares of Agile have been listed on the Main Board of The Stock Exchange of Hong Kong Limited since 15 December 2005 under (Stock code: 3383). They are included as constituent stocks in Morgan Stanley Capital International China Index, the Hang Seng Composite Index and the Hang Seng Freefloat Composite Index.



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Financial Highlights

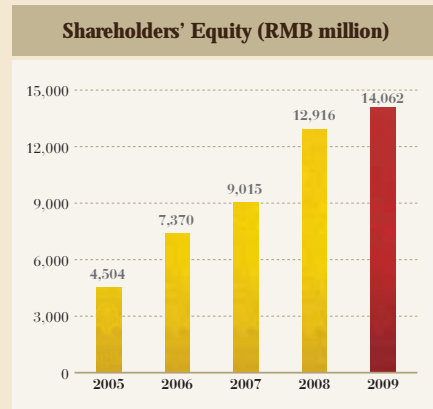
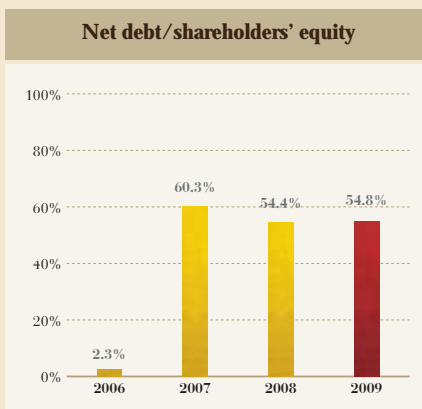
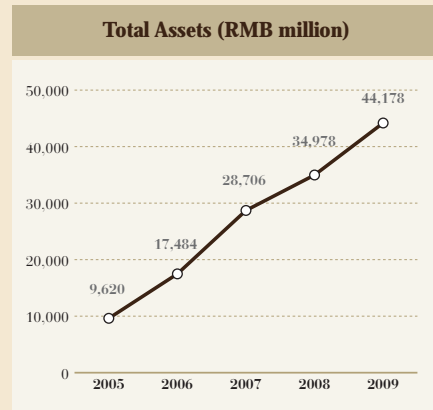
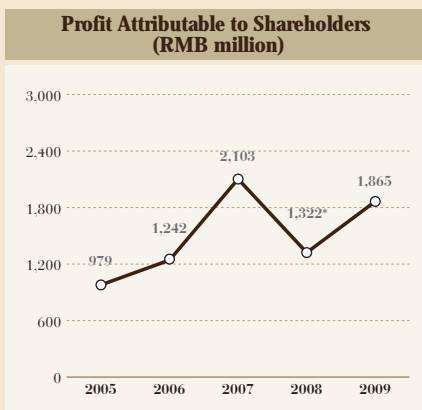
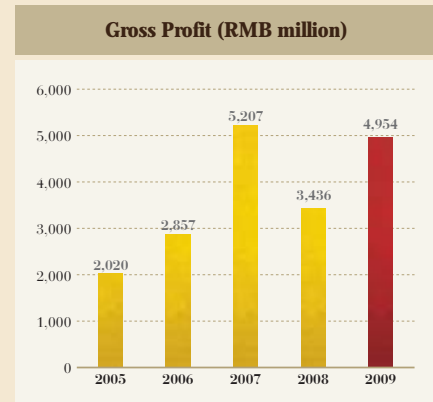
Income statement highlights

	Year ended 31 December		Change
	2009	2008	
Turnover (RMB million)	13,331	9,326	+42.9%
Gross profit (RMB million)	4,954	3,436	+44.2%
Gross profit margin	37.2%	36.8%	+0.4%
Net profit (RMB million)	2,002	1,313*	+52.5%
Profit attributable to shareholders (RMB million)	1,865	1,322*	+41.1%
Net profit margin	15.0%	14.1%*	+0.9%
Basic earnings per share (RMB)	0.518	1.465	-64.6%
Dividend per share (HK cents)	17.8	33.5	-46.9%

Balance sheet highlights

	As at 31 December		Change
	2009	2008	
Total assets (RMB million)	44,178	34,978	+26.3%
Cash and cash equivalents (RMB million)	4,372	3,044	+43.6%
Short-term loans (RMB million)	2,229	3,510	-36.5%
Long-term loans (RMB million)	9,851	6,559	+50.2%
Shareholders' equity (RMB million)	14,062	12,916	+8.9%
Return on equity (ROE)	13.3%	10.2%*	+3.1%
Total debt/total assets	27.3%	28.8%	-1.5%
Net debt/shareholders' equity	54.8%	54.4%	+0.4%

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



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

Business Structure

Agile will uphold the operation philosophy of “Stability, Prudence, Sustainability” to further enhance product innovation and quality, with a view to becoming the best established property developer in China.



Property Development

Pearl River Delta	— Panyu, Baiyun, Guangzhou, Tianhe, Zengcheng, Huadu, Conghua, Zhongshan, Nanhai, Foshan, Sanshui, Shunde (Total: 53 projects)*
Eastern Guangdong	— Heyuan, Huizhou (Total: 2 projects)
Yangtze River Delta	— Nanjing, Changzhou, Shanghai (Total: 6 projects)
Western China	— Chengdu, Xi'an, Chongqing (Total: 3 projects)
Hainan Province	— Clearwater Bay (1 project)
Northeast China	— Shenyang (1 project)

(* Including 5 developed and sold projects)





Property Management

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



Hotel Business

- Self-operated
 - Guangzhou Agile Hotel
 - Foshan Agile Hotel
 - Zhongshan Agile Hotel
- Externally-managed
 - Shanghai Marriott Hotel City Center
 - Sheraton Bailuhu Resort, Huizhou
 - Raffles Sanya, Clearwater Bay, China
 - Jumeirah Clearwater Bay Resort
 - JW Marriott Clearwater Bay Resort & Spa
 - Hilton Clearwater Bay, Hainan
 - Outrigger Clearwater Bay Resort, Sanya, China

Milestone 2009

Jan

The Group entered into a hotel management agreement on Sheraton Bailuhu Resort, Huizhou with Sheraton Overseas Management Corporation.

The construction of phase I of Agile Cambridgeshire Guangzhou commenced.

Mar

Official launch of Hainan Clearwater Bay received remarkable market response, and recorded a contracted sales amount of over RMB800 million on the launch day.

The Group entered into a hotel management agreement with Marriott International Management Company B.V., Hilton International Manage LLC, Raffles Hotel Management (Beijing) Co., Ltd and Outrigger Global Holdings LLC regarding the operation and management of hotels in Hainan Clearwater Bay.

Apr

The Company announced its Annual Results 2008. In 2008, the Group's turnover and profit attributable to shareholders were approximately RMB9.33 billion and RMB5.47 billion respectively. The Board recommended the payment of a final dividend of 2008 of HK6.4 cents per share.

The construction of Huadu No.107 National Road Project commenced.

May

The construction of Zhongshan Kuchong Project commenced.

Jun

The grand sale of Agile Garden Xi'an was launched and recorded a contracted sales amount of over RMB100 million on the launch day.

Jul

The Group acquired the land use rights of a site in Yanbu of Nanhai District, Foshan through open auction at a total consideration of approximately RMB1.12 billion. The site covers a site area and GFA of approximately 106,524 sq.m. and 372,834 sq.m. respectively.

The Group duly signed a management agreement on the Jumeirah Clearwater Bay Resort with a luxury hospitality company, Jumeirah Group.

Aug

The Group acquired the land use rights of four commercial and residential sites in Shenbei New District, Shenyang City through listing at a total consideration of approximately RMB360 million. The sites covers a total site area and total GFA of approximately 342,536 sq.m. and 702,852 sq.m. respectively.

The Group acquired sites in Panyu and Huadu through listing at a total consideration of approximately RMB717 million. The land in Panyu Southern District covers a site area and GFA of approximately 103,825 sq.m. and 134,607 sq.m. respectively, while the land in Huadu No.107 National Road covers a site area and GFA of approximately 49,272 sq.m. and 123,180 sq.m. respectively.

Agile Garden Shunde recorded a contracted sales amount of over RMB400 million on the grand launch day.

The construction of main structure of Agile International Plaza Shanghai completed.





Sep

The Group acquired the land use rights of a site in Cuiheng, Nanlang Town, Zhongshan City through transfer at a total consideration of approximately RMB330 million. The site covers a site area and GFA of approximately 347,323 sq.m. and 491,859 sq.m. respectively.

The Company donated a sum of RMB20 million to The Chinese Language Education Foundation specially for training programs of oversea Chinese language teachers.

The Company announced its Interim Results 2009. During the period, the Group's turnover and profit attributable to shareholders amounted to approximately RMB5,613 and RMB706 million respectively. The Board declared an interim dividend of HK5.6 cents per share.

The Group acquired the land use rights of a site in Yuzhou Village, Tanzhou Town, Zhongshan City through listing at a total consideration of approximately RMB190 million. The site covers a site area and GFA of approximately 124,345 sq.m. and 373,035 sq.m. respectively.

The construction of Guangzhou Zhujiang New City B1-7 Project commenced.

The Group acquired the land use rights of a site in Lecong Town, Shunde through listing at a total consideration of approximately RMB1.01 billion. The site covers a site area and GFA of approximately 97,474 sq.m. and 292,422 sq.m. respectively.

The Group acquired the land use rights of a site in Jiekou Town, Conghua City through listing at a total consideration of approximately RMB1.31 billion. The site covers a site area and GFA of approximately 442,866 sq.m. and 434,023 sq.m. respectively.

Oct

The construction of Nanhai Xiqiao Commercial Project commenced.

The Group acquired the land use rights of a site in Science City, Guangzhou City through open auction at a total consideration of approximately RMB4.34 billion. The site covers a site area and GFA of approximately 306,812 sq.m. and 613,624 sq.m. respectively.

Nov

Agile Garden Xi'an recorded a contracted sales amount of RMB43.89 million on the grand launch day.

The Group acquired the land use rights of an urban site in Longcheng Avenue in Changzhou Town, Jiangsu Province through open auction at a total consideration of approximately RMB940 million, which covers a site area and GFA of approximately 223,906 sq.m. and 559,765 sq.m. respectively.

The Company issued senior notes with a maturity of seven years in the aggregate principal amount of US\$300 million.

Dec

The Group, Country Garden Holdings Company Limited and Guangzhou R&F Properties Co., Limited jointly acquired the land use rights of a site of Asian Games City in Guangzhou through open auction, at a total consideration of approximately RMB25.5 billion. The site covers a total site area of approximately 2.64 million sq.m. and total GFA of approximately 4.38 million sq.m. The Group has 33% interest in the site.

Official launch of Agile Cambridgeshire Guangzhou well received by the market, with all villas of phase I sold out on the launch day, achieving a remarkable contracted sales amount of approximately RMB500 million.

Honours and Awards

Apr

The World's Most Growing Chinese Listed Company

Presenting Institute:
World Eminence Chinese Business Association (WECBA), Multinational Procurement Center of International Products for South-south Cooperation of the United Nations Industrial Development Organisation, Association of Former Diplomats of China (AFDC)



2009 China Top 10 Listed Real Estate Companies

Presenting Institute:
China Real Estate Top 10 Research Team

Jul

Annual Report 2008 — Top 100 Annual Reports (Ranked 74), Best Annual Report Narrative — Gold (Asia Pacific Region)

Presenting Institute:
League of American Communications Professionals

Jun

The Eighth Guangdong Real Estate Credit Top 20 2009

Presenting Institute:
People's Online, Bank of China Limited (Guangdong branch), Industrial and Commercial Bank of China Limited (Guangdong branch), China Construction Bank Corporation (Guangdong branch), Agricultural Bank of China, (Guangdong branch)



The Outstanding China Property Award 2009

Presenting Institute:
Economic Digest Magazine



China Charity Outstanding Contribution Enterprise Award

Presenting Institute:
China Charity Federation



2009

Top 10 Meritorious Developers for Contribution to Chinese Human Settlement for the 60 Years after the National Founding

Presenting Institute:
The Organising Committee for 2009 Chinese Real Estate Economy Mainstream Peak Forum — Professional Media Association

Top 10 Listed Real Estate Companies 2009

Presenting Institute:
The Associate Survey of Whole People by Yangcheng Evening News, Guangdong Academy of Social Sciences, Scientific Development and Public Policy Research Center, Guangdong Seminar of Urban Management



The Outstanding Guangzhou Property Brand Enterprise 2009

Presenting Institute:
E-house China, Sina.com, China Real Estate Information Corporation

Top 20 Real Estate Developers in Guangzhou as for Sales Amounts in 2009

Presenting Institute:
China Real Estate Research Center



Honours and Awards

Sep



Property Brand Dominant in the Real Estate Market of Future Ten Years
Presenting Institute:
Chengdu Commercial Daily



The Most Competitive Service Trademark 2009
Presenting Institute:
China Trademark Association,
Organising Committee of The 3rd
China Trademark Festival 2009



Famous Enterprise in the Pearl River Delta Region of 2009
Presenting Institute:
Guangzhou Daily



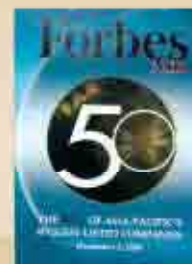
Nov

2009 Bright Meritorious Deeds Award
Presenting Institute:
Lifeline Express China Foundation



Dec

The List for Brands Affecting Guangzhou Area in 2009 — Top 10 Property Brands
Presenting Institute:
Guangdong Xinkuaibao



Forbes Asia Fabulous 50 — The Best of Asia Pacific's Biggest Listed Companies
Presenting Institute:
Forbes Asia Magazine



2010

Top 10 Figures of the Year Predominating for Management of Chinese Enterprises in 2009 — Chen Zhuo Lin
Presenting Institute:
Excellence Monthly, Laboratory of Media Research,
Tsinghua University

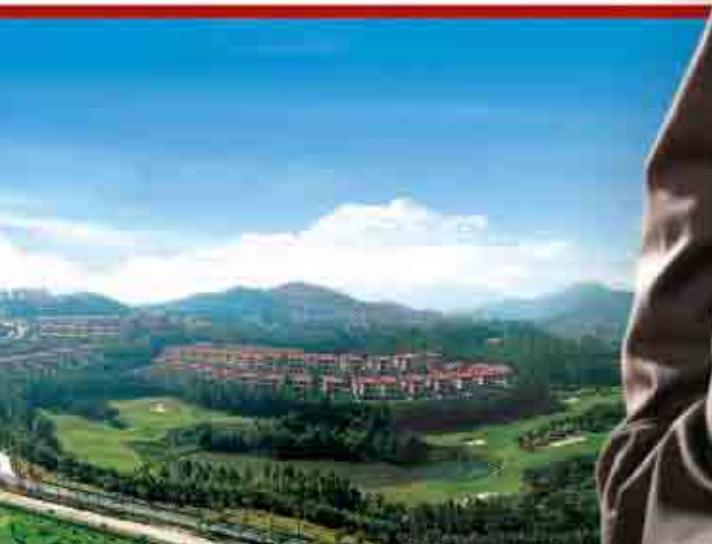
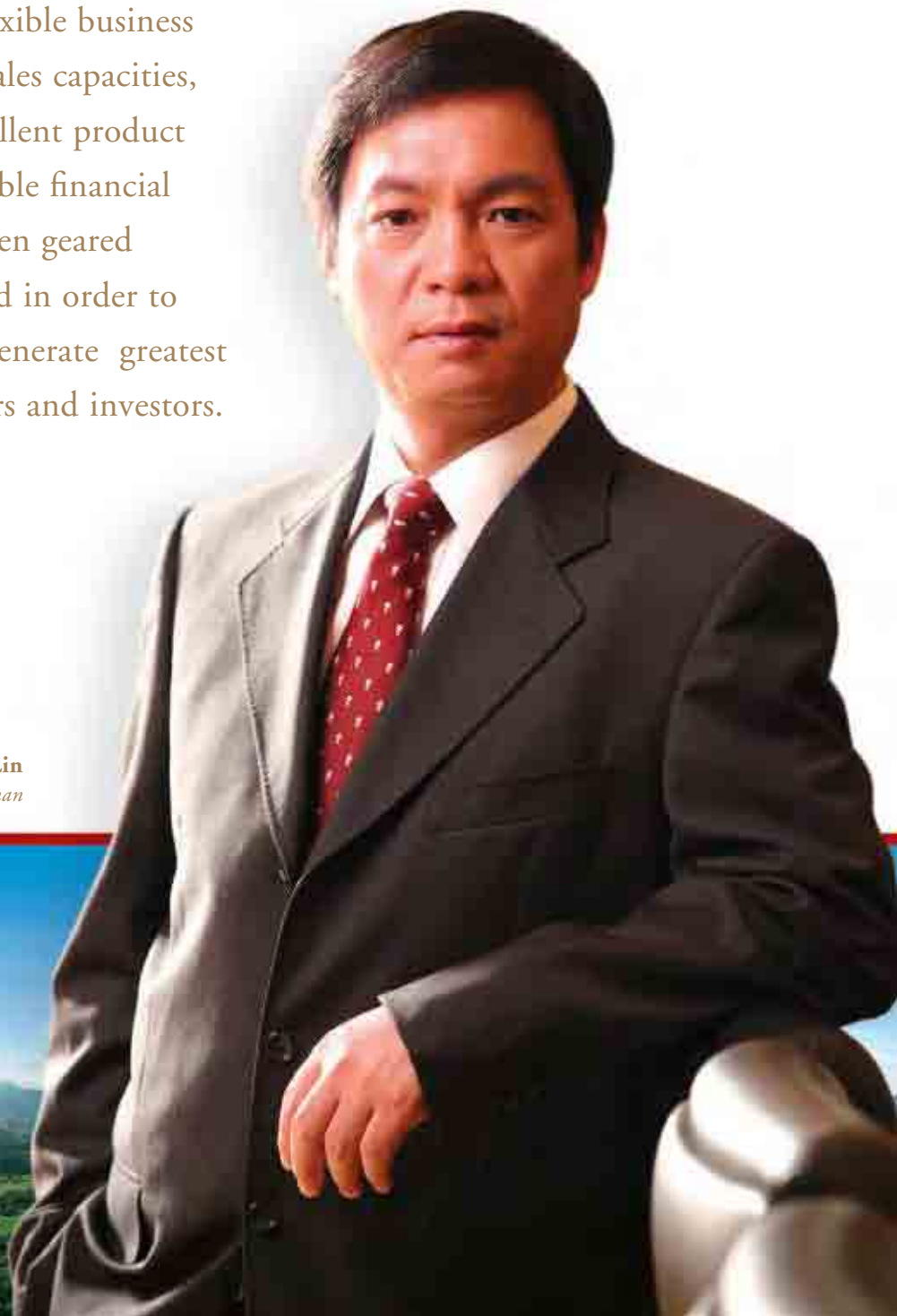
China Real Estate Industry Top 30 Companies 2009 (G30)
Presenting Institute:
Guandian Real Estate New Media



Chairman's Statement

Capitalising on our flexible business strategies and strong sales capacities, together with our excellent product mix and cautiously stable financial measures, Agile has been geared up for challenges ahead in order to maximise values and generate greatest returns for shareholders and investors.

CHEN Zhuo Lin
Chairman



Dear shareholders

I am pleased to present the annual results of Agile Group, for the year ended 31 December 2009.

For the year ended 31 December 2009, the Group's turnover and gross profit amounted to approximately RMB13,331 million and RMB4,954 million, representing an increase of 42.9% and 44.2% respectively when compared with the corresponding period of last year. Profit attributable to shareholders was RMB1,865 million and basic earnings per share were RMB0.518.

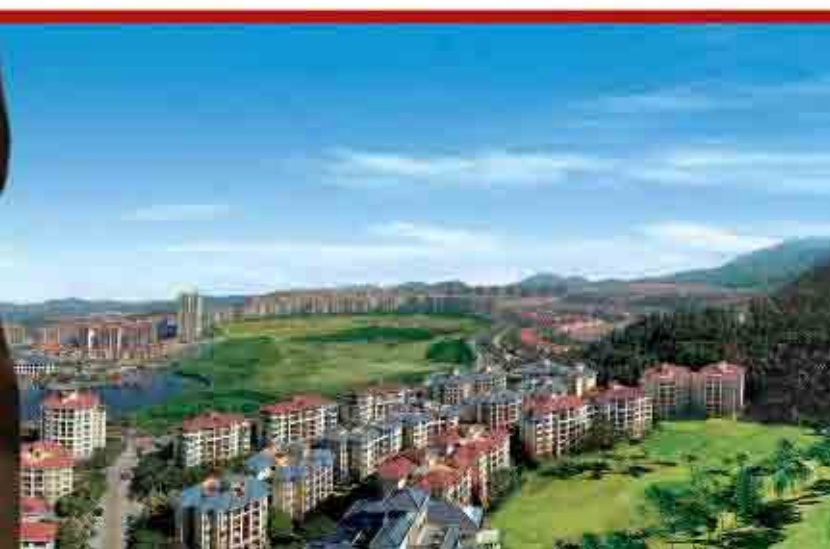
Dividend

In order to strike a balance between the Group's overall business development needs and shareholders' investment returns, the Board has proposed the payment of a final dividend of HK12.2 cents per share for the year ended 31 December 2009. Together with the interim dividend of HK5.6 cents per share paid, the total dividend of 2009 is HK17.8 cents per share.

Business review

Following the gradual implementation of various measures for the real estate industry by the Central Government in late 2008, the domestic property market has been developed healthily. During the year under review, the Group has managed to pass through the unprecedented financial crisis. After experiencing a short-term market correction, the property market recovered rapidly with the overall performance far better than expected. Under the fully-recovered environment of the property market, the Group took advantage of the favourable macro-economic condition and adjusted the development strategies in a determined and timely manner, so as to generate economic efficiency rapidly from projects and to satisfy the demand of the market.

While solidifying its continuous development in Pearl River Delta region, the Group has actively implemented a diversified development strategy and further expanded the business to other cities and regions with development potential. During the year, the Group has achieved a satisfying sales result for its 4 newly-launched projects, including Hainan Clearwater Bay, Agile Garden Xi'an, Agile Garden Shunde and Agile Cambridgeshire Guangzhou. During the year, the Group's sales of 27 projects were originated from 16 cities and districts, with accumulated contracted GFA sold of approximately 2.79 million sq.m. and contracted sales amount of approximately RMB22.6 billion, and there were 7 projects achieving a sales amount of over RMB1 billion. Among which, the contracted sales of Hainan Clearwater Bay amounted to approximately RMB6.4



Chairman's Statement

billion, which laid a strong foundation for the Group's future development in Hainan; Agile Garden Nanjing succeeded in becoming the champion of property sales in Nanjing with an encouraging annual sales amount of RMB2 billion, and was accredited the best selling property in the city for two consecutive years. La Cité Greenville Zhongshan recorded a contracted sales amount up to RMB2.2 billion and Agile Egret Lake Huizhou was the top selling real estate project in Huizhou with a sales amount of RMB1.5 billion which were the top selling real estate projects in the respective city.

Land bank

Given that land bank is the key factor for a solid and sustainable development of property development, the Group has been actively pursuing suitable investment opportunities but in a prudent manner. During the year, the Group successfully acquired a number of pieces of prime land with a total GFA of approximately 5.54 million sq.m. in various potential cities, such as Guangzhou, Foshan, Zhongshan, Changzhou and Shenyang, with a total consideration of approximately RMB18.7 billion by way of auction, listing and transfer agreement. The acquired sites including Guangzhou Asian Games City project (which the Group owns a 33% interest), Guangzhou Science City project, Shenyang Puhe New City project and Changzhou Longcheng Road project. Guangzhou Asian Games City Project is the first project of the Group in cooperation with industry peers. In the future, the Group will continue to explore different operation models for project development. As at 15 April 2010, the Group had 66 projects in 22 cities and districts and had a land bank with total GFA of approximately 32.15 million sq.m., which is sufficient to meet its development needs in the next 8 to 10 years.

As at 31 December 2009, the Group had a land bank in terms of completed GFA held for sale of approximately 642,179 sq.m. (2008: 903,359 sq.m.) and GFA under development of approximately 5.01 million sq.m..

Financial strategy

The Group insists on implementing a prudent financial strategy. We fully consider the environment of capital market, adopt flexible financing strategies, optimise debt structure and reduce financing cost. In April 2009, the Group obtained a facility limit of RMB10 billion from the Guangdong Branch of ICBC. In November 2009, the Group issued 7-year senior notes with an aggregated nominal value of US\$300 million. Moreover, the Group obtained loan of US\$150 million in December 2009 and US\$125 million in January 2010 from HSBC and Bank of America Merrill Lynch respectively, for a term of 3 years. Such financing arrangements affirmed that the Group is capable to obtain the required capital by utilising different capital market instruments in order to support the stable development of business in the future.

Hotel and commercial properties

During the year, the Group has been committed to real estate development and has prudently allocated its resources on the development of hotel and commercial properties, so as to establish a more extensive and diversified business portfolio, while generating a stable future revenue stream as well as dispersing operational risks.

In 2009, the revenue arising from hotel operation increased with the Group's hotel operation recorded a revenue of RMB39.8 million, representing an increase of 37.7% over 2008, which was primarily attributable to the revenue generated from Guangzhou Agile Hotel and Foshan Agile Hotel. Besides, a number of hotel and commercial properties were also under different stages of development, among which, Agile International Plaza Shanghai, which will be

developed into Shanghai Marriott Hotel City Centre and high-end shopping centre, has undergone top-up and is expected to open in 2010, while the Grade A Commercial Building in Guangzhou Zhujiang New City has commenced construction and is expected to open in 2012. Moreover, a number of top-notch hotels, including Sheraton Bailuhu Resort, Huizhou and Raffles Sanya, Clearwater Bay, are under final stages of construction and are expected to commence operation from 2011.

Property management

Property management service was a focus of the Group. By upholding our “customer-oriented” servicing philosophy, we provide our residents with quality living environment and life style, which plays an important role in enhancing the Group's brand promotion and future sales. During the year, the Group strived to provide 250,000 residents with excellent property management services in order to meet their individual needs. In addition, the centralised property management software system of the Group was successfully put into use, hence improving service efficiency and supporting the Group's strategy of sustainable nationwide development. Furthermore, the Group will establish a strategic financial cooperation with Bank of East Asia (China) Limited, aiming to providing Agile resident owners with convenient one-stop financial services. The Group established a company specialising in offering high-end property management services for commercial properties and serviced apartments. The Group also enhanced its property management quality through the cooperation with Savills Property Management Limited.

During the year, the property management companies under the Group had recorded a total property management fee income of approximately RMB232.5 million, representing an increase of 14.4% over 2008. During the year, the Group served approximately of 17,000 extra households, and the Group is currently providing property management services to a total of approximately 70,000 households. During the year, the newly added total GFA under the Group's management reached approximately 2.1 million sq.m., adding up the area under management to 10.7 million sq.m. (2008: 8.6 million sq.m.).

In 2010, the Group will continue to strive to provide Agile residents with excellent property services, while strengthening internal professional trainings, optimising overall services, as well as adhering to the “customer-oriented” servicing philosophy.

Investor relations

The Company strives to achieve a high standard of corporate governance and is devoted to maintaining a timely and effective communication with its shareholders and investors through various means including the distribution interim and annual reports, press releases and monthly newsletters, as well as the published announcement, according to the Listing Rules so as to keep the shareholders and investors well informed about the Group's latest information, such as development strategies, sales performance, operation management, financial condition and business development. Meanwhile, the Group also realises the concerns on capital market and therefore strive to maintain an appropriate degree of corporate transparency, while strengthening the relationship with investors through a variety of investor relations activities. During the year, the Group received “The Asset Triple A Corporate Gold Award” from *The Asset*

Chairman's Statement

Magazine and "Forbes Asia Fabulous 50 — The Best of Asia Pacific's Biggest Listed Companies" from *Forbes Asia*, thereby reaffirming that the Group's excellent corporate governance that was highly recognised by all sectors in the society.

Corporate social responsibilities

The Group upholds the belief of giving back to the society and shoulders the corporate social responsibilities and obligations. During the year, the Group continues the works of reconstruction of 16 schools in the disaster areas of Sichuan Earthquake. Besides, apart from sponsoring the charity events and charitable institutions including Chinese Language Education Foundation, Agile Walk to Guangzhou of Sowers Action as well as providing financial aids to university students in need, the Group also supported other charitable donation projects, including Lifeline Express and the Best China Doctors Awards (中國醫師獎), further expanding its charity activities. During the year, the Group also formed its own volunteers team, which actively organised a series of charity events to help people in need, such as "Walk to Guangzhou 2009", "Oxfam Rice Sale of Oxfam" and visit children in Po Leung Kuk Small Group Home, elderly and cataract patients. In April 2010, the Group also became the main sponsor of the "World Vision 30 Hours Famine".

Agile's faith of undertaking its social responsibility and obligations as a corporate citizen is widely recognised and highly appraised by all sectors in the society. During the year, the Group was granted "China Charity Outstanding Contribution Award" and ranked fourth and fifth in "Forbes China Philanthropy List 2009" and "List of Hurun Philanthropy Branch 2009" respectively.

Development strategies and prospect

The PRC property market might face certain uncertainties in the short term. Nevertheless, we believe that the PRC market is still under its initial growth. With the rapid development of urbanisation, the housing demand rises persistently. In the mid to long term, the fundamentals are sound and favourable together with immense potential for market development.

In the future, the Group will remain focus on large-scale comprehensive residential development, coupled with hotel and commercial properties as its development direction. We will uphold the operation philosophy of "Stability, Prudence, Sustainability" to further enhance product innovation and quality, and we will be devoted to offering high quality products to cope with market demand. By 2010, we will have a total of approximately 40 projects on sale including more than 13 new projects which plan to launch, such as Guangzhou Asian Games City Project, Guangzhou Science City Project, Agile Royal Mount Zhongshan, Huadu No. 107 National Road Project, Panyu Southern District Qingxin Road Project, Nanhai Yanbu Project, Nanjing Qinhuai Project, Agile International Garden Chongqing and Shenyang Puhe New City Project, and 27 existing projects. Also, it is expected that a total of 11 projects will reach a sales amount of over RMB1 billion each, including La Cité Greenville Zhongshan, The Century Zhongshan, Agile Garden Guangzhou, Agile Cambridgeshire Guangzhou, Agile Egret Lake Huizhou, Agile Garden Chengdu, Hainan Clearwater Bay and Agile Garden Nanjing.

In addition, the Group will implement dynamic cost control measures, which include the budget build up prior to the commencement of project development, the supervision of dynamic costs during the process of development, as well as reviewing and concluding the cost control measures by the end of development, while striving to improve profit margins to a reasonable level. Meanwhile, the Group will strengthen its financial governance and the working capital level, and also the Group will raise funds through different financing channels while minimising the financing costs, as well as striving to reach a stable and flexible financial strategy. Furthermore, the Group will continue to optimise the business model and to increase the level of corporate governance, while strengthening the internal monitoring system through the appointment of external independent risk consultant, as well as building up a more extensive management system.

Looking forward to 2010, we will remain cautiously optimistic yet highly confident in the outlook. Capitalising on our flexible business strategies and strong sales capacities,

together with our excellent product mix and cautiously stable financial measures, Agile has been geared up for challenges ahead as one of the leading PRC property developers, in order to maximise values and generate greatest returns for shareholders and investors.

Acknowledgement

On behalf of the Board, I would like to take this opportunity to extend my wholehearted gratitude to our shareholders and customers. Without their tremendous support and supervision, as well as the concerted effort of our staff, Agile would not be able to achieve steady growth and successive breakthroughs over the years.

CHEN Zhuo Lin

Chairman

Hong Kong, 15 April 2010



BUSINESS REVIEW

Foresee a Promising Prospect



Management Discussion and Analysis

Overall performance

During the year, the turnover of the Group during the reporting year was RMB13,330.8 million (2008: RMB9,326.3 million), representing an increase of 42.9% as compared to last year. The operating profit was RMB3,720.8 million (2008: RMB2,392.3 million excluding the profit arising from disposal of 30% equity interest in Hainan Clearwater Bay project in 2008), representing an increase of 55.5% as compared to last year. Profit attributable to shareholders amounted to RMB1,865.2 million (2008: RMB1,322.3 million excluding the profit arising from disposal of 30% equity interest in Hainan Clearwater Bay project in 2008), representing an increase of 41.1%. Basic earnings per share was RMB0.518 (2008: RMB1.465).

Land bank

The Group continued to undertake appropriate expansion and adjustment of its land portfolio in accordance with its development needs and the market conditions. As at 15 April 2010, the Group owned a diversified portfolio of 66 projects (including 5 developed and sold projects) with a land bank of total GFA of 32.15 million sq.m. in 22 cities and districts located in Pearl River Delta Region, Eastern Guangdong, Yangtze River Delta Region, Western China, Hainan Province and Northeast China, which was sufficient to cope with the development needs for the next 8 to 10 years.

During the year, the Group acquired 11 land sites with a total GFA of approximately 5.54 million sq.m.. These newly acquired sites are located in Panyu, Guangzhou, Huadu, Conghua, Zhongshan, Nanhai, Shunde, Changzhou and Shenyang.

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

Project names	City/District	GFA (sq.m)
Pearl River Delta Region		
Panyu Southern District Project	Panyu	134,607
Guangzhou Science City Project	Guangzhou	613,624
Guangzhou Asian Games City Project (calculated in 33% equity interest)	Guangzhou	1,445,400
Huadu No. 107 National Road Project — Land D	Huadu	123,180
Conghua Jiekou Town Project	Conghua	434,023
Zhongshan Nanlang Binhai Project	Zhongshan	491,859
Zhongshan Tanzhou Yuzhoucun Project	Zhongshan	373,035
Nanhai Yanbu Project	Nanhai	372,834
Shunde Lecong Project	Shunde	292,422
Sub-total		4,280,984
Yangtze River Delta		
Changzhou Longcheng Dadao Project	Changzhou	559,765
Northeast China		
Shenyang Puhe New City Project	Shenyang	702,852
Total (As at 31 December 2009)		5,543,601

Property development and sales

During the year, total recognised GFA sold was approximately 1.97 million sq.m. and the corresponding recognised sales was approximately RMB13,058.5 million, representing an increase of 65.5% and 43.6% respectively as compared with 2008. Total recognised sales in Zhongshan reached RMB2,968.9 million, accounting for 22.7% of the total recognised sales and representing an increase of 10.8% compared with last year. The total recognised GFA sold in Zhongshan was 585,488 sq.m., representing an increase of 35.9% compared with 2008.

Total recognised sales in Guangzhou and Panyu reached RMB3,346.5 million, accounting for 25.6% of total recognised sales and representing an increase of 21.6% when compared with last year. The total recognised GFA sold in Guangzhou and Panyu was 477,136 sq.m., representing an increase of 47.4% when compared with 2008.

Total recognised sales in Foshan, Nanhai and Sanshui amounted to RMB1,289.7 million, accounting for 9.9% of the total recognised sales and representing an increase of 15.8% over 2008. The total recognised GFA sold in Foshan, Nanhai and Sanshui was 238,174 sq.m., representing an increase of 54% over 2008.

Total recognised sales in Shunde amounted to RMB386.6 million, accounting for 2.9% of total recognised sales and the total recognised GFA sold was 64,903 sq.m..

Total recognised sales in Eastern Guangdong such as Heyuan and Huizhou amounted to RMB1,340 million, accounting for 10.3% of the total recognised sales and representing an increase of 64.8% over 2008. The total recognised GFA sold in Eastern Guangdong was 233,163 sq.m., representing an increase of 92.1% over 2008.

Total recognised sales in Western China such as Chengdu amounted to RMB624.6 million, accounting for 4.8% of the total recognised sales and representing an increase of 19.6% over 2008. The total recognised GFA sold in Chengdu was 102,215 sq.m., representing an increase of 95.3% over 2008.

Total recognised sales in Nanjing amounted to RMB1,053.9 million, accounting for 8.1% of the total recognised sales and representing a decrease of 13.1% over 2008. The total recognised GFA sold in Nanjing was 80,945 sq.m., representing a decrease of 24% over 2008.

Total recognised sales in Hainan Clearwater Bay amounted to RMB2,048.3 million, accounting for 15.7% of the total recognised sales and the total recognised GFA sold was 186,528 sq.m..

During the year, the average selling price of the Group decreased by 13.2% to RMB6,634 in 2009 from RMB7,647 in 2008.

Management Discussion and Analysis

The following table indicates the recognised GFA sold and recognised sales of each project in 2009:

Project Name	City/District	Recognised GFA sold (sq.m.)	Recognised sales (RMB'000)	Average selling price (RMB per sq.m.)
Pearl River Delta Region				
Agile Garden Guangzhou	Panyu	263,392	1,983,590	7,531
Hongxi Huating Panyu	Panyu	17,550	151,128	8,611
Royal Hillside Villa Guangzhou	Baiyun	3,592	33,157	9,231
South Lagoon Guangzhou	Baiyun	44,196	395,237	8,943
Majestic Garden Huadu	Huadu	41,370	257,873	6,233
Agile Binjiang Garden Conghua	Conghua	106,728	522,238	4,893
Lishang International Mansion Guangzhou	Guangzhou	308	3,319	10,776
Metro Agile Zhongshan	Zhongshan	148,954	698,141	4,687
The Century Zhongshan	Zhongshan	141,468	700,114	4,949
La Cité Greenville Zhongshan	Zhongshan	250,459	1,413,280	5,643
Agile Garden Dachong Zhongshan	Zhongshan	37,151	110,700	2,980
Majestic Garden Zhongshan	Zhongshan	1,228	4,485	3,652
Grand Garden Zhongshan	Zhongshan	1,219	8,116	6,658
The Riverside Zhongshan	Zhongshan	300	2,420	8,067
Metropolis Zhongshan	Zhongshan	1,067	3,608	3,381
Star Palace Zhongshan	Zhongshan	1,735	4,465	2,573
La Nobleu Zhongshan	Zhongshan	1,907	23,523	12,335
Majestic Garden Nanhai	Nanhai	10,212	40,815	3,997
Majestic Metropolis Nanhai	Nanhai	4,837	20,885	4,318
Agile Garden Foshan	Foshan	81,236	631,588	7,775
Agile Garden Sanshui	Sanshui	141,889	596,389	4,203
Agile Garden Shunde	Shunde	64,903	386,585	5,956
Sub-total		1,365,701	7,991,656	5,852
Eastern Guangdong				
Agile Garden Heyuan	Heyuan	90,453	350,506	3,875
Agile Egret Lake Huizhou	Huizhou	142,710	989,481	6,934
Sub-total		233,163	1,339,987	5,747
Western China				
Agile Garden Chengdu	Chengdu	102,215	624,618	6,111
Yangtze River Delta Region				
Agile Garden Nanjing	Nanjing	80,945	1,053,916	13,020
Hainan Province				
Hainan Clearwater Bay	Hainan	186,528	2,048,281	10,981
Total		1,968,552	13,058,458	6,634

Gross profit

Gross profit of the Group increased by 44.2% to approximately RMB4,954.1 million in 2009 from approximately RMB3,436.3 million in 2008. Gross profit margin in 2009 increased to 37.2% from 36.8% in 2008, which was mainly attributable to the reasons that i) the project of Hainan Clearwater Bay had a higher gross profit margin than that of the other property development business; and ii) the cost management on development and construction was further improved.

Other gains, net

Other gains of the Group decreased by 94.2% to approximately RMB244.4 million in 2009 from approximately RMB4,238 million in 2008. The significant amount of the other gains in 2008 was primarily attributable to the profit arising from disposal of 30% equity interest in Hainan Clearwater Bay project.

Selling and marketing costs

Selling and marketing costs of the Group increased by 16.2% to RMB537.2 million in 2009 from approximately RMB462.5 million in 2008. The increase was primarily attributable to the sizeable promotional campaign for the sales of new properties such as Agile Egret Lake Huizhou and Hainan Clearwater Bay. Considerable amount of resources used for advertising had led to the increase in advertising expenses by 16.4% to approximately RMB448.2 million in 2009 from approximately RMB385.1 million in 2008.

Administrative expenses

Administrative expenses of the Group decreased by 1.2% to approximately RMB611.8 million in 2009 from approximately RMB619.1 million in 2008, primarily attributable to the cost control policy on human resources and administrative expenses. Accordingly, the salaries and wages of administrative expenses decreased by 11% to approximately RMB216.4 million in 2009 from approximately RMB243.1 million in 2008.

Profit attributable to shareholders

Profit attributable to shareholders amounted to RMB1,865.2 million (2008: RMB5,466.9 million), representing a decrease of 65.9%. After excluding the gain from the disposal of 30% equity interest in the Clearwater Bay Hainan project in 2008, profit attributable to the shareholders of the Company in 2009 increased by 41.1% to approximately RMB1,865.2 million from approximately RMB1,322.3 million in 2008.

Management Discussion and Analysis

Liquidity, Financial and Capital Resources

Cash position and fund available

The Group's cash in hand and bank deposits (excluding the restricted cash) was approximately RMB4,372.2 million as at 31 December 2009 (2008: RMB3,044.3 million).

As at 31 December 2009, the carrying amount of the restricted cash was approximately RMB1,755.5 million (2008: RMB2,208.2 million).

As at 31 December 2009, the undrawn borrowing facilities amounted to RMB1,345.6 million (2008: RMB305 million).

Borrowings and gearing ratio

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.

On 4 December 2009, the Company has entered into another facility agreement with a financial institute of US\$150,000,000 with a period of three years.

As at 31 December 2009, the Group's bank loans and senior notes were RMB7,448.8 million and RMB4,631.5 million (equivalent) respectively.

Repayment schedule	2009 (RMB million)	2008 (RMB million)
Bank loans		
Within 1 year	2,229	3,510
Between 1 and 2 years	2,414	1,553
Between 2 and 5 years	2,426	2,333
Over 5 years	380	—
Sub-total	7,449	7,396
Senior notes		
Between 2 and 5 years	2,681	2,673
Over 5 years	1,950	—
Sub-total	4,631	2,673
Total	12,080	10,069

Management Discussion and Analysis

The Group's bank borrowings of RMB4,731 million as at 31 December 2009 were secured by the Group's land use right, completed properties held for sale and bank deposits with an aggregate carrying value of RMB5,766 million. The Company's bank borrowing of RMB2.2 billion and the senior notes were jointly and severally guaranteed by certain subsidiary companies of the Group and by pledge of their shares. The net assets of these subsidiary companies were approximately RMB5,201.2 million as at 31 December 2009 (2008: RMB1,038.9 million).

The gearing ratio is calculated by the net borrowings (total borrowings net of cash and cash equivalent) over the total capital and reserves attributable to equity owners. As at 31 December 2009, the gearing ratio was 54.8% (2008: 54.4%)

Currency risk

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

	Bank borrowings	Senior notes	Cash balances
Hong Kong dollars	16.2%	—	16.2%
US dollars	13.5%	100%	11.2%
Renminbi	70.3%	—	72.6%
Total	100%	100%	100%

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

Cost of borrowings

During the year, the Group's total cost of borrowing was RMB652.2 million, representing a decrease of RMB63.8 million over 2008. The decrease was attributable to bank loans whose weighted average balance in 2009 is less than that of the previous year and the decrease of effective interest rate.

Contingencies

The Group has in cooperation with certain financial institutions and arranged mortgage loan facility for its purchasers of property and provided guarantees to secure obligations of such purchasers for repayments. As at 31 December 2009, the outstanding guarantees amounted to RMB11,234.2 million (2008: RMB6,021.5 million). Such guarantees terminate upon earlier of (i) issuance of the real estate ownership certificate which will generally be available within one year after the Group deliver possession of the relevant property to its purchasers; and (ii) the satisfaction of relevant mortgage loan by purchasers.

Management Discussion and Analysis

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

Return on equity

Return on equity is calculated by dividing the profit attributable to the shareholders of the Company by the equity attributable to the shareholders of the Company. The return on equity for 2009 was 13.3% (2008: 42.3%, including gain on partial disposal of a subsidiary).

	2009	2008
Profit attributable to shareholders of the Company (RMB'000)	1,865,160	5,466,905
Equity attributable to shareholders of the Company (RMB'000)	14,061,755	12,915,951
Return on equity (%)	13.3%	42.3%

Earnings per share

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

	2009	2008
Profit attributable to shareholder of the Company (RMB'000)	1,865,160	5,466,905
Weighted average number of ordinary shares in issue (thousands)	3,600,775	3,732,914
Basic earnings per share (RMB per share)	0.518	1.465

Diluted earnings per share equals to basic earnings per share as there were no potential dilutive shares in issue as of 31 December 2009 and 2008.

Commitments

As at 31 December 2009, commitments in connection with the property development activities amounted to approximately RMB12,629.7 million (2008: approximately RMB3,895.5 million). The Group has also committed to pay the land premium on land acquisitions amounted to approximately RMB4,619.8 million (2008: RMB379.5 million).

Human resources

As at 31 December 2009, the Group had a total of 8,580 employees, among which the Group's senior management accounted for 266 and middle management accounted for 611. By geographical location, there were 8,538 employees in Mainland China and 42 in Hong Kong and Macau. Total remuneration costs, including directors' remunerations, for the year ended 31 December 2009 amounted to RMB413.8 million (2008: RMB446.7 million).

Property Development

Land Bank of the Group (as at 15 April 2010)

No.	Project Name	City/District	Classified by Location	Unit Land Cost (RMB/sq. m.)	Interests Attributable to the Group	Total Site Area (sq. m.)	Address
Pearl River Delta Region							
1	Agile Garden Guangzhou	Panyu	City outskirts	289	100%	1,518,417	Nanda Road, Nancun Town, Panyu District, Guangzhou
2	Agile Cambridgeshire Guangzhou (formerly known as Jiangbei Estate Guangzhou)	Panyu	City outskirts	259	100%	624,701	Caotang Village, Nanda Road, Nancun Town, Panyu District, Guangzhou
3	Jiacheng Mansion Panyu	Panyu	City centre	3,650	100%	4,070	Dabei Road, Beicheng District, Shiqiao Street, Panyu District, Guangzhou
4	Hongxi Huating Panyu	Panyu	City centre	3,905	100%	55,999	West of Guangmingbei Road & South of Donghuan Road, Shiqiao Town, Panyu District, Guangzhou
5	Panyu Southern District Qingxin Road Project	Panyu	City centre	5,409	100%	60,747	Qingxin Road, South Zone, Central Area, Panyu District, Guangzhou
6	Panyu Shilou Town Project	Panyu	City outskirts	2,972	100%	14,388	Chigang Village, Shilou Town, Panyu District, Guangzhou
7	Panyu Southern District Project	Panyu	City centre	3,536	100%	103,825	North of Binjiang Avenue & East of Guangmingnai Road, South Zone, Central Area, Panyu District, Guangzhou
8	South Lagoon Guangzhou	Baiyun	City centre	357	100%	304,422	No.998, Tonghe Road, Baiyun District, Guangzhou
9	Royal Hillside Villa Guangzhou	Baiyun	City centre	400	100%	122,742	No.1168, Tonghe Road, Baiyun District, Guangzhou
10	Guangzhou Royal Hillside Villa No.3 Land	Baiyun	City centre	361	100%	39,384	Tonghe Road, Baiyun District, Guangzhou
11	Lishang International Mansion Guangzhou	Guangzhou	City centre	5,700	100%	6,862	No.97-137, Wen Changnan Road, Liwan District, Guangzhou
12	Guangzhou Haizhu Project	Guangzhou	City centre	5,700	100%	4,642	Tong Fuzhong Road, Haizhu District, Guangzhou
13	Guangzhou Science City Project	Guangzhou	City outskirts	7,074	100%	306,812	Guangzhou Science City
14	Guangzhou Asian Games City Project (note 3)	Guangzhou	City outskirts	5,822	33%	2,640,000	Asian Games City, Southern Part of Lianhuashan, Panyu District, Guangzhou
15	Guangzhou Zhujiang New City B1-7 Project	Tianhe	City centre	3,674	100%	5,729	B Zone, Zhujiang New City, Guangzhou
16	Zengcheng Project	Zengcheng	City centre	1,791	100%	44,672	Yangxi Shangao City, Qingfeng Village, Licheng Street, Guangzhou
17	Majestic Garden Huadu	Huadu	City centre	345	100%	154,081	No.108, Tiangu Road, Huadu District, Guangzhou
18	No.2 Huadu Project (Furong Town)	Huadu	City centre	375	100%	52,600	Furong Xinzhuang Village, Huadu District, Guangzhou
19	Huadu No.107 National Road Project (Land D was added)	Huadu	City centre	1,781	100%	274,384	No.107 National Road, Huadu District, Guangzhou
20	Agile Binjiang Garden Conghua	Conghua	City with high growth potential	396	100%	303,358	Yanjiang South Road, Jianguo Street, Conghua City, Guangzhou
21	Conghua Liangkou Town Project	Conghua	City with high growth potential	1,148	100%	131,091	Adjacent to No.105 Subway, Liangkou Town, Conghua City, Guangzhou
22	Conghua Jiekou Town Project	Conghua	City with high growth potential	3,018	100%	442,866	Jiekou Town, Conghua City, Guangzhou
23	La Cité Greenville Zhongshan	Zhongshan	City outskirts	187	100%	1,970,275	Changjiang Resort & Development Zone, Zhongshan
24	La Nobleu Zhongshan	Zhongshan	City outskirts	250	100%	541,546	Changjiang Resort & Development Zone, Zhongshan
25	Metro Agile Zhongshan	Zhongshan	City outskirts	117	100%	667,663	Sanxiang Town, Zhongshan
26	Majestic Garden Zhongshan	Zhongshan	City centre	565	100%	143,377	Junction of Bo'ai Road and Qiguan West Road, East District, Zhongshan
27	Grand Garden Zhongshan	Zhongshan	City centre	250	100%	96,374	Junction of Bo'ai Road and Xingzhong Road, East District, Zhongshan
28	Star Palace Zhongshan	Zhongshan	City centre	278	100%	112,155	Junction of Bo'ai Road and Chenggu Road, East District, Zhongshan
29	The Riverside Zhongshan	Zhongshan	City centre	739	100%	102,226	Henghai Road, Zhongshan
30	The Century Zhongshan	Zhongshan	City centre	394	100%	487,871	Junction of Bo'ai Road and Qijiang River, Zhongshan
31	Agile Garden Dachong Zhongshan	Zhongshan	City outskirts	337	100%	122,000	Nanwen Village, Dayong Town, Zhongshan
32	Zhongshan No.1 Ever Creator Project	Zhongshan	City outskirts	65	100%	587,289	Quanyan and Yagang Administration Zone, Sanxiang Town, Zhongshan
33	Phase II The Landmark Zhongshan	Zhongshan	City centre	1,112	100%	15,968	Junction of Bo'ai Road and Qiguan West Road, Zhongshan
34	Zhongshan Minzhong Town Project	Zhongshan	City outskirts	260	100%	63,450	Xinsheng Village, Minzhong Town, Zhongshan
35	Zhongshan Western District Bo'ai Road Project	Zhongshan	City centre	601	100%	375,357	Junction of Bo'ai Road and Qiguan West Road, Zhongshan
36	Zhongshan Kuchong Project	Zhongshan	City centre	2,054	100%	37,648	Xingwen Road, East District, Zhongshan
37	Agile Royal Mount Zhongshan (formerly known as Zhongshan Wuguishan Project)	Zhongshan	City outskirts	355	100%	434,820	Guinan Village, Wuguishan, Zhongshan
38	Zhongshan Zhanqian Land	Zhongshan	City outskirts	800	100%	164,539	Zhang Jianbian Administration, Huojo Development Zone, Zhongshan
39	Zhongshan Kunlun Hotel Project	Zhongshan	City outskirts	1,429	100%	29,267	8 Nanqi North Road, Nanlang Town, Zhongshan
40	Zhongshan Nanlang Binhai Project	Zhongshan	City outskirts	671	100%	347,323	Linguo Station, Cuiheng Village, Nanlang Town, Zhongshan
41	Zhongshan Tanzhou Yuzhoucun Project	Zhongshan	City centre	520	100%	124,345	Tanzhou Town, Zhongshan
42	Majestic Garden Nanhai	Nanhai	City outskirts	510	100%	601,230	Suiyan Road, Nanhai District, Foshan
43	Nanhai Xiqiao Commercial Project	Nanhai	City outskirts	1,223	100%	52,950	Xiqiao Town, Nanhai District, Foshan
44	Nanhai Yanbu Project	Nanhai	City outskirts	3,004	100%	106,524	Site of Guangzhou-Foshan New Expressway, Yanbu, Dali Town, Nanhai District, Foshan
45	Agile Garden Foshan	Foshan	City centre	2,202	100%	184,373	Junction of Lijiang Road and Wenhua Road, Chancheng District, Foshan
46	Agile Garden Shanshui	Sanshui	City with high growth potential	318	100%	266,672	East of Xi'nan Guanghai Road, Sanshui District, Foshan
47	Agile Garden Shunde	Shunde	City centre	962	100%	212,410	No.18, Nan Zone, Daliang, Shunde District, Foshan
48	Shunde Lecong Project	Shunde	City outskirts	3,454	100%	97,474	South Zone, Lecong Town, Shunde District, Foshan
Sub-total				1,864		15,160,918	
Eastern Guangdong							
49	Agile Garden Heyuan	Heyuan	City with high growth potential	267	100%	1,364,741	Middle Part, Huangsha Road, Heyuan
50	Agile Egret Lake Huizhou	Huizhou	City outskirts	325	100%	2,000,000	Jiaodong Reservoir, Ruhu Town, Huicheng District, Huizhou
Sub-total				292		3,364,741	
Yangtze River Delta							
51	Agile Garden Nanjing	Nanjing	City centre	4,242	100%	141,178	No.33 Longpan South Road, Nanjing
52	No.2 Nanjing Qinhuai Project	Nanjing	City centre	11,745	100%	59,900	Mendong Chang Ledu, Qinhuai District, Nanjing
53	Changzhou Longcheng Dadao Project	Changzhou	City centre	1,679	100%	223,906	Longcheng Road, Xinbei District, Changzhou
54	Agile International Plaza Shanghai	Shanghai	City centre	15,285	100%	13,192	No.559, Xizang Zhong Road, Huangpu District, Shanghai
55	Shanghai Nanhui Project	Shanghai	City centre	1,877	100%	541,084	West of Binhai Road, Nanhui District, Shanghai
Sub-total				3,771		979,260	
Western China							
56	Agile Garden Chengdu	Chengdu	City outskirts	1,163	100%	1,338,960	Tianping Village & Hanpoing, Wanan Town, Shuangliu County, Chengdu
57	Agile Garden Xi'an	Xi'an	City outskirts	450	100%	90,644	East of Donghuan Road, Guodu Industrial Zone, Chang'an District, Xi'an
58	Agile International Garden Chongqing (formerly known as Agile Garden Chongqing)	Chongqing	City outskirts	880	100%	321,073	Huilong Road, Nanping Jingkai District, Chongqing
Sub-total				1,034		1,750,677	
Hainan Province							
59	Hainan Clearwater Bay	Hainan	City with high growth potential	273	70%	9,096,570	Clearwater Bay, Lingshui Li Minority Autonomous County, Hainan Province
Northeast China							
60	Shenyang Puhe New City Project (formerly known as Shenyang Shenbei Project)	Shenyang	City outskirts	512	100%	342,536	West Side, No.101 National Road, Shenbei District, Shenyang
Total (Ended 31 December 2009)				1,316		30,694,701	
Newly Acquired Lands From 1 Jan 2010 to 15 Apr 2010							
61	Nanjing Jiangning District Project	Nanjing	City centre	4,407	100%	114,020	Jiangning District, Nanjing
Grand Total				1,333		30,808,722	

Notes:

- Total GFA of the Project = Completed in or before 2008 + Completed in 2009 + Estimated to be Completed in 2010 + Estimated to be Completed in 2011 or later
- Land bank (Total GFA) = A + B; A = Completed for Sale (A1) + Under Development (A2) + Held for Future Development (A3); B = Residential & Ancillary facilities (B1) + Hotel (B2) + Commercial & Office (B3)
- Total site area and total GFA of Guangzhou Asian Games City Project are the total area of the overall projects; while the area set out in the column of Land Bank is the area attributable to the Group
- As of 15 April 2010, the Group has deleted 5 developed and sold projects, including Huadu Flower Paris, Huadu Grand Garden, The Landmark Zhongshan, Metropolis Zhongshan and Majestic Metropolis Nanhai in the Pearl River Delta Region, from the land bank.

Property Development

Land Bank of the Group (as at 15 April 2010)

Total GFA of the Project (note 1) (sq.m.)	Total GFA of the Project (sq.m.)					Estimated Quarter of Overall Completion	Land Bank (sq. m.)					
	Completed in or before 2008	Completed in 2009	Estimated to be Completed in 2010	Estimated to be Completed in 2010 or later	Total GFA (note 2) (sq. m.)		Development Stage (A)			Planning Nature (B)		
							Completed for Sale (A1)	Under Development (A2)	Held for Future Development (A3)	Residential & Ancillary Facilities (B1)	Hotel (B2)	Commercial & Office (B3)
1,655,026	1,082,692	251,723	—	320,611	4Q 2011	325,883	5,272	204,267	116,344	325,883	—	—
1,128,255	—	—	173,159	955,096	4Q 2013	1,128,255	—	273,638	854,617	1,128,255	—	—
10,410	—	—	—	10,410	1Q 2013	10,410	—	—	10,410	10,410	—	—
117,791	51,043	—	66,748	—	4Q 2010	67,890	1,142	11,259	55,489	43,667	—	24,223
154,077	—	—	—	154,077	4Q 2011	154,077	—	—	154,077	154,077	—	—
25,898	—	—	—	25,898	4Q 2012	25,898	—	—	25,898	25,898	—	—
134,607	—	—	—	134,607	1Q 2014	134,607	—	—	134,607	134,607	—	—
274,951	274,951	—	—	—	4Q 2006	1,473	1,473	—	—	1,473	—	—
179,354	95,973	45,929	37,452	—	4Q 2010	41,099	3,647	37,452	—	41,099	—	—
78,768	—	—	—	78,768	4Q 2012	78,768	—	—	78,768	78,768	—	—
54,864	40,487	—	14,377	—	4Q 2010	15,057	680	14,377	—	680	—	14,377
24,834	—	—	—	24,834	3Q 2011	24,834	—	—	24,834	24,834	—	—
613,624	—	—	—	613,624	2Q 2014	613,624	—	—	613,624	613,624	—	—
4,380,000	—	—	—	4,380,000	3Q 2016	1,445,400	—	298,735	1,146,665	1,376,892	—	68,508
88,466	—	—	—	88,466	2Q 2012	88,466	—	88,466	—	—	—	88,466
111,680	—	—	—	111,680	4Q 2011	111,680	—	—	111,680	111,680	—	—
250,948	212,721	38,227	—	—	2Q 2009	293	293	—	—	293	—	—
84,160	—	—	—	84,160	4Q 2011	84,160	—	—	84,160	84,160	—	—
652,102	—	—	115,454	536,648	4Q 2012	652,102	—	115,454	536,648	652,102	—	—
346,674	239,462	76,968	30,244	—	4Q 2010	30,394	150	30,244	—	30,394	—	—
47,438	—	—	28,038	19,400	2Q 2012	47,438	—	—	47,438	28,038	19,400	—
434,023	—	—	80,000	354,023	3Q 2013	434,023	—	—	434,023	434,023	—	—
1,889,961	1,150,311	121,556	73,264	544,830	4Q 2011	651,553	33,459	253,973	364,121	614,132	—	37,421
368,017	188,857	—	169,649	9,511	4Q 2011	204,735	25,575	169,658	9,502	204,735	—	—
1,260,274	677,320	64,563	96,438	421,953	4Q 2011	584,916	66,525	200,544	317,847	584,916	—	—
236,926	—	—	—	—	4Q 2002	701	701	—	—	701	—	—
150,357	150,357	—	—	—	2Q 2007	922	922	—	—	922	—	—
176,226	176,226	—	—	—	4Q 2006	405	405	—	—	405	—	—
72,645	72,645	—	—	—	4Q 2005	3,954	3,954	—	—	3,954	—	—
916,486	306,854	19,572	197,112	392,948	4Q 2012	603,966	13,905	193,361	396,700	603,966	—	—
203,567	145,027	58,540	—	—	3Q 2009	108,320	108,320	—	—	108,320	—	—
880,934	—	22,064	—	858,870	4Q 2014	858,870	—	—	858,870	858,870	—	—
16,144	—	—	—	16,144	4Q 2011	16,144	—	—	16,144	16,144	—	—
95,175	—	—	95,175	—	4Q 2012	95,175	—	—	95,175	95,175	—	—
1,444,668	—	—	—	1,444,668	4Q 2014	1,444,668	—	—	1,444,668	1,444,668	—	—
82,732	—	—	82,732	—	4Q 2010	82,732	—	82,732	—	82,732	—	—
869,640	—	—	27,803	841,837	4Q 2012	869,640	—	276,659	592,981	869,640	—	—
246,808	—	—	29,311	217,497	4Q 2012	246,808	—	—	246,808	246,808	—	—
87,801	—	—	—	87,801	4Q 2012	87,801	—	—	87,801	—	21,854	65,947
491,859	—	—	—	491,859	4Q 2014	491,859	—	—	491,859	491,859	—	—
373,035	—	—	1,100	371,935	2Q 2014	373,035	—	—	373,035	373,035	—	—
859,757	845,094	—	14,663	—	4Q 2010	63,834	49,171	14,663	—	63,834	—	—
153,034	—	—	60,635	92,399	4Q 2012	153,034	—	60,535	92,499	89,150	10,870	53,014
372,834	—	—	—	372,834	2Q 2013	372,834	—	—	372,834	372,834	—	—
365,181	118,043	70,848	127,877	48,413	4Q 2011	193,042	16,752	134,992	41,298	193,042	—	—
480,316	69,764	134,146	70,453	205,953	1Q 2012	277,834	1,429	267,383	9,022	277,834	—	—
488,500	—	72,161	45,357	370,982	4Q 2012	416,617	277	166,090	250,250	358,617	25,000	33,000
292,422	—	—	—	292,422	4Q 2012	292,422	—	—	292,422	292,422	—	—
23,723,249	6,134,753	976,297	1,637,041	14,975,158		14,011,652	334,052	2,894,482	10,783,118	13,549,572	77,124	384,956
2,729,481	217,207	97,563	144,288	2,270,423	4Q 2014	2,479,066	64,355	250,812	2,163,899	2,352,753	60,000	66,313
2,000,000	94,754	117,408	421,553	1,366,285	4Q 2016	1,795,629	7,791	410,673	1,377,165	1,680,610	97,082	17,937
4,729,481	311,961	214,971	565,841	3,636,708		4,274,695	72,146	661,485	3,541,064	4,033,363	157,082	84,250
358,980	181,489	10,200	55,774	111,517	3Q 2011	168,850	1,559	167,291	—	168,850	—	—
59,600	—	—	—	59,600	4Q 2011	59,600	—	—	59,600	30,000	—	29,600
559,765	—	—	—	559,765	4Q 2015	559,765	—	—	559,765	559,765	—	—
93,330	—	—	93,330	—	2Q 2010	93,330	—	93,330	—	—	60,980	32,350
289,119	—	—	—	289,119	4Q 2011	289,119	—	—	289,119	56,851	—	232,268
1,360,794	181,489	10,200	149,104	1,020,001		1,170,664	1,559	260,621	908,484	815,466	60,980	294,218
1,606,752	110,920	263,062	415,089	817,681	4Q 2013	1,423,957	191,187	297,745	935,025	1,383,957	40,000	—
234,439	—	—	149,318	85,121	4Q 2011	234,438	—	139,729	94,709	234,438	—	—
463,843	—	—	99,540	364,303	4Q 2011	463,843	—	191,660	272,183	463,843	—	—
2,305,034	110,920	263,062	663,947	1,267,105		2,122,238	191,187	629,134	1,301,917	2,082,238	40,000	—
9,854,037	—	255,015	585,207	9,013,815	4Q 2018	9,642,257	43,235	566,192	9,032,830	9,047,455	544,842	49,960
702,852	—	—	—	702,852	4Q 2014	702,852	—	—	702,852	702,852	—	—
42,675,447	6,739,121	1,719,545	3,601,140	30,615,641		31,924,358	642,179	5,011,914	26,270,265	30,230,946	880,028	813,384
228,040	—	—	—	228,040	3Q 2013	228,040	—	—	228,040	228,040	—	—
42,903,487	6,739,123	1,719,545	3,601,140	30,843,679		32,152,398	642,179	5,011,914	26,498,305	30,458,986	880,028	813,384

Property Development

Projects Overview (as at 15 April 2010)

Pearl River Delta Region

No. of Projects : 48 projects
(14,011,652 sq.m.)

Panyu	—	7 projects	(1,847,020 sq.m.)
Baiyuan	—	3 projects	(121,340 sq.m.)
Guangzhou	—	4 projects	(2,098,915 sq.m.)
Tianhe	—	1 project	(88,466 sq.m.)
Zengcheng	—	1 project	(111,680 sq.m.)
Huadu	—	3 projects	(736,555 sq.m.)
Conghua	—	3 projects	(511,855 sq.m.)
Zhongshan	—	19 projects	(6,726,204 sq.m.)
Nanhai	—	3 projects	(589,702 sq.m.)
Foshan	—	1 project	(193,042 sq.m.)
Sanshui	—	1 project	(277,834 sq.m.)
Shunde	—	2 projects	(709,039 sq.m.)

* Excluding 5 developed and sold projects



Eastern Guangdong

No. of Projects : 2 projects
(4,274,695 sq.m.)

Heyuan	—	1 project	(2,479,066 sq.m.)
Huizhou	—	1 project	(1,795,629 sq.m.)



Yangtze River Delta

No. of Projects : 6 projects
(1,398,704 sq.m.)

Nanjing	—	3 projects	(456,490 sq.m.)
Changzhou	—	1 project	(559,765 sq.m.)
Shanghai	—	2 projects	(382,449 sq.m.)

Western China

No. of Projects : 3 projects
(2,122,238 sq.m.)

Chengdu	—	1 project	(1,423,957 sq.m.)
Xi'an	—	1 project	(234,438 sq.m.)
Chongqing	—	1 project	(463,843 sq.m.)

Hainan Province

No. of Project : 1 project
(9,642,257 sq.m.)

Hainan	—	1 project	(9,642,257 sq.m.)
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Northeast China

No. of Project : 1 project
(702,852 sq.m.)

Shenyang	—	1 project	(702,852 sq.m.)
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Total Land Bank

32,152,398
sq.m.

Shenyang



Chengdu

Xi'an

Agile

西安雅居樂花園



Nanjing

Changzhou

Agile Garden
廈門雅居樂花園



Shanghai



Chongqing

Guangzhou

Heyuan



Agile



CAMBRIDGESHIRE
雅居樂·劍橋郡



南海半島



廈門雅居樂花園

Foshan

Huizhou

Zhongshan



雅居樂·台地園



雅居樂·新城市
THE CENTURY
世紀新城



大新雅居樂花園
Agile Garden



凱茵新城

清水灣

12公海灣岸 上層園區

Hainan

Property Development

Flagship Projects at a Glance

Hainan Clearwater Bay

Hainan Clearwater Bay is located at Clearwater Bay, with a site area of over 9 million sq.m., adjacent to Sanya City. It is geographically well-located with only a 40-minute and 1-hour drive to downtown and Sanya Airport respectively. The project features a beautiful beach of approximately 12 km in length and has comprehensive ancillary facilities including six super five-star hotels, three 18-hole international standard golf courses, two luxurious yacht clubs, commercial centres and hot spring, and it is a seafront community at international standard with relaxation, tourism, business, investment and residential purposes. The overall planning, architecture, landscape, interior design and yacht clubs design of this project were all conducted by the professional teams from the United States, Singapore, Hong Kong, Thailand and France, creating another shining pearl within Hainan Province with their world-class architectural perspective. The project was launched for sale globally on 28 March 2009. The 1st phase includes the villa phase "Golfer's Paradise" with the theme of golf course and the apartment phase "Cote d'Azur" as well as "Silver Sand" and "The Galaxy" (launched in 2010) as an integrated phase of seaview villas and apartments, all of which have become the focus of the domestic and foreign property markets after launching and recorded a contracted sales of approximately RMB6.4 billion in 2009.

Honours and Awards

- Capital China — Deluxe Residence Project with the Highest Investment Value
- 2009 Top Five Most Favourite Properties of Customers in Hainan (2009海南五大消費者最喜愛樓盤)
- 2009 The Most Influential Property of 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 Property with the Most Investment Value (2009最具投資價值樓盤)
- 2009 The Most Treasured Seafont Deluxe Residential Community (2009最值得珍藏的濱海豪宅社區)

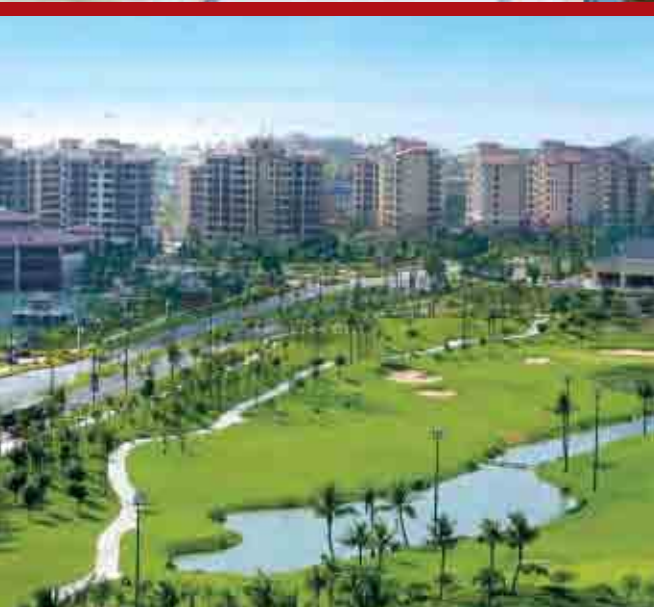
Renowned Brands



Land Bank GFA

9,642,257 sq.m.





Property Development

Flagship Projects at a Glance

Agile Egret Lake Huizhou

Agile Egret Lake Huizhou, covering a site area of 2 million sq.m., is located at the famous historical and cultural city in northeast of Huizhou of Guangdong Province in the northeast of Huizhou. It is approximately 15-minute drive to downtown. The project has a lake of almost 4,000 mu which is surrounded by green mountains and clear waters, with scenery of mountains, water and natural habitat blended together, forming an enchanted picture. Various residential ancillary facilities of the project have been fully opened for use while Sheraton Bailuhu Resort in Huizhou will have its grand opening in 2011. With these international residential ancillary facilities, Agile Egret Lake Huizhou will become an attractive destination for residence and holidays for the property owners and tourists and even provide a top platform for economic, cultural and business communication in the Pan-Pearl River Delta Economic Circle. Six phases such as “The Forest of Norway II (挪威森林)”, “Valley Villa (溪谷別墅)”, “Egret Island (白鷺島)”, “Discover (迪斯卡沃)”, “Legend Returns” (“鷺湖會”) and “Lakeside Shopping Street (湖濱商業街)” were launched successively during the year, recorded an ideal market sales and a contracted sales of approximately RMB1.5 billion throughout the year, and become the first property with the sales of over RMB1 billion in Huizhou.

Honours and Awards

2009 Golden Villa (2009年度金牌別墅)

2009 Model Property of 2-Hour Living Circle in Shenzhen (2009年深圳2小時生活圈典範樓盤)

Attractive Residence — 2009 City Landmark of Pearl River Delta (魅力人居—2009珠三角城市地標)

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

2009 The Best Ecologic Deluxe Residence of Jinzhu Award of Mainstream Property in China (2009中國主流地產金築獎之最佳生態宜居豪宅)

Renowned Brands



Land Bank GFA

1,795,629 sq.m.





Property Development

Flagship Projects at a Glance

Agile Garden Nanjing

Agile Garden Nanjing, covering a site area of over 140,000 sq.m., is located at the south of Qinhuai District Government. It is very close to Longpan Road Expressway, one of the major traffic lines in the city, with a well-established transport network linking all urban areas and its peripheral regions effectively. The project is near the old castle walls of Ming Dynasty, the Qinhuai River, Wudingmen Park, Bailuzhou Park and the business circle of Fuzi Temple which used to be the residence of the elite class in the old times, filled with the essences of the prosperity over the six dynasties in Nanjing and profound cultural history. It has been a large and quality community at international level which is rarely found in Nanjing. Since its expansion to Nanjing, Agile has become the leader of Nanjing property market with its attractive values. The newly launched second phase of apartment phase “Fenghui” (“峰匯”) and “Agile Grand 2 (上品2)” represented a legend in terms of sales again. Agile has achieved the championship in terms of annual sales in Nanjing City with its contracted sales of RMB2 billion for two consecutive years.

Honours and Awards

- 2009 Champion of Property Sales in Nanjing City (2009年度南京市樓盤銷售金額冠軍)
- 2009 The Most Expected Property in Nanjing (2009南京最值得期待樓盤)
- 2009 Property with the Best Public Praise (2009年度最佳口碑樓盤)
- 2009 Top Ten Residential Property of Nanjing (2009南京地產十大明星樓盤)
- Top Famous Residence in Downtown (城市中心區首席名宅)

Renowned Brands



Land Bank GFA

168,850 sq.m.





Property Development

Flagship Projects at a Glance

Agile Cambridgeshire Guangzhou (formerly named as Jiangbei Estate Guangzhou)

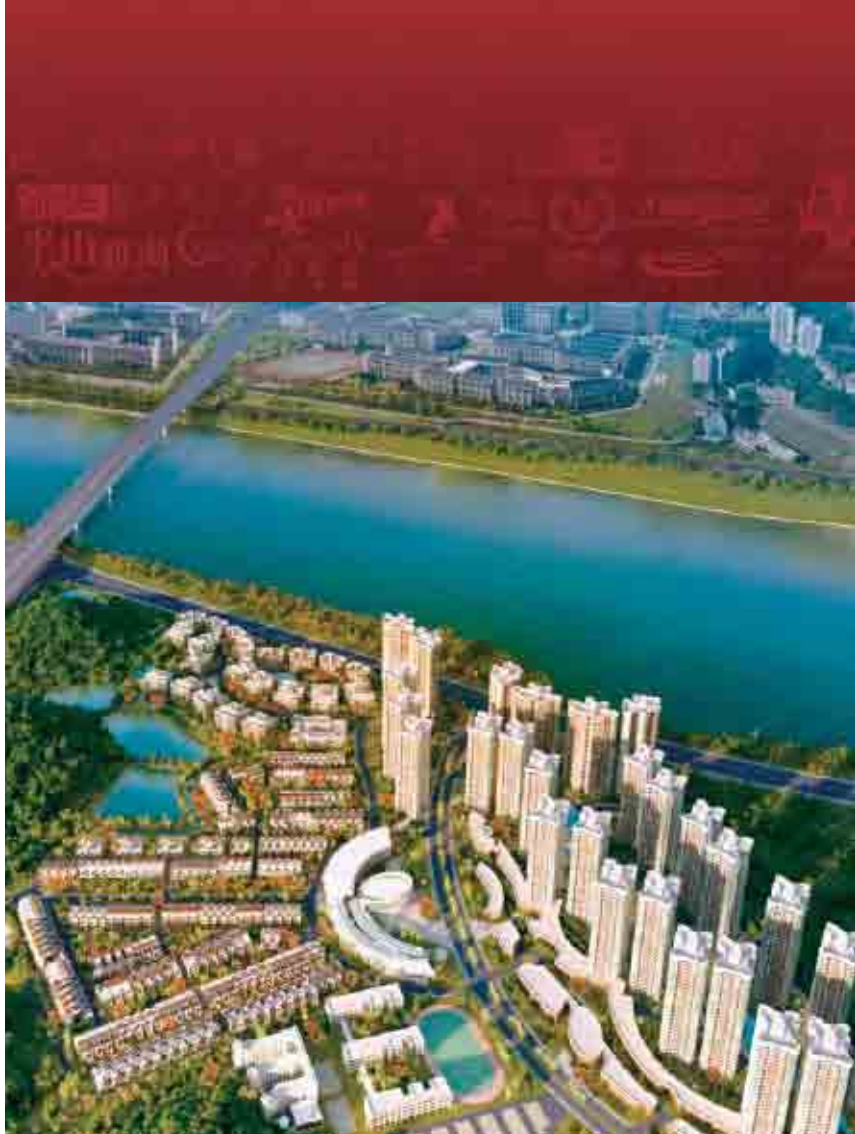
Agile Cambridgeshire Guangzhou, covering a site area of over 600,000 sq.m., is located at Panyu District, Guangzhou, facing Guangzhou Higher Education Mega Centre across the river and possesses a coastline of 1 km. Agile Cambridgeshire Guangzhou, adjacent to Metro Line, is only 15-minute drive to Zhujiang New City. By deploying the spirit of humanity of Cambridge University City in its overall planning, this project is shaped as a large high-end riverside community by the top international modern architecture team, offering a series of excellent deluxe residence. The project features a "borderless garden" of 620,000 sq.m., a three-storey bus terminal in the form of airport terminal, an international comprehensive cultural centre, various levels of educational institutions, top medical institutions and the commercial corridor with elevators in community. It is another landmark property of Agile in Panyu District, Guangzhou City other than Agile Garden Guangzhou. With its grand opening in 2009, this project launched a villa phase with a taste of modern simplicity as its first product. The innovative design and excellent quality is well received by customers, with all the units being sold out, recording a contracted sales of approximately RMB500 million on the first day of its launch.

Honours and Awards

2009 Model Property with the Best Planning Design
(2009最佳規劃設計典範樓盤)

2009 The Best Quality Deluxe Residence of Guangzhou Property
(2009廣州房地產最佳品質豪宅)

Renowned Brand



Land Bank GFA

1,128,255 sq.m.



Property Development

Flagship Projects at a Glance

Guangzhou Zhujiang New City B1-7 Project

Guangzhou Zhujiang New City locates at the junction of Jinsui Road and Huaxia Road, which is the financial office area in the planning district of Guangzhou Zhujiang New City, close to the Zhujiang New City station of No. 3 Subway. The project is the first pure commercial project of Agile in Guangzhou, and it will construct high-end malls and first class commercial buildings. Currently it is under business invitation, and it's expected to be completed in June 2012.



Land Bank GFA

88,466 sq.m.



Property Development

Flagship Projects at a Glance

Agile Garden Chengdu

Agile Garden Chengdu, covering a site area of more than 1,300,000 sq.m., is located at the international high-end community corridor in the southern part of Chengdu and up on the hill with unique ecology and embraced by ranges of mountains. It is adjacent to a natural lake with an area of over 60 mu and is surrounded by green mountains. Low density integrated residential community and a five-star hotel will be developed using the natural habitat landscapes as the basis. The project comprises a luxury recreational clubhouse of 21,000 sq.m., a 400m long commercial street, various levels of educational institutions and a comprehensive transportation network. Thanks to the Xinchengren expressway that will be fully operational in 2010, the transportation distance between the project and Chengdu city center will be reduced to a 10-minute drive, while the Metro Route 1 and 6 under construction will connect this area. The project is currently launching four phases of properties, namely “Paradise (天璽)”, “Agile Vanilla Mountain (雅居樂香草山)”, “Small Town Stories (小城故事)” and “Waltz (圓舞曲)”, offering diversified villas and apartments to meet various requirements of our clients.

Honours and Awards

2009 Top Ten Best Villas in Western China (2009中國西部十大尊享別墅)

2009 The Landmark of Chengdu Community (2009成都社區標誌性景觀)

Landmark Properties in Hotspots For the Next Decade (未來十年熱點區域標誌物業)

2009 Top Ten Preferred Properties of Chengdu Real Estate (2009成都房地產十大宜居樓盤)

2009 Top Twenty Classical Properties Leading Southern part of Chengdu to Better Quality of Life (2009引領成都國際南城品質生活二十大經典樓盤)

Renowned Brands



圓舞曲

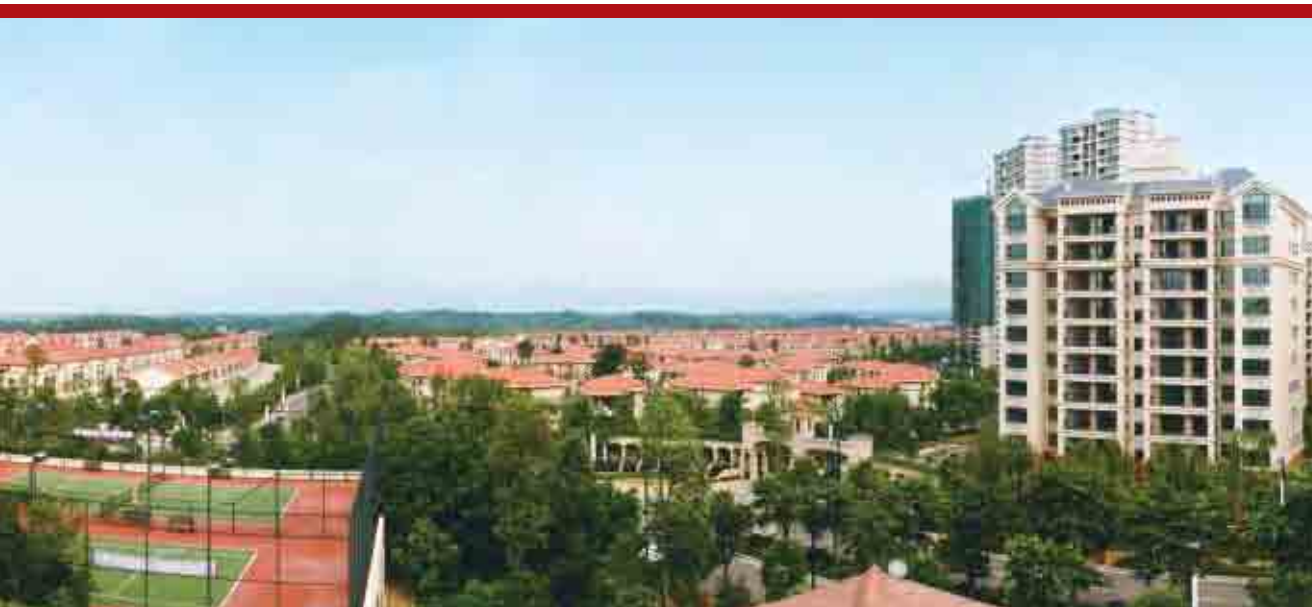
小城故事

峰會
WINNER VIEW

天璽

Land Bank GFA

1,423,957 sq.m.





Property Development

Flagship Projects at a Glance

Agile Garden Heyuan

Agile Garden Heyuan, covering a site area of approximately 1,300,000 sq.m. and adjacent to the Heyuan Hakka Cultural Park and the Heyuan Municipal People's Hospital, is located in the main administrative region of Heyuan where has been set by the Heyuan Municipal People's Government to be the focused development zone for the next several years. The adjacent Huangsha Main Road, connecting to Huihe Expressway, is easily accessible by all kinds of transports. Being well equipped with residential, commercial, sport, entertainment and educational facilities, the project's overall plan outlines a residential and commercial community with the largest scale of development, the most equipped ancillary facilities and the lowest density ever in Heyuan. By adding a Spanish-style garden, the project is one of the best selling commercial and residential community of this region.

Renowned Brands



Land Bank GFA

2,479,066 sq.m.



Property Development

Flagship Projects at a Glance

Agile International Garden Chongqing

(formerly known as Agile Garden Chongqing)

Agile International Garden Chongqing, covering a site area of over 300,000 sq.m., is located at the new popular scenic area of Shancheng, where is the major urban district as well as an industrial base focusing on construction materials industry in Chongqing. Besides, as planned by the municipal government, the district will be developed into an economic and technological development zone for financial, economic and trading activities, as well as a key area for tourist scenic spots. The project has been planned to be an integrated residential community with well-developed educational and comprehensive ancillary facilities, thus enabling it to become a boutique community in Nan'an District of Chongqing. It is estimated to be launched for sale in 2010.

Renowned Brands



Land Bank GFA

463,843 sq.m.



Property Development

Flagship Projects at a Glance

Agile Garden Guangzhou

Agile Garden Guangzhou, covering a site area of approximately 1,500,000 sq.m., is located in Panyu of Guangzhou City. The project enjoys an excellent geographical location and a comprehensive transportation network, which connects to Southern China Bridge and Xingguang Expressway and is adjacent to Metro Route Line 3 and 4, Beijing-Zhuhai Expressway and Nanshagang Expressway. Featuring Bali's top landscape design and with comprehensive ancillary facilities such as a luxury clubhouse, the five-star Guangzhou Agile Hotel and a commercial street in European style, the project was recognised as one of the "100 Most Glamorous Properties" in the PRC. The renowned project is a large-scale comprehensive residential community in Panyu, with an estimated total population of over 100,000 in the future. The properties of this project, namely "The Beatific Hill (一尺山居)", "Middle Hills (淺山小築)" and "The Territority (天域)" have recorded a sound sales result during the year, with a contracted sales approximately RMB2 billion.

Honours and Awards

Diamond Quality Property (鑽石級優質樓盤)

2009 The Second-honour of Owner's Level of Satisfaction in Guangzhou Large-scale Properties (2009廣州大型樓盤業主滿意度第二名)

Most Welcomed Property by White-Collars (最受白領歡迎樓盤)

2009 Special Award for Outstanding Branding Performance (2009年度特別呈獻最佳品牌表現獎)

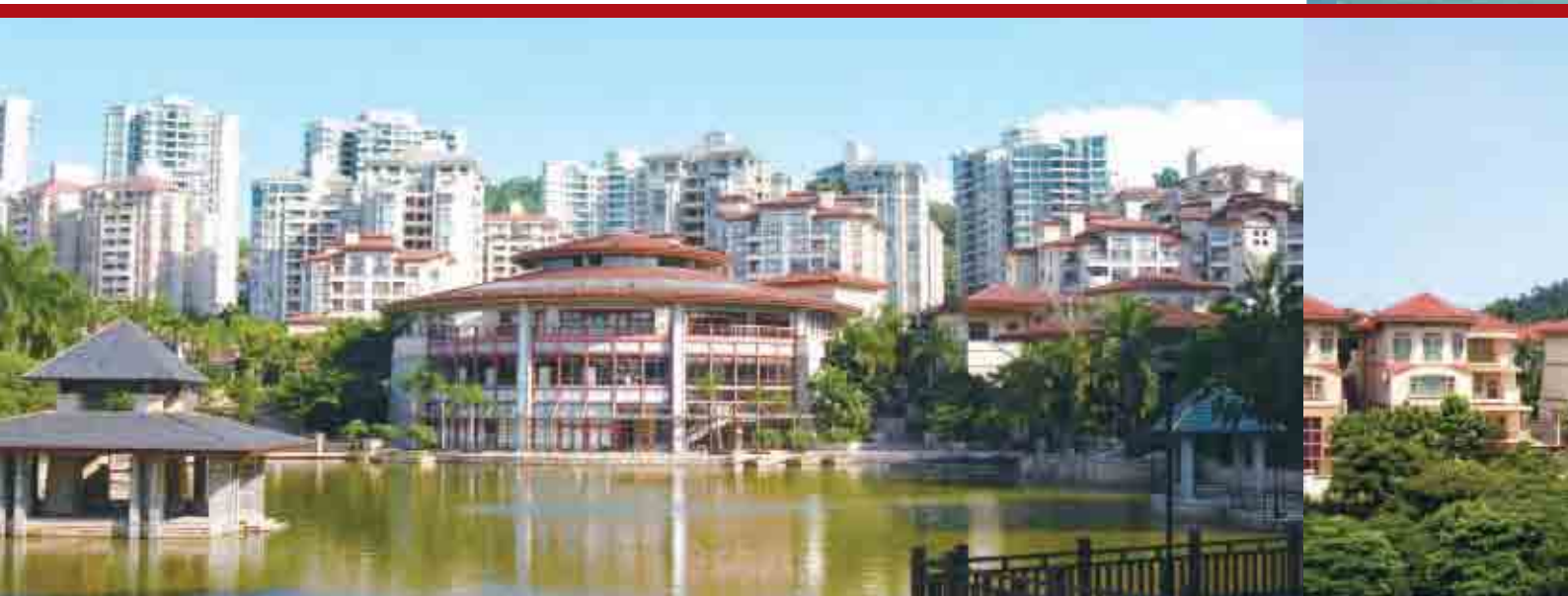
The Most Livable Luxury Residence of High-quality (最佳人居品質豪宅社區)

Renowned Brand



Land Bank GFA

325,883 sq.m.





Property Development

Flagship Projects at a Glance

La Cité Greenville Zhongshan

La Cité Greenville Zhongshan is a well-developed and large scale ecological city centre with a site area of nearly 2 million sq.m.. It is located at Changjiang tourism scenic spot in Zhongshan, surrounded by green mountains with a picturesque view. The project is adjacent to Zhongshan Changjiang Golf & Country Club, one of the Top Ten National 36-hole International Golf Courses. Equipped with high quality drinking water from Changjiang Reservoir and the fresh air from Wugui Mountains, it is a splendid place enjoying the greenery landscape, fresh air and quality water. The project adopts a unique overall planning of green and health concept and European style as its main theme, fully demonstrating the perfect integration between the humans and the nature. As a large-scale international golf community, the project is the definite choice for living and vacation with a number of ancillary facilities such as San Xin School, Yi Jia Yi Shopping Mall and a recreational centre of three main themes. Since its launch since 2002, the project has become the overall champion in property sales in Zhongshan for several consecutive years. The phases newly launched for sale in 2009, including “The Latitude (天譽)”, “Norwegian Forest (挪威森林)”, “The Tower (嶺峰)” and “Mid levels Elegant Lake (半山雅湖)”, have recorded a contracted sale of approximately RMB2.2 billion.

Honours and Awards

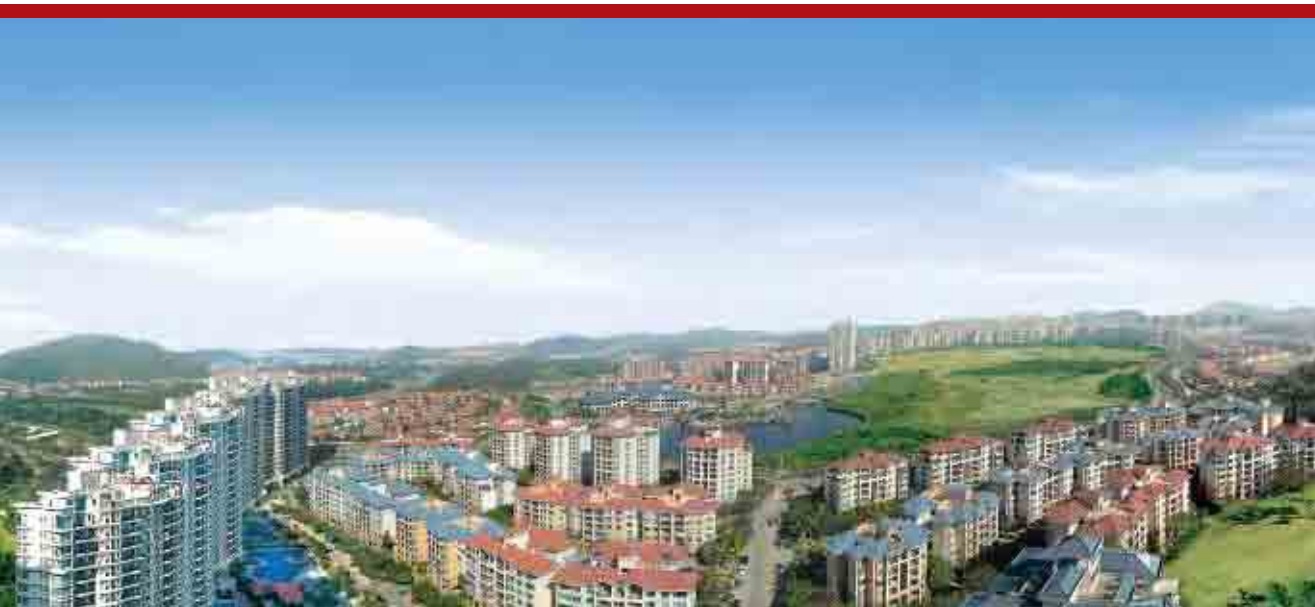
2008 The Best-selling Property of Zhongshan (2008年度中山最暢銷樓盤)
Diamond Quality Property (鑽石級優質樓盤)
Gold Medal Award for the Best-selling Property of the Year (年度金牌暢銷樓盤)
Green Community of Zhongshan City (中山市綠色社區)

Renowned Brands



Land Bank GFA

651,553 sq.m.





Property Development

Flagship Projects at a Glance

Metro Agile Zhongshan

Metro Agile Zhongshan, covering a site area of 700,000 sq.m., is located in the centre of Metro Area, Sanxiang Town of Zhongshan, with approximately a 30-minute drive to Macau and the planned Hong Kong-Zhuhai- Macau Bridge. The project is adjacent to the hub of government office, exhibition centre, business and cultural centre, hotels and large-scale integrated market. The project is designed by internationally renowned designers and the whole community is filled with an aura of vacation in a European small town, equipped with world-class ancillary facilities, such as a commercial pedestrian street, six clubhouses and a large family park. The whole community has become the top international luxury residence of Sanxiang Town of Zhongshan and has long been the top class in terms of sales in the town. The villa phase “Top of City (嶺峰)”, launched in 2009, was also well accepted by the market.

Renowned Brands



Land Bank GFA

584,916 sq.m.





Property Development

Flagship Projects at a Glance

Agile Royal Mount Zhongshan (formerly known as Zhongshan Wuguishan Project)

Agile Royal Mount Zhongshan, covering a site area of 450,000 sq.m., is located in the Wuguishan Ecological Reserve of Zhongshan City, and it is close to Shiqi downtown to the north and Hot Spring Tourist Area of Zhongshan to the south, with a well-established transport network linking its peripheral regions and connecting Chenggui Road between Zhongshan and Zhuhai, former 105 state road and Cuishan Road. It is only a 10-minute drive to Cuishan station inter-city light rail in the future, a 30-minute drive to Zhuhai, a 15-minute drive to Shiqi downtown and a 45-minute drive to Hong Kong after the opening of the Hong Kong-Zhuhai-Macau Bridge. The project, located in the foot of Wuguishan, possesses abundant natural resources and is embraced on three sides by the mountain, presenting the shape of a basin and enjoying a pleasant climate, cool in summer and warm in winter. The project also fully enjoys the charming landscape of Zhongshan Hot Spring Golf Club and is the ideal place for comfortable and healthy residence. The first phase of the project includes European-style low-density residential properties, which are expected to be officially launched for sale in 2010.

Renowned Brand



Land Bank GFA

869,640 sq.m.



Property Development

Flagship Projects at a Glance

The Century Zhongshan

The Century Zhongshan, covering a site area of approximately 500,000 sq.m., is located at the intersection of Qijiang River, the “mother river” of Zhongshan, where is within the central part of the city centre and just 5 minutes away from a number of prosperous commercial centers. The project, equipped with well developed ancillary facilities, enjoys a convenient transportation network. It takes only 18 minutes drive to Zhongshan Port. It is near to the entrance of Beijing-Zhuhai Expressway and Outer Ring Expressway in Zhongshan region which highly facilitates the transportation between Guangzhou and Zhuhai. Thanks to its advantage of possessing both rare unique river view and well developed ancillary facilities, the project has become a scarce landmark in Zhongshan City. Two new phases were launched for sale by stages in 2009, namely “Junhui Harbour (君滙港)”, “The Seine (銀海塞納)” and “Century Legend (世紀悅庭)”, all of which received a good sale performance.

Honours and Awards

2008 Zhongshan City Construction Contribution Award (2008年度中山城市營造貢獻大獎)

Most Glamorous Properties and Beautiful Landscape Award of Zhongshan (中山最美樓盤及最美景觀獎)

Renowned Brand



Land Bank GFA

603,966 sq.m.



Property Development

Flagship Projects at a Glance

Agile Garden Foshan

Agile Garden Foshan has a site area of approximately 180,000 sq.m., and is located at the core of central part in Foshan City. It is proximal to well-developed ancillary facilities such as the Asian Arts Park, Lü Jing Road Station of Guangdong-Foshan Metro, Lingnan Mingzhu Gymnasium and key educational institutions. The project includes a deluxe club in the central part of the city with an area of 5,000 sq.m. and a shopping commercial street with an area of 60,000 sq.m., and is a well-known local commercial and residential community. Four new phases, including “Imperial Lake (心湖灣畔)”, “The Tower (嶺峰)”, “Sky Garden 1 (空中一號)” and “Yayi Sunday (亞藝新地)”, were launched for sale in 2009, all of which were well accepted by the market and ranked in the top-three property in terms of local market share.

Honours and Awards

Foshan Luxury Residence Gold Award (佛山樂居豪宅金獎)
Charming Residence — Foshan City Landmark (魅力人居—佛山城市地標)
2009 Foshan Best Service Team in Foshan (2009佛山最佳服務團隊)
2009 Gold Award for Star Property (2009年度明星樓盤金獎)

Renowned Brands



Land Bank GFA

193,042 sq.m.



Property Development

Flagship Projects at a Glance

Agile Garden Shunde

Agile Garden Shunde is located at the centre of administration, culture, trading and finance in Shunde District, Foshan, with a site area of more than 200,000 sq.m. Enjoying a convenient geographical location, the project connects to Shunde International Business City, Shunde Public Transport Station, Century Primary School, Southern District Secondary School and Daliang Hospital. It takes only 30 minutes ride to the city centre of Shunde. The planned light rail connecting Guangzhou and Zhuhai will also be extended to Shunde. The overall planning of the project focuses on a simple and stylish design and is set to be a high-end property, including high-rise residential building, boutique hotel and commercial street, with a luxury clubhouse and educational institutions. It has become a residential community with landmark architecture in the southern district of Shunde. The first phase was launched for sale in 2009, and it recorded good sales performance with total contracted of RMB650 million in just 4 months.

Honours and Awards

2009 Gold Award for Star Property (2009年度明星樓盤金獎)

Renowned Brand



Land Bank GFA

416,617 sq.m.



Property Development

Flagship Projects at a Glance

Agile Garden Xi'an

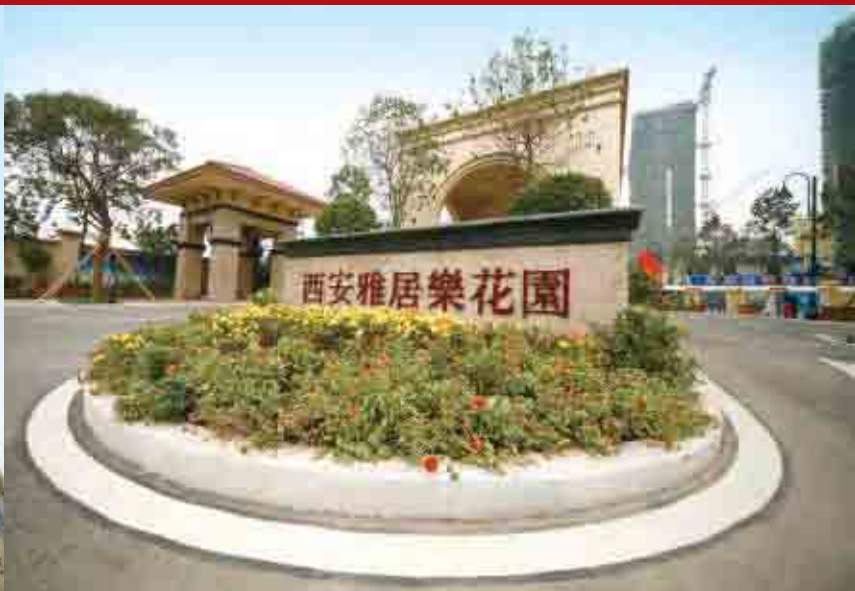
Agile Garden Xi'an, with a site area over 90,000 sq.m., is located at Chang'an District at the southern suburb of Xi'an, adjacent to Xi'an High-tech Industry Development Zone on the west and Western University City on the south. This district is enriched with traditional Chinese culture. Consisting of 21 high-rise outstanding residential buildings, the project's overall planning is interspersed with the theme of waterscapes and kneaded with the sophisticated elements of European classic gardens. The community is equipped with pleasing ancillary facilities such as luxury club houses, schools, sports arenas and shopping streets to meet residents' pursue of refined life style. Launched officially in 2009, the project achieved satisfying sales results.

Renowned Brand



Land Bank GFA

234,438 sq.m.



Property Development

Flagship Projects at a Glance

Agile International Plaza Shanghai

Agile International Plaza Shanghai is situated at the flourishing tourist, retail and commercial hub of Huangpu, Shanghai City. The project has a superb geographical location, enjoying a convenient traffic network and high pedestrian flow. On the eastern side of the project, it is connected to Xizang Road, and on its southern side, Fengyang Road. The project is located at the northwestern side of Nanjing road pedestrian walkway, best known as "The Top Commercial Street in China". Adjacent to the First Department Store and the New World Shopping Mall, it is only 300 meters from the Shanghai People's Government Office. Cultural buildings and landmarks such as the People's Square, Shanghai Museum and Shanghai Grand Theatre are all within walking distances from the project. Agile International Plaza Shanghai will be developed into a five-star hotel and a high-end shopping centre with shops of prestigious brands from all over the world. Shanghai Marriott Hotel City Center is expected to be opened in 2010, while the five-storey shopping mall is currently under business invitation.



Land Bank GFA

93,330 sq.m.

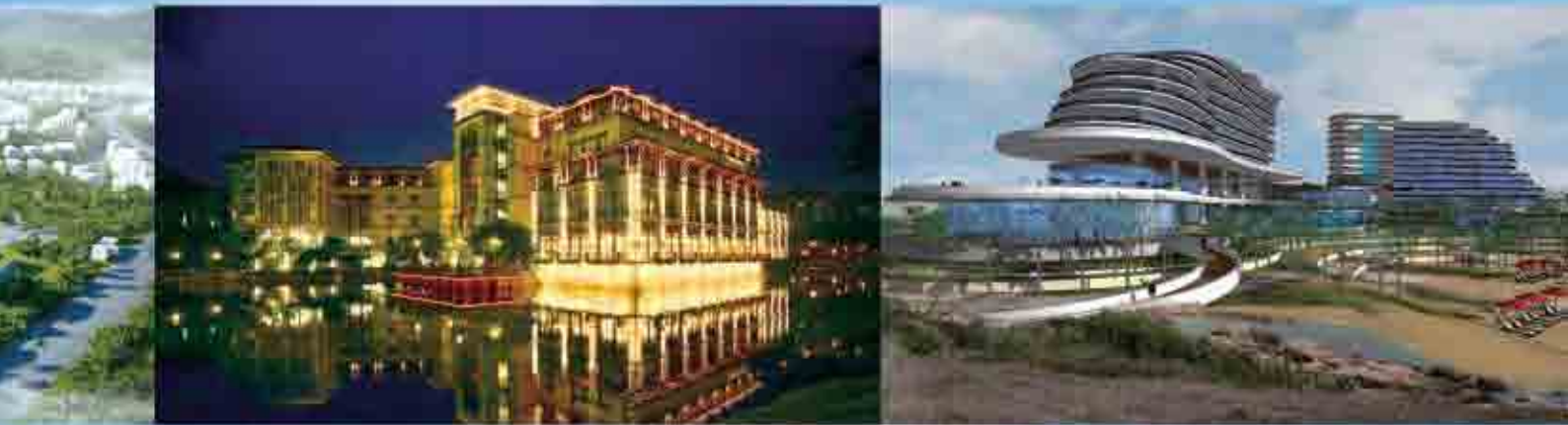


Hotel Business

A diversified business portfolio ensures stable and reliable revenues for the Group and broadens the overall income base.



Hotel Business





Business overview

While maintaining its stable development, the Group continues to advance its hotel business by building five-star hotels and boutique hotels to accommodate high-end tourists and business travellers for diversification of its business portfolio.

The hotels of the Group are divided into two categories, namely, self-operated hotels and externally-managed hotels. Self-operated hotels include Guangzhou Agile Hotel, Foshan Agile Hotel and Zhongshan Agile Hotel. As for externally-managed hotels, apart from Shanghai Marriott Hotel City Center, Sheraton Bailuhu Resort, Huizhou, Raffles Sanya, Clearwater Bay, China and Outrigger Clearwater Bay Resort, Sanya, China, the Group entered into hotel management

agreements with Hilton International Manage LLC, Marriott International Management Company B.V. and Jumeirah International LLC to manage 3 hotels of Hainan Clearwater Bay during the year.

The Group will make investment in hotel operations in Shanghai, Hainan, Chengdu, Huizhou, Guangzhou, Foshan, Zhongshan and Heyuan. With its solid experience in property development, a pragmatic and efficient management team as well as the influence of the international hotel management companies in the industry, the Group believes that it can promptly establish its brand awareness with good returns, and make a presence in the hotel operation industry in PRC.





Externally-managed hotels

Shanghai Marriott Hotel City Center

Shanghai Marriott Hotel City Center, managed by Marriott International Management Company B.V., is a five-star hotel with 712 superior rooms. The hotel is full-fledged with functions of commerce, tourism and large-scale conference and exhibition, and it is situated at Shanghai Agile International Plaza within the central part of Huangpu District, Shanghai with only a 20-minute ride to Shanghai Hongqiao Airport and a 40-minute ride to Shanghai Pudong International Airport. The hotel will become a significant landmark upon its operation in the end of 2010, and its noble and elegant design style would certainly offer the premier residence for those business and holiday travellers concerning about high quality of life.

Sheraton Bailuhu Resort, Huizhou

Sheraton Bailuhu Resort, Huizhou, managed by Sheraton Overseas Management Corporation, is a five-star hotel with a site area of approximately 70,000 sq.m. and a GFA of approximately 100,000 sq.m. It is located within Egret Lake in the northeastern Huizhou with a well-established transport network that it is only a 15-minute ride to the Central Business District. The hotel is expected to open in 2011 with 435 deluxe lake view rooms. Besides, it is full-fledged with multi-functional conference rooms, banquet hall, spa center, Chinese and western-style restaurants, fitness room and swimming pool, offering a taste of elegance and beauty. The hotel is adjacent to many facilities, including golf course, artificial beach, water park, skiing and grass skating court, natural garden and cultural plaza. With its convenient geographical location, the hotel is the ultimate choice of residence for high-end travellers.



deluxe suites as well as 35 villa-style suites, and it is equipped with water-themed restaurants, spa centre, large banquet hall, meeting rooms and world-class recreational facilities. At the end of December 2009, the main structure of east wing building has been completed and the foundation for west wing building is under construction. The hotel is expected to put into operation in 2011.

- **Jumeirah Clearwater Bay Resort, Sanya, China**
Jumeirah Clearwater Bay Resort, managed by Jumerirah Group, is expected to open in 2013 with 250 harbour view rooms and suites and 50 villa-style suites. The hotel features special Chinese and western-style restaurants, spa centre, various recreational facilities, and a 4,000 sq.m. large banquet hall, business centre and meeting rooms.

Hainan Clearwater Bay Hotel Promenade

The Group together with international reputable hotel management group introduces world-class resort living to Hainan Clearwater Bay with an international hotel promenade built along 12-km spectacular sea beach, providing unique resort experience for travellers.

- **Raffles Sanya, Clearwater Bay, China**
Raffles Sanya, Clearwater Bay, China, managed by Raffles Group, provides 287 harbour view rooms and



Hotel Business

- **J. W. Marriott Clearwater Bay Resort & SPA**
J. W. Marriott Clearwater Bay Resort & SPA is managed by Marriott Group and provides 500 harbour view rooms and suites. Currently, the Group is in the process of conducting initial design work for the project and the hotel is expected to have its grand opening in 2013.
- **Hilton Clearwater Bay, Hainan**
Hilton Clearwater Bay, Hainan is managed by Hilton Group and provides 509 rooms and suites with sea-view. Currently, the hotel has started the preliminary design work by the Group and it is expected to open in 2014.
- **Outrigger Clearwater Bay Resort, Sanya, China**
Outrigger Clearwater Bay Resort, Sanya, China is managed by Outrigger Group of Hawaii, U.S. and provides approximately 500 rooms and suites with sea-view. Currently, the hotel has started the preliminary design work by the Group and it is expected to open in 2014.

Self-operated hotels

Guangzhou Agile Hotel

Guangzhou Agile Hotel is located at the side of Yingyi Lake in the Agile Garden Guangzhou, enjoying a classic and relaxing environment, and is designed as a boutique hotel well-equipped with business, leisure and entertainment facilities in accordance with the national five-star standard. Adjacent to well-known tourist spots such as Panyu Changlong Tourist Area and Yuyin Mountain Lodge, which is one of the four famous gardens in Guangdong, the hotel enjoys a convenient transport network. In addition to its connection to Metro Line 3 and 4, through main roads such as Yingbin Road, Guangzhou Southern Expressway and Xingguang Expressway, it only takes a 5-minute drive to Pazhou International Convention and Exhibition Center, a 20-minute drive to Guangzhou East Railway Station, a 30-minute drive to Guangzhou Railway Station and a 45-minute drive to Guangzhou Baiyun International Airport. Besides, it takes only 20-minute to 2-hour ride to Shunde, Dongguan, Zhongshan, Zhuhai, Shenzhen, Macau and Hong Kong.

The hotel has 126 spacious and cosy standard rooms and deluxe suites with an average unit area of 50 sq.m. and 120 sq.m. respectively. Its ancillary facilities include multi-functional ballrooms with maximum capacity for 450 people, conference rooms, superb Chinese restaurants of Hong Kong style, riverside international gourmet restaurants, entertainment centres and stargazing pubs and a 20,000 sq.m. luxurious mid-levels club house with sports and leisure facilities, which will certainly satisfy the needs of the visitors worldwide for business and tourism purposes, and make their journey even more colourful.

Foshan Agile Hotel

Foshan Agile Hotel is located opposite to Majestic Garden, the Group's largest property project in Nanhai District, Foshan. The area serves as a traffic hub of Guangzhou-Foshan area with only a 10-minute drive to Guangzhou and a 20-minute drive to the downtown of Foshan. Customers may enjoy a fast and convenient transportation network.

The hotel has 200 superior rooms and includes ancillary facilities such as Chinese and western-style restaurants, red wine house, large ballroom, multi-media conference room, business centre, and two sub-tropical style sky gardens.



Zhongshan Agile Hotel

Zhongshan Agile Hotel is located at the city centre of Sanxiang Town, Zhongshan in close proximity to Zhuhai and Macau, enjoying an excellent geographical position and comprehensive ancillary facilities. Completed in 2000, the hotel has a total GFA of approximately 18,000 sq.m. and 63 deluxe rooms and 3 executive business suites in aggregate. With ancillary facilities such as western-style restaurant, conference rooms and business centre, the hotel is first for domestic and overseas business travellers visiting Sanxiang Town, Zhongshan for business trips.



Property Management



Property Management



Property management companies under the Group has always been operating with the “customer-oriented” servicing philosophy and dedicating to providing 250,000 residents with excellent property management services in order to meet their individual needs and to help them build a content living style.

Property Management



Since their establishment in 1993, Agile's property management companies have been operating with the "customer-oriented" servicing philosophy, and providing about 250,000 residents of 23 well-developed projects with safe, civilised, comfortable, convenient and excellent property management services for 17 years in order to meet individual needs of every resident and to help them build a free and content living style.

Agile's property management companies have committed to rendering property management services of international standard, thus winning praise from customers and establishing outstanding reputation among the industry. Zhongshan Agile Property Management Services Co., Ltd., one of the earliest property management enterprises with national first class qualification, was accredited with ISO 9001 international quality system by BSI Group, a UK chartered institution, since 1999. Up to now, 9 property management units under the Group have accredited with ISO 9001 qualification.



During the year, the property management companies of Agile and the projects under their management were accredited with numerous awards. Agile Garden Guangzhou and Zhongshan Agile Garden received the honour of “Green Community in Guangdong Province” from the Environmental Protection Bureau of Guangdong Province and Office of Spiritual Civilisation Construction Committee of Guangdong Province; La Cité Greenville Zhongshan, Majestic Garden and Agile Garden Dachong Zhongshan were honoured with “Green Community in Zhongshan City”; La Cité Greenville Zhongshan was assessed as a “Six Excellence” Peaceful and Harmonious Community” by the Office of Civil Administration of Guangdong Province; and Majestic Garden Nanhai was accredited with “Model Residential Community in the Category of Property Management in Guangdong Province” by Property Management Association of Guangdong Province. Other awards included “Sharing and Caring Community” co-issued by the Youth League Committee of Nanhai District, Construction Bureau of Nanhai District, Voluntary Worker (Volunteer) Association of Nanhai District and Office of Spiritual Civilisation Construction Committee of Nanhai District.

The properties currently managed by the Group amount to approximately 10,600,000 sq.m., with a total of over 5,000 professional property management staff and technical staff providing various types of excellent property management and operation services to approximately 70,000 households, such as repair and maintenance of buildings and ancillary facilities, security management of the community, environment and hygiene, greenery maintenance, household services, clubhouse entertainment, recreational and catering services, community cultural activities as well as high-end cultural activities.

Property Management

To further optimise the effectiveness in management, our property management center, in 2008, purchased a centralised property management software system, which was successfully put into use in the year, further enhancing service efficiency and supporting the sustainable development strategy of the Group nationwide.

The Group highly values residents' feedbacks which are actively collected by us from various channels. We sort out all information and report to relevant departments periodically for follow-up actions and improvement. Moreover, a dedicated team has been set up to respond to enquiries and complaints from our clients so that each case can be handled in 24 hours with improved efficiency and best services can be provided to their satisfaction in all respects. The 2009 customer satisfaction survey showed that the overall satisfaction level of the clients almost reached 90%.

"Agile Property Club" is the clubhouse for Agile's customers for the purpose of facilitating the communications between its members, designated alliance merchants and Agile. It also serves as a channel for listening to the requests





and suggestions from various parties at all times, so as to provide household, living and cultural services of better quality. “Agile Property Club” currently has over 33,000 members and over 1,400 preferred business partners all over China and Hong Kong. Apart from providing preferential offers and information on job hunting and recreation to its members, “Agile Property Club” also established an interactive exchange platform for cultural, living, commercial and information purposes, with an aim to promoting a harmonious living environment, building an innovative culture of high-end customers and a solid community culture.

The four issues of the club magazine of “Agile Property Club” published in 2009 were printed approximately of 100,000 copies in aggregate. It serves as a platform to share the harmonious community cultural and other information with residents and acted as an effective communication channel. We believe the members’ recognition, satisfaction and loyalty towards Agile has been enhanced effectively. During the year, “Agile Property Club” has successfully organised 368 activities for members with over 100,000 participants, such as “Homeowners’ Sports Day”, “Neighbours Festival” and Golf Event, as well as various community activities in all well-developed projects.

During the year, “Agile Property Club” has established a strategic relationship for financial cooperation with the Bank of East Asia (China) Limited, aiming to providing our members with convenient one-stop financial services. Looking ahead, “Agile Property Club” will continue to enhance the relationship with our members and business partners, and further integrate with the resources in the society, thereby providing members and business partners a tailored service platform.

Since 2003, Agile has set up different service themes each year, including “Quality Service Year” in 2003, “Caring Year” in 2004, “Management Advancement Year” in 2005, “Smiling Year” in 2006, “Dedicated Service Year” in 2007 and 2008 and “Service Advancement Year” in 2009. The annual service theme of the Group in 2010 will be “Elite Cultivation Year”. Through continuously improving our existing services and strengthening our professional trainings, we intended to build a professional service team to render outstanding services to our residents, while insisting on the philosophy of “customer-oriented”. In the long run, the goal of Agile property management system is to concentrate on providing professional property management service by continuously upgrading its existing service standards.



UPGRADED CORPORATE GOVERNANCE

Maintain a Balance
Between Risks and Returns





Report of Corporate Social Responsibility



Review of the Year

The Group formulated an annual charity program in early 2009, and actively forged ahead towards our goal of procuring the harmonious development of society. During the year, the Group continued to deploy the main theme of its charitable activities as “recovering, accelerating, boosting and improving”, with great contribution to social charities such as promotion of Chinese culture, disaster and poor relief, environmental protection, and health care. During the year, our charitable contributions were highly appraised and recognised by the nation and all sectors in the society and the Company was one of the top-notch companies in the “China Philanthropy List 2009” in Forbes (Chinese edition) and “List of Hurun Philanthropy”. The Company was granted the “2009 Bright Meritorious Deeds Award” as well as the “China Charity Outstanding Contribution Individual Award” by the China Chamber of Charity Association, whereas Mr. Chen Zhuolin, our chairman, was also granted the “China Charity Outstanding Contribution Individual Award”. In Hong Kong, the Group was awarded the “Most Outstanding Fund Raising Corporation” by Oxfam Rice and has been granted the logo of “Caring Company” for three consecutive years.

Education and study subsidy

Education and talents are pillars of the growth of country and society. Therefore, the Group continued to put intensive effort at the development of the education in the country and society so as to preach the profound Chinese culture.

Following the donation of RMB30 million to the Chinese Language Education Foundation for establishing the “Agile Special Fund for Chinese Culture Continuation Work” in 2008, the Group also donated RMB20 million to the Foundation specially for training programs of overseas Chinese Language teachers, further promoting the spread and development of Chinese culture in overseas countries in 2009.

During the year, the Group hosted a number of activities including Snowy Area Cultural Trip for Overseas Chinese Teenagers — Agile Winter Camp (海外華裔青少年冰雪文化行 — 雅居樂冬令營), the Sixth Agile Training Program for New Overseas Chinese Teacher (雅居樂第六期海外華文幼師培訓班), Training Program for Overseas Chinese Teachers in Secondary Schools (海外華文小學教師研修班), the Second Agile Overseas Home Town Trip (雅居樂第二屆海外紅燭故鄉行), the First Agile Tutorial Session of Chanwu Culture for Overseas Chinese Teenagers (雅居



樂首期海外華裔青年禪武文化專修班) and Snowy Area Cultural Trip for Overseas Chinese University Students — Agile Winter Camp (海外華裔大學生吉林冰雪文化行 — 雅居樂冬令營) in Heilongjiang, Guangdong and Jilin. Nearly 400 Chinese teenagers from more than 20 countries across the world took part in these fruitful activities, which were highly praised by various local and overseas sectors.

During the year, the Group presented for its second consecutive year “Agile Property Scholarship and Study Subsidy” in over 10 renowned colleges and universities including Tsinghua University, Zhejiang University and Tongji University, and benefited 190 students who are excellent both in studies and conduct yet poverty-stricken.

In Hong Kong, Agile has been the annual sponsor of Sowers Action for three consecutive years and became the title sponsor of “Agile Sowers Walk to Guangzhou 2010” with its staff participating as volunteers in support for the education support in remote regions, enabling the children under poverty to have the opportunity to receive education again.

Disaster and poor relief

During the year, Agile and its six executive directors increased the total number of schools constructed by donations in the disaster areas of Sichuan Earthquake to 16 schools, of which 7 of them (Deyang Agile Taishanlu Primary School (德陽雅居樂泰山路小學), Mianzhu Agile Nanxuan Primary School (綿竹雅居樂南軒小學), Mianzhu Agile Fuxin No.2 Kindergarten (綿竹雅居樂富新第二幼稚園), Pangzhou Aoping Primary School (彭州市敖平小學), Chengdu Shuangliu Secondary School (成都市雙流中學), Shuangliu Experimental Primary School (雙流縣實驗小學) and Dongsheng Primary in Luojiaci Community (東升小學駱家祠校區) were completed and in use during the year while the remaining 9 schools have commenced the construction or would commence in a short period of time. Mr. Chen Zhuo Lin, the Chairman of the Company, also took a site visit to Sichuan to monitor the construction of schools by donations a year after the earthquake and met the local government officials for comprehensive and effective communication and monitoring the construction quality and progress, so as to provide the students in the disaster areas with a safe and good learning environment as soon as possible.



During the year, the Group formed the “Agile Volunteer Team” and organised “Love in Action to Disabled Children and Orphans” activity in support for the children in the disaster areas of the Shaanxi Earthquake, with the aim of raising funds and necessities among its staff to lead the poverty-stricken primary and secondary students back to school. “Agile Volunteer Team” also organised various community activities including “Oneiromancy for Children in Disaster-stricken Area” and “Warming Sunset for the Elderly Living Alone”. In Hong Kong, the Group made its first attempt in sponsoring “Oxfam Rice Sale, Hong Kong” of Oxfam which its staff were encouraged to join, so as to pass the Group’s love and care to the minorities and people suffering from poverty.

Green Building

Agile advocates a healthy and green life. Apart from blending environmental elements into each section of property development, the Group also coordinates all staff and property owners to participate in various charitable environmental protection activities, so as to build a future of sustainable development and ensure our next generation can enjoy a green living environment.

The group comprehensively considers all environmental factors while doing the master planning. We will ensure the communities are well-ventilated and with sufficient sunshine, resulting in decreased power consumption for air-conditioning, ventilation and lighting. In addition, open garden squares are specially planned to provide exuberant green space of gardens; and aerial activity artery galleries can adjust the microclimate to promote airiness, improve air quality, absorb noise and provide shades and relaxing spaces. Also, the Group fully applies solar energy in southern regions where sunshine sufficient and uses advanced national energy conservation materials in northern region.

As for the water use, we install timely or automatically faucets turning off in public toilets or club dressing rooms; make toilet flushing, cleaning and irrigation with central water system; collect and recycle condensation water of central air-conditioning system; adopt binary-form design for bathroom faucets and binary-form water-saving flushing apparatus for pedestal toilets, saving much potable or flushing water every year.



Through comprehensive planning and the usage of environmental interior decoration material, we can ensure interior airiness and control indoor pollution sources. A variety of environmental elements, such as terraces, commodious corridors and lift lobbies, public aerial or podium gardens, awnings and reflecting shades and non-structural external walls also play an active roll in improving life quality of householders.

Each project of the Group will planted with a great lot of arbors and shrubbery with environmental performance of lowering temperature, emitting heat, purifying air and reducing noise. Moreover, communities typically have more than 50% of greening spaces, providing green life space for residents. As for the building structures and equipments, we adopt the modular and standard design, and use environmental external wall material required by the state, which substantially reduce the wastage of material and template dies while effectively reduce construction waste.

The Group has organized the Third Agile Ecological Environmental Protection Day themed “Greening the Earth

and Lustering the Homeland” with the participation of its staff in the country. The property owners of the Group’s well developed projects were also invited, for the first time, to join, bringing the message of environment protection to the community.

Medical support

During the year, the Group showed and passed our care and love further to the poor, patients and outstanding medicine practitioners by sponsoring “Lifeline Express” in Jiaozuo of Henan and Suining of Sichuan and the Best China Doctors Award (中國醫師獎) organised by the Chinese Medical Doctor Association.

“Lifeline Express” had undergone eyesight restoring surgery free of charge for the poor cataract patients in Jiaozuo of Henan and Suining of Sichuan, giving 1,588 patients the opportunity to restore the eyesight. Besides, the Group invited homeowners, reporters and volunteers to visit the real operation of “Lifeline Express” and meet the grantees.

Report of Corporate Social Responsibility



In order to promote medical virtues and morals, and encourage the healthy development of Chinese medicine practitioner team and hygiene matter, since 2009, the Group has sponsored the activity of “Chinese Medicine Practitioner Awards” for three years consecutively. The winner list of “the Sixth Chinese Medicine Practitioner Awards” of the year 2009 was officially announced in November, in which 92 profound and respectable Chinese medicine practitioners have been awarded.

Caring about our staff

Agile operates with the “people-oriented” philosophy and regards talents as the most essential driving force for the Company’s wealth and development in the long-run. Therefore, the Group continued to hold various cultural and volunteer activities to maintain both physical and mental health of our staff. Meanwhile, we set up a “mutual-help system” to assist our staff to overcome difficulties, and also provided comprehensive training and a bright career path to our staff.

During the year, the Group has given grants to the “Agile Foundation for Mutual Help”, providing appropriate financial assistance for 77 staff and their families who encountered incidents unfortunately or were in financial difficulties due to illnesses.

Furthermore, the Group continued to optimise the living and working environment for the staff. During the year, the Group built and renovated several staff quarters of the projects under the Group, so as to raise their living standards and enrich their leisure life. The Group also held a series of staff activities to build up their team spirit in the year.

The Group continued to promote its staff training in a well-organised manner with the most advanced training system in the year. A total of 4,236 training courses were held for its management and staff at all levels and 108,213 participants joined the training, which has laid a solid foundation of human resources for the Group’s future development.



Harmonious Community

In order to bridge the neighbourhood communication, build up a harmonious community and help creating a sweet home, property management companies under the Group have, through community culture and the platform of “Agile Property Club”, organised various community activities, such as sports competitions, charity donations, free medical consultations, environmental protection activities, cultural and arts festivals, as well as other outdoor sports events.

Direction

The Group will uphold the corporate spirit of “develop our future with vision and enthusiasm” and continuously stick to the belief of “contributing to the society while using the resources of the society”. We will fulfil our responsibility of good corporate citizenship proactively, and further promote and participate in various public welfare activities for contributing to the society in return while creating the maximum value for the Shareholders.

Report of Investor Relations



In 2009, the Group upholds “Mutual Dialogue to Achieve a Win-win Situation” as its management philosophy in investor relations, dedicating to establish a mutual and interactive communication channel as well as long-term stable relationship with the existing shareholders, analysts, fund managers, bond holders, regulatory agencies and media through high transparency and efficiency of information disclosure, and thus enhancing market image, promoting the long-term development of the Group and maximising the Company’s value and shareholders’ interests.

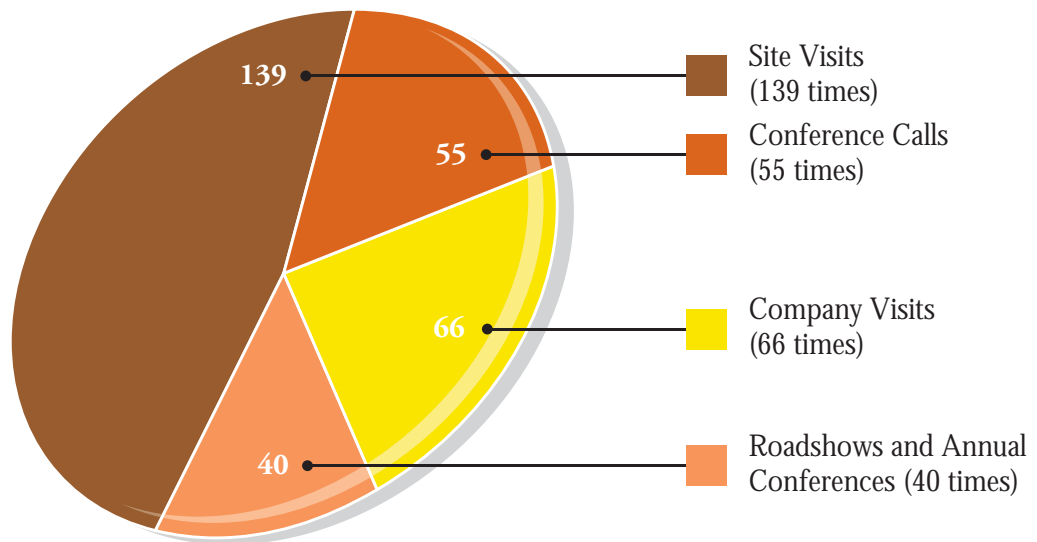
The Company has established an independent and professional department to conduct the management of investor relations. The Company will publish interim and annual reports, press releases and company announcement in a timely manner so as to keep the shareholders and investors immediately informed of the Group’s latest information. Besides, the Company will also organise various investor relations events to improve the communication with the shareholders and investors, enabling them to have a better understanding on Group’s information regarding sales conditions, development

Report of Investor Relations

strategies, operation management, financial conditions, market outlook and so on, and hence strengthening the corporate transparency and improving the level of corporate governance. Meanwhile, we will also collect opinions through different channels in order to further improve the investor relations work by keeping ourselves informed of the focus of the capital market.

The Group conducted roadshows upon its results announcement in Hong Kong, Singapore, the United States and European countries, so as to introduce the Company's operating results, development strategies and the business updates to shareholders and investors. The Group also attended local and overseas investor summits or seminars held by various investment banks or securities companies such as Morgan Stanley, UBS, Goldman Sachs, Bank of America Merrill Lynch, CLSA, Macquarie, Citibank and Deutsche Bank.

In addition, the Group has actively created the opportunities for the communication with the shareholders and investors by having frequent meetings or telephone conferences with separate shareholders and investors, and arranging visits to the Company's properties for them, so as to keep them informed of the latest business development and the movements of the domestic property market in a timely manner, thus enhancing their confidence in the Company. During the year, the Group met has arranged a total of 300 meetings with investors through the above channels.



Report of Investor Relations

Investor relations events

Month	Venue	Events
April	Hong Kong	Press conference and analysts briefing of 2008 annual results announcement were held
	Hong Kong	Participated in Hong Kong conference of 2008 annual results roadshows co-organised by Morgan Stanley
	Singapore	Participated in Singapore conference of 2008 annual results roadshows co-organised by Morgan Stanley
	London	Participated in London conference of 2008 annual results roadshows co-organised by Morgan Stanley
	Hong Kong	Participated in investment conference organised by Taifook Securities
	New York	Participated in New York conference of 2008 annual results roadshows co-organised by Morgan Stanley
May	Hong Kong	Participated in Asia Pacific property companies conference organised by Deutsche Bank
	Hong Kong	Participated in China conference organised by Macquarie
	Chengdu	Participated in the seventh investment conference organised by BOC International
	Singapore	Participated in regional property conference organised by Goldman Sachs
July	Hong Kong	Participated in regional property conference organised by Goldman Sachs
	Hong Kong	Participated in the fourth China property companies conference organised by Morgan Stanley
	Hong Kong	Participated in China Property Companies Conference organised by BNP
September	Hong Kong	Participated in China Property Companies Conference organised by Credit Swiss
	Hong Kong	Press conference and analysts briefing of 2009 interim results announcement were held
	Singapore	Participated in Singapore conference of 2009 interim results roadshows co-organised by Morgan Stanley
	Hong Kong	Participated in Hong Kong conference of 2009 interim results roadshows co-organised by Morgan Stanley
	London	Participated in London conference of 2009 interim results roadshows co-organised by Morgan Stanley
	Hong Kong	Participated in Hong Kong/China property companies conference organised by UBS
	New York	Participated in New York conference of 2009 interim results roadshows co-organised by Morgan Stanley
	Boston	Participated in Boston conference of 2009 interim results roadshows co-organised by Morgan Stanley
New York	Participated in New York conference of 2009 interim results roadshows co-organised by Morgan Stanley	

Report of Investor Relations

Month	Venue	Events
October	London	Participated in Asia-Pacific Summit organised by Macquarie
	Beijing	Participated in 2009 the Greater China investor summit organised by Citibank
	Singapore	Participated in Singapore conference of 2009 interim results roadshows co-organised by Bank of American-Merrill Lynch and HSBC
	Hong Kong	Participated in Hong Kong conference of 2009 interim results roadshows co-organised by Bank of American-Merrill Lynch and HSBC
	London	Participated in London conference of 2009 interim results roadshows co-organised by Bank of American-Merrill Lynch and HSBC
November	Boston	Participated in Boston conference of 2009 interim results roadshows co-organised by Bank of American-Merrill Lynch and HSBC
	Beijing	Participated in China investment frontline conference organised by Goldman Sachs
	Hainan	Participated in 2010 international tourism island investment seminar of Hainan province organised by Shenyn Wanguo Securities
	New York	Participated in New York conference of 2009 interim results roadshows co-organised by Bank of American-Merrill Lynch and HSBC
	Beijing	Participated in China investment summit organised by Bank of American-Merrill Lynch
	Singapore	Participated in Asia-Pacific Summit organised by Morgan Stanley
	Hong Kong	Participated in investment conference organised by Daiwa Securities
	London	Participated in investment seminar organised by Daiwa Securities
December	London	Participated in investment seminar organised by Daiwa Securities
	Hong Kong	Participated in China Property Conference organised by Lyonnais Securities
	Milan	Participated in investment seminar organised by Daiwa Securities
	Hong Kong	Participated in the Greater China property & architecture summit organised by Bank of American-Merrill Lynch
	Paris	Participated in investment seminar organised by Daiwa Securities

Report of Investor Relations

Awards

During the year, the Group achieved outstanding results in the field of investor relations and was awarded various prizes from domestic and international renowned institutions, with its good performance in investor relations, excellent level of corporate governance and professional investor relations team.

Awards	Institutions
2009 China Top 10 Listed Real Estate Companies	China Real Estate Top 10 Research Team
Annual Report 2008 — Gold Winner of Overall Annual Report, Bronze Winner of Interior Design, Bronze Winner of Written Text	ARC
Annual Report 2008 — Top 100 Annual Reports (Ranked 74), Best Annual Report Narrative — Gold (Asia Pacific Region)	League of American Communications Professionals
Forbes Asia Fabulous 50 — The Best of Asia Pacific's Biggest Listed Companies	Forbes Asia Magazine
The Asset Triple A Corporate Gold Award	The Asset Magazine
The World's Most Growing Chinese Listed Company	World Eminence Chinese Business Association (WECBA) Multinational Procurement Center of International Products for South-south Cooperation of the United Nations Industrial Development Organisation Association of Former Diplomats of China (AFDC)
Top 10 Figures of the Year Predominating for Management of Chinese Enterprises in 2009 — Chen Zhuo Lin	Excellence Monthly Laboratory of Media Research, Tsinghua University
Top 10 Listed Real Estate Companies 2009	Yangcheng Evening News Guangdong Academy of Social Sciences Scientific Development and Public Policy Research Center The Associate Survey of Whole People by Guangdong Seminar of Urban Management



Prospects

In the future, the Group will dedicate to continuously explore different communication channels, improve the communication with the shareholders and investors, and create more opportunities for the shareholders and investors to have a better understanding of the Company. Meanwhile, it also enables the Company's management to be informed of the demand from capital market to the Company, thus making continuous improvement in the internal management, profitability and governance level.

Directors' Profile

Chen Zhuo Lin (陳卓林), aged 48, has been Chairman of the Company since August 2005. Mr. Chen has 17 years extensive experience in the real estate development and management and is the founder of Agile. Mr. Chen is responsible for the formulation of development strategies, making decisions on investment projects and development directions on the operations and overall business management of the Group. He received an Honourary Doctorate degree in Business Administration from Armstrong University, USA in 2007 and was awarded as 2007 World Outstanding Chinese Award. He has been awarded the Charitable Donators Award of "30 Chinese Charitable Donators of 30 years Revolution" in 2008, one of the "Top 10 Figures of the Year Predominating for Management of Chinese Enterprises (2009中國企業卓越管理年度人物)" and China Charity Outstanding Contribution Individual Award (中華慈善突出貢獻獎) in 2009. Currently, he is also the Honourable Vice-President of Chinese Language and Culture Education Foundation of China (中國華文教育基金會), Honourary Chairman of Hong Kong Zhongshan Sanxiang Friendship Association (香港中山三鄉同鄉會) and the Vice-Chairman of Zhongshan Qiaozi Enterprise Association (中山市僑資企業商會). He is a brother of Mr. Chan Cheuk Yin, Mr. Chan Cheuk Hung, Mr. Chan Cheuk Hei and Mr. Chan Cheuk Nam and the spouse of Ms. Luk Sin Fong, Fion.

Chan Cheuk Yin (陳卓賢), aged 42, has been Vice-Chairman and a Co-President of the Company since August 2005. Mr. Chan has 17 years experience in real estate development and project management. Mr. Chan takes charge of the Group's overall strategy planning as well as the property development, property management and hotel businesses of its projects in the areas of Guangzhou, Eastern Guangdong, Chengdu, Xi'an and Shanghai. He is the Vice-Chairman of Zhongshan Real Estate Society (中山市房地產協會) and the Chairman of the 1st Board of the Guangdong Chamber of Real Estate (廣東省地產商會). He was awarded as one of the Guangdong Province Outstanding Entrepreneurs of Privately-owned Enterprises (廣東省優秀民營企業家) in 2003, and one of the 2006–2007 The Most Respected Entrepreneurs in Guangzhou, PRC (中國廣州最受尊敬企業家). In addition, Mr. Chan was elected as a member of the Standing Committee of the 10th Guangdong Provincial Committee of the CPPCC in 2007, and was honoured as one of the "Top Ten Charitable Donators in Guangdong (廣東十大慈善人物)" in 2008. He is a brother

of Mr. Chen Zhuo Lin, Mr. Chan Cheuk Hung, Mr. Chan Cheuk Hei and Mr. Chan Cheuk Nam.

Luk Sin Fong, Fion (陸倩芳), aged 48, has been Vice-Chairlady and a Co-President of the Company since August 2005. Ms. Luk has over 17 years extensive management experience in real estate development, in particular in the area of strategic marketing and marketing management. Ms. Luk is responsible for planning and marketing, sales, finance and human resources management of the Group. She is currently the Vice-Chairlady of Guangzhou Housing Society (廣州市房地產協會). She has also received honorary citizenships in Foshan and Nanhai, respectively in 2004, was awarded the Zhongshan Outstanding Entrepreneurs (中山優秀企業家) in 2006, and was honoured as the "Ten Chinese Excellent CBO (中國十大卓越 CBO)" in 2008. Ms. Luk received a Master degree in Business Administration from University of Western Sydney, Australia in 2005. She is the spouse of Mr. Chen Zhuo Lin.

Chan Cheuk Hung (陳卓雄), aged 53, has been Executive Director and a Senior Vice-President of the Company since August 2005. Mr. Chan has 17 years experience in the real estate development and related businesses. Mr. Chan is responsible for the quality control of projects, management of the contractors of the Group, as well as the businesses of its project in the areas of Hainan. He has been awarded honorary citizenship in Foshan. He was appointed as a standing committee member of the Guangdong Province Real Estate Association (廣東省房地產業協會) in 2004. Mr. Chan was awarded 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 the Ministry of Construction (國家建設部) in 2000. He is a brother of Mr. Chen Zhuo Lin, Mr. Chan Cheuk Yin, Mr. Chan Cheuk Hei and Mr. Chan Cheuk Nam.

Chan Cheuk Hei (陳卓喜), aged 51, has been Executive Director and a Senior Vice-President of the Company since August 2005. Mr. Chan has 17 years experience in the real estate development and related businesses. Mr. Chan is responsible for management of decorations and development of decoration materials for the Group. He is a brother of Mr. Chen Zhuo Lin, Mr. Chan Cheuk Yin, Mr. Chan Cheuk Hung and Mr. Chan Cheuk Nam.

Chan Cheuk Nam (陳卓南), aged 46, has been Executive Director and Senior Vice-President of the Company since August 2005. Mr. Chan has over 17 years experience in the real estate development and related businesses. Mr. Chan is responsible for quality control of suppliers of construction materials and cost control of the Group. He is a brother of Mr. Chen Zhuo Lin, Mr. Chan Cheuk Yin, Mr. Chan Cheuk Hung and Mr. Chan Cheuk Hei.

Cheng Hon Kwan (鄭漢鈞) *GBS, OBE, JP*, aged 82, has been Independent Non-executive Director of the Company since October 2005. Dr. Cheng has also been serving as a member of the audit committee and the nomination committee of the Company and the chairman of the remuneration committee of the Company. Dr. Cheng graduated with a Bachelor of Science in Engineering from Tianjin University and a postgraduate diploma from Imperial College of Science and Technology, London. He was awarded Honorary Doctorate Degrees from Hong Kong University of Science and Technology, City University of Hong Kong, Open University of Hong Kong and Open University, United Kingdom. He is a Fellow of Imperial College and City and Guilds London Institute. He is a Past President, Honorary Fellow and Gold Medallist of the Hong Kong Institution of Engineers; Past Vice President, Fellow and Gold Medallist of the Institution of Structural Engineers; Fellow of the Institution of Civil Engineers, United Kingdom and of the American Society of Civil Engineers and Honorary Fellow of Engineers Australia. He is also an Honorary Member of the Hong Kong Institute of Planners and the Hong Kong Institute of Architects and obtained National Class 1 Registered Structural Engineer qualification. Dr. Cheng is an authorised person and a registered structural engineer; and a Former Chairman of Hong Kong Housing Authority and Transport Advisory Committee. He was formerly a member of the Standing Committee of the Tianjin CPPCC and is now a permanent Honorary Chairman of the Hong Kong Tianjin Friendship Association. He was a member of both the Executive and Legislative Councils. Dr. Cheng is currently an independent non-executive director of a number of companies listed on the Stock Exchange including Wing Hang Bank, Limited, Tianjin Development Holdings Limited, Hang Lung Group Limited and Hang Lung Properties Limited.

Kwong Che Keung, Gordon (鄺志強), aged 60, has been Independent Non-executive Director of the Company since October 2005. Mr. Kwong has also been serving as a member of the remuneration committee, the nomination committee of the Company and the chairman of the audit committee of the Company. He has a Bachelor of Social Science degree from the University of Hong Kong and is a fellow member of the Institute of Chartered Accountants in England and Wales and the Hong Kong Institute of Certified Public Accountants. He is also an independent non-executive director of a number of companies listed on the Stock Exchange, including COSCO International Holdings Limited, Tianjin Development Holdings Limited, Beijing Capital International Airport Company Limited, Frasers Property (China) Limited, NWS Holdings Limited, China Oilfield Services Limited, OP Financial Investment Limited, 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 and CITIC 1616 Holdings Limited. From 1984 to 1998, Mr. Kwong was a partner of Price Waterhouse and was a council member of the Stock Exchange from 1992–1997.

Cheung Wing Yui (張永銳), aged 60, has been Independent Non-executive Director of the Company since October 2005. Mr. Cheung has also been serving as a member of the audit committee and remuneration committee of the Company and chairman of the nomination committee of the Company. He received a Bachelor of Commerce degree in accountancy from the University of New South Wales, Australia in 1973. Mr. Cheung is a member of CPA Australia. He has been a practising solicitor in Hong Kong since 1979 and is a consultant of the law firm Woo, Kwan, Lee & Lo. He has been admitted as a solicitor in the United Kingdom and as an advocate and solicitor in Singapore. Mr. Cheung is a non-executive director of a number of companies listed on the Stock Exchange including Tianjin Development Holdings Limited, Sunevision Holdings Limited, 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 Xiao Ping (吳小平), aged 46, is our Vice-President. Mr. Wu is mainly responsible for the Group's property development, sales and property management in the Zhongshan District. Since joining the Group in 1993, Mr. Wu has been the business manager and assistant to general manager, vice-general manager and general manager of the Group. Prior to joining the Group, Mr. Wu worked for China Shenzhen Foreign Trade (Group) Corp. Ltd. during the period from 1987 to 1993. Mr. Wu graduated from the South China Normal University majoring in Foreign Languages. Currently, he also serves in the following positions: Member of the 13th People's Congress of Zhongshan City; Member of the Standing Committee of Zhongshan City Industry and Commerce Confederation (General Chamber); Vice-Chairman of Zhongshan City Real Estate Association; Vice-President of the Standing Committee of Commerce Chamber in East District, Zhongshan City; Vice-Chairman of the Standing Committee of Commerce Chamber in Huoju Development Zone, Zhongshan City; Honourable President of Euro Asia Chinese Golf Association; Honourary President of Zhongshan Golf Association; Vice-President of Zhongshan Table Tennis Association; Deputy Secretary-General of the 3rd Committee of Sports Headquarters of Zhongshan City; Standing Committee Member of Zhongshan Overseas Friendship Association; Honourable Principal of Zhongshan West District Central Primary School and Director of Alumni Association of South China Normal University.

Huang Feng Chao (黃奉潮), aged 48, is our Vice-President. Mr. Huang is mainly responsible for the management of the Group's property projects outside Guangdong Province. Since joining the Group in 1999, Mr. Huang has been the general manager of our property management division and property development projects in Huadu & Nanhu. Before joining the Group, Mr. Huang had worked for foreign oil companies, such as ExxonMobil (China) Co. Ltd. & France TOTAL (China) Ltd.

Liang Zhang Jian (梁正堅), aged 45, is our Vice-President. Mr. Liang is mainly responsible for the management and business operation of the Group's property projects in Guangzhou, Eastern Guangdong areas and Shanghai. Since joining the Group in 1996, Mr. Liang has been the manager, deputy general manager, general manager of the Group's property projects. Before joining the Group, Mr. Liang had worked for Traffic Bureau of Zhongshan City and China Travel Service of Zhongshan from 1982 to 1995.

Zheng Liqing (鄭麗清), aged 46, is our Vice-President. Ms. Zheng is mainly responsible for the management of project planning, construction and landscape design of the Group. Since joining the Group in 1994, Ms. Zheng has been the head of administrative office, assistant to president and deputy director of the Real Estate Management Center of the Group. Prior to joining the Group, Ms. Zheng ran her own business in Costa Rica from 1987 to 1994.

Liu Huaxi (劉華錫), aged 35, is our Vice-President. Mr. Liu is mainly responsible for the management of the Group's project development, hotel business development, property management and corporate communications. Since joining the Group in 1995, Mr. Liu had been the head of the business development department, head of administrative office, assistant to vice-president and deputy director of the Real Estate Management Centre of the Group. Mr. Liu graduated from the Hohai University in 1995 majoring in Enterprise Management.

Senior Management's Profile

Chu Hau Lim (朱孝廉), aged 44, joined the Group in July 2006. He is the Chief Financial Officer of the Company in charge of supervision of accounting, corporate finance and investor relations since July 2006. Mr. Chu has more than 20 years of experience in auditing, accounting and corporate finance. Prior to joining the Company, Mr. Chu had worked in one of the major international accounting firms for over 10 years where he accumulated experience in floatation and business advisory of a wide variety of business. He has a master's degree in business administration from the Edinburgh Business School; and is a fellow member of the Association of Chartered Certified Accountants and a member of the Hong Kong Institute of Certified Public Accountants.

Chen Zhongqi (陳忠其), aged 42, is our Vice-President. He is a budgeting engineer and registered quantity surveyor. Mr. Chen is mainly responsible for the management of the project development of the Group's real estate business, including monitoring the project quality, progress, technology, contract and quantity survey. Since joining the Group in 1993, Mr. Chen had been the Company's Project Controller and Chief Engineer, the head of the project engineering department, deputy manager of project management department and deputy director of the Real Estate Management Center of the Group. Mr. Chen graduated from Neijiang Institute of Education, Sichuan (now known as Neijiang Normal University) in 1991.

Wu Jinhong (吳錦鴻), aged 41, is our Financial Controller of the Company. Mr. Wu is mainly responsible for the financial management and supervision of the Group's projects outside Guangdong Province. Since joining the Group in 1998, he has been the project finance officer, manager and deputy director of the Finance Centre of the Group. Prior to joining the Group, Mr. Wu was an auditor of an accounting firm and finance manager of a property development company. Mr. Wu graduated from the Guangdong Radio & TV University in 1995 majoring in finance and accounting. He obtained a postgraduate diploma from Guangdong Institute of Social Science in economic management in 2002 and became a Registered Financial Planners in 2007.

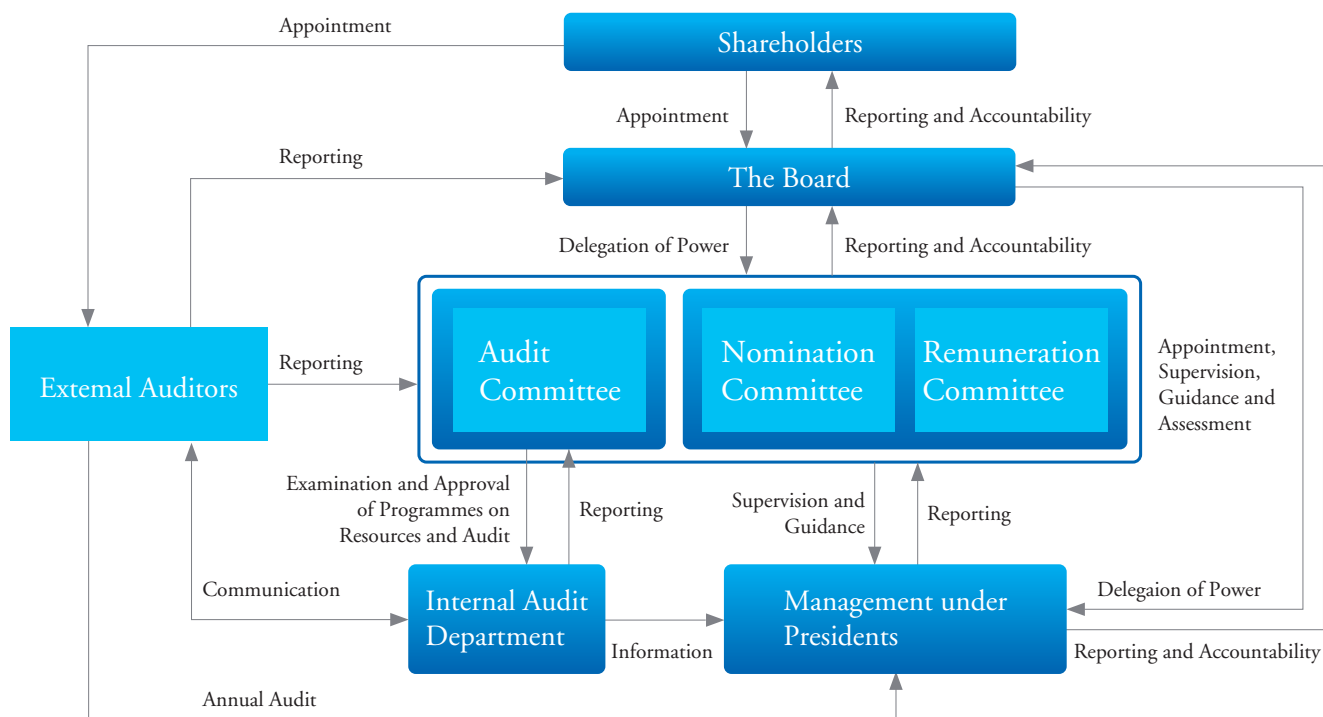
Chen Weike (陳偉科), aged 36, is our Deputy General Manager. Mr. Chen is mainly responsible for the Group's capital operations and project investments. Mr. Chen joined the Group in 2000 and had been the officer and deputy manager of the capital department and manager of the investment department of the Group. Prior to joining the Group, from 1996 to 2000, he worked for the Agricultural Bank of China of Zhongshan City. Mr. Chen graduated from Shanghai University of Finance and Economics in 1996 with a bachelor's degree in economics.

Huang Zejun (黃澤軍), aged 45, is our Deputy General Manager. He is mainly responsible for project planning, public affairs and investor relations of the Group. Since joining the Group in 1996, he has been the assistant to vice-chairman and assistant to chairman of the Group. Prior to joining the Group, he worked for China Travel Group in Zhongshan. Mr. Huang obtained a postgraduate diploma in the foreign languages from South China University of Technology in 1989.

Wai Ching Sum (衛靜心), aged 42, joined the Group in 2005. She is Deputy General Manager and Company Secretary of the Company. She is mainly responsible for corporate governance and corporate affairs of the Group. She is a fellow member of The Institute of Chartered Secretaries and Administrators in the United Kingdom and The Hong Kong Institute of Chartered Secretaries. Ms. Wai obtained a Master of Science degree in Financial Economics from University of London, England in 1997 and a Master of Laws degree in Chinese Law and Comparative Law from the City University of Hong Kong in 2002. She has over 10 years of professional experience in a number of listed companies in Hong Kong.

Corporate Governance Report

Corporate governance structure



The Board has adopted a Statement of Policy for Corporate Governance Policy (available on <http://www.agile.com.cn>) with reference to the principles set out in the Code on Corporate Governance Practices (the “Code”) in Appendix 14 of the Listing Rules and updated regularly to maintain the high standard.

Throughout the financial year ended 31 December 2009, the Company confirmed its full compliance with the Code except that the chairman was unable to attend the annual general meeting of the Company held on 3 June 2009 due to sickness. The Company reviews and enriches its corporate governance policy ceaselessly in order to comply with statutory requirements and to meet international best practices.

Compliance with model code

The Company has adopted its own code for securities transactions by Directors (“Directors Securities Dealing Code”), which is on terms no less exacting than the required standard as set out in the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) set out in Appendix 10 to the Listing Rules as the code of conduct for Directors in their dealings in the Company’s securities. The Company made specific enquiries with each Director and each of them confirmed that he or she had complied with the Directors Securities Dealing Code during the year under review.

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

The board

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

The Board currently comprises six executive Directors and three independent non-executive Directors. The executive Directors are 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 whereas the independent non-executive directors are Dr. Cheng Hon Kwan, Mr. Kwong Che Keung, Gordon and Mr. Cheung Wing Yui. The biographical details of each Director is set out on pages 82 to 83. The Board believes that the independent non-executive Directors are able to offer their independent judgment on issues relating to strategies, performance and management processes so that the interests of all shareholders can be considered and safeguarded.

Operationally, the Board formulates business policies and strategies of the Group so as to ensure the availability of various resources as well as the effectiveness of its internal control, including financial control.

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

Directors and officers liability insurance

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

Chairman and co-presidents

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

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

The Vice-Chairpersons and Co-Presidents are responsible for day-to-day management and operations including the execution of business policies, strategies, objectives and plans adopted by the Board.

Independence of independent non-executive directors

The Company has appointed three independent non-executive Directors. All of them possess respectively professional qualifications and related management experience in the areas of financial accounting, law and real estate. They have offered sufficient time and efforts to serve the business affairs of the Company and have contributed to the Board with their

Corporate Governance Report

professional opinions. In addition, they have supervised the day-to-day operation of the Board, serving as a check and balance against the executive Directors.

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

Professional development

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

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

Appointment and re-election

Directors are appointed based on their merit and experiences relevant to the business of the Group and are subject to re-election by shareholders at regular intervals. In accordance with provisions of the Code, all Directors are subject to retirement by rotation at least once every three years.

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

Board and board committee meetings

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

Draft agenda is delivered to all Directors 21 days prior to the proposed meeting date. All Directors are entitled to include items which they think fit for discussion in the agenda. Notices of Board meetings shall be given to all Directors at least 14 days prior to the meetings.

The Company Secretary assists the Chairman in preparing the agenda for meetings and ensures the compliance of all applicable rules and regulations. Agenda and board papers are sent to all Directors in a timely manner and at least 3 days before the Board meeting or committee meeting is held. She also keeps detailed minutes of each meeting, which are available for inspection to all Directors. Drafts of the minutes are circulated to all Directors for comment and approval as soon as practicable after the meeting.

Corporate Governance Report

All Directors have access to relevant and timely information, and they can request for further information or consult independent professional advisors, if necessary, at the cost and expense of the Company. In April 2009, the Company has provided a copy of “Toolkit on Directors’ Ethics” published by ICAC to each of the Directors as a guideline on ethical issues. All Directors also have unrestricted access to the advice and services of the Company Secretary, who is responsible for providing Directors with Board papers and related materials and ensuring the compliance of Board practices.

Should there be a potential conflict of interests involving substantial shareholders or Directors, the issue shall be discussed by way of a physical meeting instead of by written resolutions. Directors present in the meeting with interest in the matters discussed in the meetings will not be counted towards the quorum and will be abstained from voting.

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

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

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

Remuneration committee

The Remuneration Committee was established in November 2005. The Remuneration Committee consists of not less than three members and the majority of them are independent non-executive Directors. During the year, the Remuneration Committee comprised Dr. Cheng Hon Kwan, Mr. Kwong Che Keung, Gordon, Mr. Cheung Wing Yui and Ms. Luk Sin Fong, Fion. The Remuneration Committee is chaired by Dr. Cheng Hon Kwan, an independent non-executive Director. The Remuneration Committee shall meet not less than once a year and non-committee members may be invited to attend its meetings if necessary.

Corporate Governance Report

The Remuneration Committee is mainly responsible for providing recommendation on remuneration policies and structure of all Directors and senior management and on the establishment of a formal and transparent approach for developing such remuneration policy. The Committee is also entitled to have access to professional advice if necessary and is provided sufficient resources to discharge its duties. The specific terms of reference of the Remuneration Committee are posted on the Company's website.

The Remuneration Committee met once during the year. In the meeting, the Remuneration Committee reviewed and discussed and approved the amended service contracts of executive Directors and the remuneration of Directors. Report of the Remuneration Committee is submitted to Board for its discussion and recommendations at the following Board meeting.

The Remuneration Committee recorded an attendance rate of 100%. The attendance of each member is as follow:

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

Nomination committee

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

The Nomination Committee is responsible for establishing a formal and transparent approach for the appointment or re-appointment of Directors, providing recommendation to the Board for new appointments or re-election of executive and non-executive Directors, evaluating the performance of existing Directors and their contribution towards the Company and dealing with all significant issues concerning the nomination of Directors during the year. A report with recommendations of Nomination Committee is then tabled before the following Board meeting for discussion. The Nomination Committee discussed and recommended re-election of Mr. Chen Zhuo Lin, Ms. Luk Sin Fong, Fion and Dr. Cheng Hon Kwan as Directors during the year under review. The specific terms of reference of the Nomination Committee are posted on the Company's website.

In 2009, the Nomination Committee recorded an attendance rate of 100%. The attendance of each member is as follow:

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

Audit committee

The Audit Committee was established in November 2005 and comprises all independent non-executive Directors. During the year, the Audit Committee was chaired by Mr. Kwong Che Keung, Gordon with Dr. Cheng Hon Kwan and Mr. Cheung Wing Yui as members.

Under its terms of reference, the functions of the Audit Committee are to review important accounting policies, supervise the Company's financial reporting processes, monitor the performance of the external auditor and the internal audit department, review and evaluate the effectiveness of the Company's financial reporting procedures and internal control and ensure the compliance with applicable statutory accounting and reporting requirements, legal and regulatory requirements, internal rules and procedures approved by the Board. The terms of reference has been amended on 14 April 2009 in view of the recent Listing Rules amendments. The Committee is provided with sufficient resources to perform its duties. The specific terms of reference of the Audit Committee are posted on the Company's website.

The Audit Committee held two meetings during the year and all minutes were kept by the Company Secretary. In accordance with the Board practice, minutes of the meetings are circulated to all members for comments, approval and record as soon as practicable after the meetings. PricewaterhouseCoopers, the external auditors of the Company, were invited to send representatives to attend all Audit Committee meetings to discuss the draft annual and interim reports and various issues. Report of the Audit Committee is submitted to the Board for its discussion and recommendations at the following Board meeting. The Audit Committee reported that no material uncertainty having impacts on Company's going concern ability had been identified. There was no disagreement between the Board and the Audit Committee on the selection and appointment of the external auditors.

Corporate Governance Report

In 2009, the Audit Committee recorded an attendance rate of 100%. The attendance of each member is as follow:

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

External auditor

The Audit Committee is responsible for the appointment, remuneration and resignation or removal of external auditors. PricewaterhouseCoopers, appointed since the listing of the Company in November 2005, was re-appointed as the Company's auditor at the annual general meeting held on 3 June 2009. Remunerations payable to PricewaterhouseCoopers in respect of audit and non-audit services for the year ended 31 December 2009 and the year ended 31 December 2008 are detailed as follows:

	2009	2008
	RMB	RMB
Fee for audit services	4,200,000	4,500,000
Fee for non-audit services	900,000	—
Fee for other assurance services	—	320,000

Internal control

The Board is responsible for the system of internal control of the Company and its subsidiaries. It formulates appropriate internal control policies, seeks regular assurance enabling it to satisfy itself that the system functions effectively and ensures that the internal control system is effective in managing risks in an approved manner. The Board has conducted its annual review on the Company's significant risks and ability responding changes in business environment.

The Board evaluates the effectiveness of internal control by considering reviews performed by the Audit Committee, the management and the external and internal auditors. The internal audit department of the Company reports directly to the Audit Committee. The department assists the Board in performing regular financial and operational risks reviews of the Group and formulates risk management policies and risk assessment modes. Summaries of major audit findings and control weaknesses (if any) are submitted to and reviewed by the Audit Committee. The internal audit department monitors the follow-up actions agreed upon in response to its recommendations.

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

To promote corporate integrity, the Company has formulated a sound system for monitoring business integrity to prevent any illegal act that may arise from any business activity.

Relations with shareholders and investors

The Company understands the importance of maintaining effective mutual communication with its shareholders and values every opportunity to communicate with them. The Board has adopted its own Information Management System in order to assure the reality, accuracy, completeness of the information and timely protection of the legal rights of the Company and its shareholders, creditors and other related interested parties. The Group therefore uses various channels to ensure timely and fair disclosure and comprehensive and transparent reporting of its performance and activities. Annual and interim reports are printed and sent to all shareholders by post or email as requested. Besides, the Company has complied with provisions of Listing Rules by posting announcements, annual reports, interim reports and shareholders' circulars on the websites of the Stock Exchange for the designated period. These documents have also been posted on the website of the Company within an hour thereafter. Press releases and newsletters are also posted on the Company's website (<http://www.agile.com.cn>). Being constantly updated in a timely manner, the website also contains a wide range of additional information on the Group's business activities.

We not only explain the Group's corporate development strategy to investors but also have individual meetings with institutional investors and financial analysts by holding regular meetings, attending conferences overseas including Hong Kong, Singapore, the US and Europe. Meeting minutes of the Company with institutional investors are reviewed in the Board meeting quarterly. From time to time, the Company invites investors and financial analysts to pay visits to projects under construction to make them know more about the Company.

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

The Company keeps shareholders informed of the procedures for voting by poll through notices of general meetings attached to shareholders circulars of the Company from time to time. The Company has taken measures to ensure the compliance with the requirements about voting by poll included in the Listing Rules and the constitutional documents of the Company. The Company has followed the best practice of corporate governance at any general meeting a resolution put to the vote of the meeting is to be recorded by way of a poll since 2006. Regarding the circular to shareholders for convening 2010 AGM, the Company will also state in such circular that arrangements have been made for the voting of resolutions being put to the 2010 AGM for voting by poll. Directors and external auditors will attend the annual general meetings to answer shareholders' questions. Poll results are posted on the Stock Exchange and the Company's website after the meetings.

Report of the Directors

The Directors are pleased to present this report together with the audited financial statements of the Company for the year ended 31 December 2009.

Principal activities

The Company is an investment holding company. Its subsidiaries are principally engaged in property development, property management and hotels operation.

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

Subsidiaries

Particulars of the Group's subsidiaries as at 31 December 2009 are set out in note 40 to the consolidated financial statements.

Major customers and suppliers

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

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

Results

The results of the Group for the year ended 31 December 2009 are set out on page 113.

Final dividend

The Board proposed the payment of a final dividend of HK12.2 cents (2008: HK6.4 cents) per Share for the year ended 31 December 2009 to Shareholders whose names appear on the register of members of the Company on 3 June 2010. The proposed final dividend will be paid on or about 10 June 2010 after receipt of approval by the Shareholders at AGM 2010.

An interim dividend of HK5.6 cents (2008: HK27.1 cents) per Share had been paid on 9 October 2009. The said interim dividend together with the proposed final dividend added up to a total dividend of HK17.8 cents per Share for the full year ended 31 December 2009 (2008: HK33.5 cents).

Property, plant and equipment

Details of the movements in property, plant and equipment of the Company 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 long-term borrowings are set out in note 20 to the consolidated financial statements. Interest and other borrowing costs capitalised by the Group during the year are set out in note 30 to the consolidated financial statements.

Share capital

Details of movements in the share capital of the Company during the year are set out in note 18 to the consolidated financial statements.

Senior notes

The Company issued two senior notes (i) 7-year senior notes worth US\$400 million at an interest rate of 9% per annum in September 2006 and (ii) 7-year senior notes worth US\$300 million at an interest rate of 10% per annum in November 2009, for the purpose of providing financial support for the Group for their property development business and expansion. Details of the senior notes of the Company are set out in note 20 to the consolidated financial statements.

Reserves

Details of the movements in reserves of the Company during the year are set out in note 19 to the consolidated financial statements.

As at 31 December 2009, the distributable reserve of the Company amounted to approximately RMB6.9 billion (2008: RMB7.9 billion).

Charitable donations

The charitable donations made by the Group during the year amounted to RMB57 million (2008: RMB109 million).

Five-year financial summary

A five-year financial summary of the Group is set out on pages 173 to 175.

Report of the Directors

Directors and directors' service contracts

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

Executive Directors

Mr. Chen Zhuo Lin (*Chairman*)

Mr. Chan Cheuk Yin (*Vice-Chairman & Co-President*)

Ms. Luk Sin Fong, Fion (*Vice-Chairlady & Co-President*)

Mr. Chan Cheuk Hung

Mr. Chan Cheuk Hei

Mr. Chan Cheuk Nam

Independent Non-executive Directors

Dr. Cheng Hon Kwan

Mr. Kwong Che Keung, Gordon

Mr. Cheung Wing Yui

In accordance with Article 87 of the Company's articles of association, Mr. Chan Cheuk Hung, Mr. Chan Cheuk Nam and Mr. Cheung Wing Yui will retire from office by rotation and being eligible, offer themselves for re-election at the forthcoming annual general meeting.

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

Directors' interests in contracts

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

Directors' interests in competing business

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

Pursuant to Rule 8.10 of the Listing Rules, the Company disclosed that during the year ended 31 December 2009 and up to the date of this report, the Executive Directors were considered to have interests in the following businesses, being businesses which competed or were likely to compete, either directly or indirectly, with the businesses of the Group, other than those businesses in which (a) the Group was interested and (b) the Directors' only interests were as directors appointed to represent the interests of the Group.

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

In complying with the Deed, the 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 (the “INED Committee”) of the Company comprised of the independent non-executive directors was formed in considering the acquisition of the Excluded Businesses. As the Excluded Businesses was in operation before the Group started its own hotel business and that the size of the Excluded Businesses was considered insignificant when compared with the businesses of the Group as a whole, the INED Committee was of the view that the Excluded Businesses was unlikely competing with the hotel business of the Group and decided not to acquire the Excluded Businesses. While the Group was running its hotels business, the Executive Directors had interests in shares in and/or were directors of Zhongshan Agile Hotel Co., Ltd. (“Zhongshan Agile”), and Zhongshan Agile Changjiang Hotel Co., Ltd. (“Changjiang Hotel”), who owned and ran certain hotel businesses (the “Excluded Businesses”). Since 29 December 2008, the building of Zhongshan Agile Hotel has been sold to the Group.

Changjiang Hotel is operated and managed by companies with independent management and administration. On this basis, the Directors believe that the Group is capable of carrying on its businesses independently 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 and association and the Company’s Corporate Governance Statement of Policy, abstain from voting on any resolution of the Board in respect of any contract, arrangement or proposal in which he or she or any of his or her associates has a material interest.

Connected transactions

No transactions were entered into by the Group during the year, which constitute connected transactions under Chapter 14A of the Listing Rules.

Specific performance obligations of the controlling shareholder

1. As disclosed in the Company’s announcement dated 27 June 2007, the Company as the borrower, has obtained a US\$200,000,000 dual-currency revolving credit facility for a term of 36 months from June 2007 from a syndicate of banks under the respective several guarantees given by the subsidiaries of the Company. The above facility will become mature in June 2010.
2. As disclosed in the Company’s announcement dated 4 December 2009, the Company as the borrower, has obtained a US\$150,000,000 term loan facility for a term of 36 months from December 2009 from The Hongkong and Shanghai Banking Corporation Limited as the lender, agent and security trustee, under the respective several guarantees given by the subsidiaries of the Company. The above facility will become mature in December 2012.

Report of the Directors

3. As disclosed in the Company's announcement dated 25 January 2010, the Company as the borrower, has obtained a US\$125,000,000 term loan facility for a term of 36 months from January 2010 from the Banc of America Securities Asia Limited as the facility agent and security agent, under the respective several guarantees given by the subsidiaries of the Company. The above facility will become mature in January 2013.

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

Share options

On 23 November 2005, the Company adopted a Share Option Scheme (the "Share Option Scheme"). So far no option has been granted under the Share Option Scheme since its adoption.

Pursuant to the Share Option Scheme approved and adopted by the Shareholder on 23 November 2005, the following is a summary of the Share Option Scheme and disclosed in accordance with the Listing Rules:

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

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

3. Total number of Shares available for issue under the Share Option Scheme and percentage of issued share capital at 31 December 2009:

The number of Share options available for issue under the Share Option Scheme is 332,200,000 Shares representing 9.26% of the issued share capital at 31 December 2009.

4. Maximum entitlement of each participant under the Share Option Scheme:

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

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

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

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

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

Report of the Directors

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

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

8. The basis of determining the exercise price:

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

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

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

Directors' interests in securities

As at 31 December, 2009, the interests and short positions of the Directors in the shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept under section 352 of the SFO; or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code, were as follows:

(1) The Shares of the Company

Name of Director	Company/name of associated corporation	Long positions in the shares of the Company				Total number of shares	Approximate shareholding percentage %
		Personal Interests	Family Interests	Corporate Interests	Capacity		
Mr. Chen Zhuo Lin	Company	Nil	2,180,530,000	12,690,000 (note 1)	Beneficiary of a trust/ Owner of controlled corporation	2,193,220,000	61.15
Mr. Chan Cheuk Yin	Company	Nil	2,180,530,000	10,000,000 (note 2)	Beneficiary of a trust/ Owner of controlled corporation	2,190,530,000	61.08
Ms. Luk Sin Fong, Fion	Company	Nil	2,180,530,000	12,690,000 (note 1)	Beneficiary of a trust/ Owner of controlled corporation	2,193,220,000	61.15
Mr. Chan Cheuk Hung	Company	Nil	2,180,530,000	Nil	Beneficiary of a trust	2,180,530,000	60.80
Mr. Chan Cheuk Hei	Company	7,000,000 (note 3)	2,180,530,000	Nil	Beneficial interests/ Beneficiary of a trust	2,187,530,000	61.00
Mr. Chan Cheuk Nam	Company	6,028,000 (note 4)	2,180,530,000	Nil	Beneficial interests/ Beneficiary of a trust	2,186,558,000	60.97

Notes:

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

Report of the Directors

(2) The debt securities of the Company

Name of Director	Capacity	Amount of 2006 senior notes USD	Approximate debenture holding percentage %
Mr. Kwong Che Keung, Gordon	Beneficial interests	500,000	0.125

Save as disclosed above as at 31 December 2009, none of the Directors and the chief executives of the Company had any interest and short positions in the Shares, underlying Shares or, the equity interest and debentures of the Company or any associated corporations (within the meaning of the SFO) which (a) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which the Director has taken or deemed to have under such provisions of the SFO); or (b) were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (c) were required, pursuant to the Model Code to be notified to the Company and the Stock Exchange.

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.

Substantial shareholders

As at 31 December 2009, the interests of those persons in the share capital of the Company as recorded in the register kept under section 336 of the SFO were as follows:

Name of Shareholder	Capacity	Number of Shares of the Company (note 7)	Total	Approximate shareholding percentage %
Top Coast Investment Limited	Trustee	2,180,530,000	2,180,530,000	60.80
Ms. Zheng Huiqiong	Family Interests (note 1)	2,190,530,000	2,190,530,000	61.08
Ms. Lu Liqing	Family Interests (note 2)	2,180,530,000	2,180,530,000	60.80
Ms. Lu Yanping	Family Interests (note 3) Beneficial Interests (note 4)	2,180,530,000 7,000,000	2,187,530,000	61.00
Ms. Chan Siu Na	Family Interests (note 5) Beneficial Interests (note 6)	2,180,530,000 6,028,000	2,186,558,000	60.97

Notes:

1. *Ms. Zheng Huiqiong, spouse of Mr. Chan Cheuk Yin, Director.*
2. *Ms. Lu Liqing, spouse of Mr. Chan Cheuk Hung, Director.*
3. *Ms. Lu Yanping, spouse of Mr. Chan Cheuk Hei, Director.*
4. *The Shares were jointly held by Ms. Lu Yanping and her spouse Mr. Chan Cheuk Hei, Director. Ms. Lu Yanping was deemed or taken to be interested in such shares.*
5. *Ms. Chan Siu Na, spouse of Mr. Chan Cheuk Nam, Director.*
6. *The Shares were jointly held by Ms. Chan Siu Na and her spouse Mr. Chan Cheuk Nam, Director. Ms. Chan Siu Na was deemed or taken to be interested in such shares.*
7. *All interest in the Shares were long positions.*

Biography of directors and senior management

Biography of Directors and senior management are set out on pages 82 to 85.

Provident fund scheme

Particulars of provident fund scheme of the Group are set out in note 28 to the consolidated financial statements.

Purchase, sale or redemption of listed securities

During the year ended 31 December 2009, the Company repurchased from the market a total of 104,324,000 shares at an average purchase price of approximately HK\$3.70 per share. Details of the repurchases of shares were as follows:

Month of repurchase	Number of shares repurchased	Highest price per share	Lowest price per share	Aggregate purchase price
		HK\$	HK\$	HK\$
January 2009	10,500,000	2.85	2.69	29,133,860.00
February 2009	50,832,000	3.00	2.46	137,134,400.00
March 2009	25,784,000	3.25	2.53	70,168,440.00
April 2009	6,368,000	5.81	5.21	34,794,400.00
December 2009	10,840,000	11.00	10.36	115,079,738.00
	104,324,000			386,310,838.00
		Expenses on shares repurchased		1,569,269.74
				387,880,107.74

Report of the Directors

The repurchased shares were cancelled and accordingly, the issued share capital of the Company was diminished by the nominal value thereof. The premium payable on repurchases were charged against the share premium account of the Company.

Save as disclosed above, neither the Company nor any of its subsidiaries has purchased or sold or redeemed any of the Company's listed securities during the year ended 31 December 2009.

Particulars of purchase, sales or redemption of the Company's listed securities are also set out in note 18 to the consolidated financial statements.

Pre-emptive rights

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

Model code for securities transactions by directors

The Company has adopted its own ("Directors Securities Dealing Code") on no less exacting the required standard set out in the Model Code. The Company has made specific enquiry on all Directors regarding any non-compliance with the Securities Code during the year ended 31 December 2009, all Directors confirmed that they have complied with the required standard set out in the Directors' Securities Dealing Code during the year.

Interests of any other persons

As at 31 December 2009, other than the interests in shares and underlying shares of the Company and its associated corporations held by the Directors, the chief executive and substantial shareholders of the Company stated above, there were no other persons with interests recorded in the register required to be recorded in the register required to be kept under Section 336 of Part XV of the SFO.

Corporate governance

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

Audit committee

The Audit Committee comprised of all three independent non-executive Directors. The Audit Committee had reviewed with the management regarding the accounting principles and practices adopted by the Group and discussed internal controls and financial reporting matters including a review of the audited consolidated financial statements for the year ended 31 December 2009.

Sufficiency of public float

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

Auditor

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

On behalf of the Board

CHEN Zhuo Lin

Chairman

Hong Kong, 15 April 2010

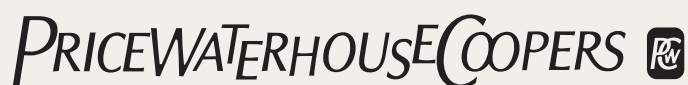
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Independent Auditor's Report



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TO THE SHAREHOLDERS OF AGILE PROPERTY HOLDINGS LIMITED

(incorporated in the Cayman Islands with limited liability)

We have audited the consolidated financial statements of Agile Property Holdings Limited (the "Company") and its subsidiaries (together, the "Group") set out on pages 110 to 172, which comprise the consolidated and company balance sheets as at 31 December 2009, and the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flow for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Directors' responsibility for the financial statements

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

Auditor's responsibility

Our responsibility is to express an opinion on these consolidated 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 as to whether the financial statements are free from material misstatement.

Independent Auditor's Report

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and true and fair presentation of the financial statements 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 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 2009 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, 15 April 2010

Consolidated Balance Sheet

(All amounts in RMB thousands unless otherwise stated)

	Note	As at 31 December	
		2009	2008
ASSETS			
Non-current assets			
Property, plant and equipment	6	1,868,698	260,813
Land use rights	7	8,865,005	6,967,202
Intangible assets	8	9,506	10,718
Prepayments for acquisition of properties	9	126,820	92,820
Other non-current asset	10	2,040,000	—
Deferred income tax assets	21	48,356	54,898
		12,958,385	7,386,451
Current assets			
Land use rights	7	5,597,873	5,797,924
Properties under development	12	7,759,404	8,252,303
Completed properties held for sale	13	1,738,984	2,203,357
Prepayments for acquisition of land use rights	14	8,584,925	4,558,833
Trade and other receivables	15	1,290,724	1,478,535
Prepaid taxes		120,196	47,911
Restricted cash	16	1,755,536	2,208,171
Cash and cash equivalents	17	4,372,155	3,044,292
		31,219,797	27,591,326
Total assets		44,178,182	34,977,777
EQUITY			
Capital and reserves attributable to the shareholders of the Company			
Share capital and premium	18	4,597,107	4,937,054
Other reserves	19	699,773	684,062
Retained earnings			
— Proposed final dividend		383,008	206,756
— Unappropriated retained earnings		8,381,867	7,088,079
		14,061,755	12,915,951
Minority interests		1,011,424	878,675
Total equity		15,073,179	13,794,626

Consolidated Balance Sheet

(All amounts in RMB thousands unless otherwise stated)

	Note	As at 31 December	
		2009	2008
LIABILITIES			
Non-current liabilities			
Borrowings	20	9,851,434	6,559,055
Deferred income tax liabilities	21	1,008,863	1,023,414
		10,860,297	7,582,469
Current liabilities			
Borrowings	20	2,228,830	3,509,518
Trade and other payables	22	12,536,175	7,317,761
Current income tax liabilities	23	3,479,701	2,773,403
		18,244,706	13,600,682
Total liabilities		29,105,003	21,183,151
Total equity and liabilities		44,178,182	34,977,777
Net current assets		12,975,091	13,990,644
Total assets less current liabilities		25,933,476	21,377,095

Chen Zhuo Lin
Director

Luk Sin Fong, Fion
Director

The notes on pages 117 to 172 are an integral part of these consolidated financial statements.

Balance Sheet

(All amounts in RMB thousands unless otherwise stated)

	Note	As at 31 December	
		2009	2008
ASSETS			
Non-current assets			
Investments in subsidiaries	40	448,520	448,520
Current assets			
Amounts due from subsidiaries	15	16,562,174	14,476,898
Other receivables and prepayments	15	1,192	2,767
Restricted cash	16	477,974	1,057,474
Cash and cash equivalents	17	624,363	602,870
		17,665,703	16,140,009
Total assets		18,114,223	16,588,529
EQUITY			
Capital and reserves attributable to the Company's shareholders			
Share capital and premium	18	4,597,107	4,937,054
Other reserves	19	427,512	427,512
Retained earnings	32		
— Proposed final dividend		383,008	206,756
— Unappropriated retained earnings		1,892,490	2,685,058
Total equity		7,300,117	8,256,380
LIABILITIES			
Non-current liabilities			
Borrowings	20	5,635,434	2,673,385
Current liabilities			
Borrowings	20	1,210,790	1,348,828
Amounts due to subsidiaries	22	3,112,216	3,058,106
Other payables and accruals	22	855,666	1,251,830
		5,178,672	5,658,764
Total liabilities		10,814,106	8,332,149
Total equity and liabilities		18,114,223	16,588,529
Net current assets		12,487,031	10,481,245
Total assets less current liabilities		12,935,551	10,929,765

Chen Zhuo Lin
Director

Luk Sin Fong, Fion
Director

The notes on pages 117 to 172 are an integral part of these consolidated financial statements.

Consolidated Income Statement

(All amounts in RMB thousands unless otherwise stated)

	Note	Year ended 31 December	
		2009	2008
Turnover	5	13,330,783	9,326,292
Cost of sales		(8,376,704)	(5,889,994)
Gross profit		4,954,079	3,436,298
Other gains, net	24	244,435	4,237,956
Selling and marketing costs		(537,179)	(462,539)
Administrative expenses		(611,793)	(619,139)
Other expenses	25	(326,545)	(120,433)
Exchange (losses)/gain, net	26	(2,235)	64,777
Operating profit		3,720,762	6,536,920
Finance (costs)/income, net	30	(57,682)	92,437
Profit before income tax		3,663,080	6,629,357
Income tax expenses	31	(1,661,129)	(1,171,919)
Profit for the year		2,001,951	5,457,438
Attributable to:			
Shareholders of the Company		1,865,160	5,466,905
Minority interests		136,791	(9,467)
		2,001,951	5,457,438
Basic and diluted earnings per share for profit attributable to the shareholders of the Company during the year (expressed in Renminbi per share)	33	0.518	1.465
Dividends	34	559,548	1,089,494

The notes on pages 117 to 172 are an integral part of these consolidated financial statements.

Consolidated Statement of Comprehensive Income

(All amounts in RMB thousands unless otherwise stated)

	Year ended 31 December	
	2009	2008
Profit for the year	2,001,951	5,457,438
Other comprehensive income for the year, net of tax	—	—
Total comprehensive income for the year	2,001,951	5,457,438
Total comprehensive income attributable to:		
— Shareholders of the Company	1,865,160	5,466,905
— Minority interests	136,791	(9,467)
	2,001,951	5,457,438

The notes on pages 117 to 172 are 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				Minority interests	Total equity
	Share capital and premium (note 18)	Other reserves (note 19)	Retained earnings	Total		
Balance at 1 January 2008	5,102,222	684,062	3,228,613	9,014,897	18,808	9,033,705
Repurchase of shares of the Company (note 18(a))	(165,168)	—	—	(165,168)	—	(165,168)
Profit for the year	—	—	5,466,905	5,466,905	(9,467)	5,457,438
Other comprehensive income	—	—	—	—	—	—
Partial disposal of interest in a subsidiary	—	—	—	—	884,656	884,656
Acquisition of minority interests of subsidiaries	—	—	—	—	(15,322)	(15,322)
Dividends (note 34)	—	—	(1,400,683)	(1,400,683)	—	(1,400,683)
Balance at 31 December 2008	4,937,054	684,062	7,294,835	12,915,951	878,675	13,794,626
Balance at 1 January 2009	4,937,054	684,062	7,294,835	12,915,951	878,675	13,794,626
Repurchase of shares of the Company (note 18(a))	(339,947)	—	—	(339,947)	—	(339,947)
Profit for the year	—	—	1,865,160	1,865,160	136,791	2,001,951
Other comprehensive income	—	—	—	—	—	—
Acquisition of minority interest of a subsidiary	—	—	—	—	(4,042)	(4,042)
Transfer to statutory reserve and enterprise expansion funds	—	15,711	(15,711)	—	—	—
Dividends (note 34)	—	—	(379,409)	(379,409)	—	(379,409)
Balance at 31 December 2009	4,597,107	699,773	8,764,875	14,061,755	1,011,424	15,073,179

The notes on pages 117 to 172 are an integral part of these consolidated financial statements.

Consolidated Statement of Cash Flow

(All amounts in RMB thousands unless otherwise stated)

	Note	Year ended 31 December	
		2009	2008
Cash generated from operating activities			
Cash generated from/(used in) operations	35	4,572,033	(865,665)
Interest paid		(608,853)	(737,108)
PRC corporate income tax paid		(800,321)	(793,182)
PRC land appreciation tax paid		(234,804)	(226,183)
Net cash generated from/(used in) operating activities		2,928,055	(2,622,138)
Investing activities			
Acquisition of a subsidiary, net of cash acquired		—	267,386
Repayments of deposits and settlement for a cancelled equity disposal transaction		(1,383,976)	—
Acquisitions of minority interests in subsidiaries		(9,600)	—
Partial disposal of equity interests in a subsidiary		—	2,771,336
Payments for other non-current asset		(2,040,000)	—
Purchase of property, plant and equipment		(353,524)	(156,936)
Purchase of intangible assets		(1,775)	(9,442)
Interest received		53,949	77,842
Repayments of cash advances from related parties to the Group		141	9
Net cash (used in)/generated from investing activities		(3,734,785)	2,950,195
Financing activities			
Repurchase of shares of the Company		(339,947)	(165,168)
Proceeds from issuance of senior notes		1,998,490	—
Senior notes issuance cost		(49,857)	—
Proceeds from borrowings		4,931,038	3,133,432
Repayments of borrowings		(4,884,009)	(1,356,250)
Cash advances from related parties		859,478	—
Repayments of cash advances from the Group to related parties		—	(362)
Dividends paid to shareholders of the Company		(379,409)	(1,400,683)
Net cash generated from financing activities		2,135,784	210,969
Increase in cash and cash equivalents			
Cash and cash equivalents at beginning of year		3,044,292	2,582,513
Exchange losses on cash and cash equivalents		(1,191)	(77,247)
Cash and cash equivalents at end of the year	17	4,372,155	3,044,292

The notes on pages 117 to 172 are 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 on 15 April 2010.

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

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.

(a) New and amended standards adopted by the Group

The Group has adopted the following new and amended HKFRSs as of 1 January 2009:

- HKAS 1 (Revised), ‘Presentation of financial statements’ (effective from 1 January 2009). The revised standard prohibits the presentation of items of income and expenses (that is, ‘non-owner changes in equity’) in the statement of changes in equity, requiring ‘non-owner changes in equity’ to be presented separately from owner changes in equity in a statement of comprehensive income. As a result, the Group presents in the consolidated statement of changes in equity all owner changes in equity, whereas all non-owner changes in equity are presented in the consolidated statement of comprehensive income. Comparative information has been re-presented so that it also is in conformity with the revised standard. Since the change in accounting policy only impacts presentation aspects, there is no impact on earnings per share.

Notes to the Consolidated Financial Statements

(All amounts in RMB thousands unless otherwise stated)

2 Summary of significant accounting policies (Continued)

2.1 Basis of preparation (Continued)

(a) New and amended standards adopted by the Group (Continued)

- HKAS 23 (Amendment), 'Borrowing costs'. The definition of borrowing costs has been amended so that interest expense is calculated using the effective interest method defined in HKAS 39 'Financial instruments: Recognition and measurement'. This eliminates the inconsistency of terms between HKAS 39 and HKAS 23. The amendment requires an entity to capitalise borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset (one that takes a substantial period of time to get ready for use or sale) as part of the cost of that asset. The option of immediately expensing those borrowing costs has been removed. There is no substantial impact on the Group's accounting policies because the Group has already adopted the capitalisation option on the borrowing costs for qualifying assets.
- HKAS 36 (Amendment), 'Impairment of assets' (effective from 1 January 2009). Where fair value less costs to sell is calculated on the basis of discounted cash flows, disclosures equivalent to those for value-in-use calculation should be made.

The amendment does not have material impact on the Group's consolidated financial statements.

- HKFRS 7 (Amendment), 'Financial Instruments — Disclosures' (effective from 1 January 2009). The amendment requires enhanced disclosures about fair value measurement and liquidity risk. In particular, the amendment requires disclosure of fair value measurements by level of a fair value measurement hierarchy. This change in accounting policy only results in additional disclosures, there is no impact on earnings per share.
- HKFRS 8 'Operating segments' (effective from 1 January 2009). HKFRS 8 replaces HKAS 14, 'Segment reporting', and aligns segment reporting with the requirements of the US standard SFAS 131, 'Disclosures about segments of an enterprise and related information'. The new standard requires a 'management approach', under which segment information is presented on the same basis as that used for internal reporting purposes. In addition, the segments are reported in a manner that is more consistent with the internal reporting provided to the chief operating decision-maker. There is no substantial impact on the Group's accounting policy.

2 Summary of significant accounting policies (Continued)

2.1 Basis of preparation (Continued)

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

The following standards, amendments and interpretations to existing standards, which are relevant to the Group's business, have been published and are mandatory for the Group's accounting periods beginning on or after 1 January 2010 or later periods, but the Group has not early adopted them:

- HKAS 27 (Revised), 'Consolidated and separate financial statements' (effective for annual period beginning on or after 1 July 2009). The revised standard requires the effects of all transactions with minority interest to be recorded in equity if there is no change in control and these transactions will no longer result in goodwill or gains and losses. The standard also specifies the accounting when control is lost. Any remaining interest in the entity is re-measured to fair value, and a gain or loss is recognised in profit or loss. The Group will apply HKAS 27 (Revised) prospectively to transactions with minority interest from 1 January 2010.
- HKFRS 3 (Revised), 'Business combinations' (effective for annual period beginning on or after 1 July 2009). The revised standard continues to apply the acquisition method to business combinations, with some significant changes. For example, all payments to purchase a business are to be recorded at fair value at the acquisition date, with contingent payments classified as debt subsequently re-measured through the income statement. There is a choice on an acquisition-by-acquisition basis to measure the non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets. All acquisition-related costs should be expensed. The Group will apply HKFRS 3 (Revised) prospectively to all business combinations from 1 January 2010.

Notes to the Consolidated Financial Statements

(All amounts in RMB thousands unless otherwise stated)

2 Summary of significant accounting policies (Continued)

2.1 Basis of preparation (Continued)

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

- HKAS 38 (Amendment), 'Intangible Assets' (effective for annual period beginning on or after 1 July 2009). The amendment is part of the HKICPA's annual improvements project published in May 2009 and the Group and Company will apply HKAS 38 (Amendment) from the date HKFRS 3 (Revised) is adopted. The amendment clarifies guidance in measuring the fair value of an intangible asset acquired in a business combination and it permits the grouping of intangible assets as a single asset if each asset has similar useful economic lives. The amendment will not result in a material impact on the Group's or the Company's financial statements.
- HKAS 1 (Amendment), 'Presentation of financial statements' (effective for annual period beginning on or after 1 January 2010). The amendment is part of the HKICPA's annual improvements project published in May 2009. The amendment provides clarification that the potential settlement of a liability by the issue of equity is not relevant to its classification as current or non-current. By amending the definition of current liability, the amendment permits a liability to be classified as non-current (provided that the entity has an unconditional right to defer settlement by transfer of cash or other assets for at least 12 months after the accounting period) notwithstanding the fact that the entity could be required by the counterparty to settle in shares at any time. The Group and Company will apply HKAS 1 (Amendment) from 1 January 2010. It is not expected to have a material impact on the Group's or Company's financial statements.
- HKFRS 9 'Financial Instruments' (effective for annual period beginning on or after 1 January 2013). Financial assets are required to be classified into two measurement categories: those to be measured subsequently at fair value, and those to be measured subsequently at amortised cost, which is determined at initial recognition basing on the entity's business model for managing its financial instruments and the contractual cash flow characteristics of the instrument.

2 Summary of significant accounting policies (Continued)

2.2 Consolidation

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

(a) Subsidiaries

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

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

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

In the Company's balance sheet, the investments in subsidiaries are stated at cost less provision for impairment losses (note 2.8). The results of subsidiaries are accounted for by the Company on the basis of dividend received and receivable.

(b) Transactions with minority interests

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

2.3 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 steering committee that makes strategic decisions.

Notes to the Consolidated Financial Statements

(All amounts in RMB thousands unless otherwise stated)

2 Summary of significant accounting policies (Continued)

2.4 Foreign currency translation

(a) Functional and presentation currency

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

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions 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.

(c) Group companies

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

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 dates of the transactions); and
- All resulting exchange differences are recognised as a separate component of equity.

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

2 Summary of significant accounting policies (Continued)

2.5 Property, plant and equipment

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

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 period in which they are incurred.

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

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

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

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (note 2.8).

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

2.6 Construction in progress

Construction in progress represents property under construction and is stated at cost less accumulated impairment losses, 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

(All amounts in RMB thousands unless otherwise stated)

2 Summary of significant accounting policies (Continued)

2.7 Intangible assets

Intangible assets mainly comprise acquired software licenses. 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).

2.8 Impairment of investments in subsidiaries and non-financial assets

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

2.9 Financial assets

2.9.1 Classification

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

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 maturities greater 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 2.14 and 2.15).

2.9.2 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. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. 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. Loans and receivables are subsequently carried at amortised cost using the effective interest method.

2.10 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 Summary of significant accounting policies (Continued)

2.11 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.

The criteria that the Group uses to determine that there is objective evidence of an impairment loss include:

- Significant financial difficulty of the issuer or obligor;
- A breach of contract, such as a default or delinquency in interest or principal payments;
- The Group, for economic or legal reasons relating to the borrower's financial difficulty, granting to the borrower a concession that the lender would not otherwise consider; or
- It becomes probable that the borrower will enter bankruptcy or other financial reorganisation.

The Group first assesses whether objective evidence of impairment exists.

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 asset's 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.

2.12 Properties under development

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

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

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

Notes to the Consolidated Financial Statements

(All amounts in RMB thousands unless otherwise stated)

2 Summary of significant accounting policies (Continued)

2.13 Completed properties held for sale

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

Cost comprises development costs attributable to the unsold properties.

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

2.14 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.

2.15 Cash and cash equivalents

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

2.16 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 the Company's equity holders 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 the Company's shareholders.

2.17 Trade and other payables

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

2 Summary of significant accounting policies (Continued)

2.18 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 balance sheet date.

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

2.19 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 directly in equity. In this case, the tax is also recognised in equity.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company and its subsidiaries 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.

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.

Notes to the Consolidated Financial Statements

(All amounts in RMB thousands unless otherwise stated)

2 Summary of significant accounting policies (Continued)

2.19 Current and deferred income tax (Continued)

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

2.20 Employee benefits

(i) Employee leave entitlements

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

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

(ii) Pension obligations

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

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

(iii) Termination benefits

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

2.21 Provisions

Provisions for environmental restoration, restructuring costs and legal claims are recognised when: the Group has a present legal or constructive obligation as a result of past events; it is 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.

2 Summary of significant accounting policies (Continued)

2.21 Provisions (Continued)

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.

2.22 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, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the Group's activities as described below. The amount of revenue is not considered to be reliably measurable until all contingencies relating to the sale have been resolved. The Group bases its estimates 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 and services are rendered.

(iv) Interest income

Interest income is recognised on a time-proportion basis using the effective interest method. When a 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 loans is recognised using the original effective interest rate.

Notes to the Consolidated Financial Statements

(All amounts in RMB thousands unless otherwise stated)

2 Summary of significant accounting policies (Continued)

2.23 Leases

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

(i) The Group is the lessee

Payments made under operating leases (net of any incentives received from the lessor), including up-front prepayment made for the land use rights, are charged to the consolidated income statement or capitalised in the properties under development (note 2.12) on a straight-line basis over the period of the lease.

(ii) The Group is the lessor

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

2.24 Dividend distribution

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

2.25 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.

Notes to the Consolidated Financial Statements

(All amounts in RMB thousands unless otherwise stated)

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 and bank 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, bank borrowings and syndicated loans are in other foreign currencies. As at 31 December 2009, major non-RMB assets and liabilities are cash and cash equivalents, senior notes, 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. The Group has not entered into any forward exchange contracts to hedge its exposure to foreign exchange risk during the year ended 31 December 2009.

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	
	2009	2008	2009	2008
Monetary assets				
— HK\$	1,186,028	1,345,777	614,985	991,516
— US\$	490,846	672,908	487,352	668,828
	1,676,874	2,018,685	1,102,337	1,660,344
Monetary liabilities				
— HK\$	1,210,790	1,348,828	1,210,790	1,348,828
— US\$	5,730,214	3,905,716	5,730,214	3,905,716
	6,941,004	5,254,544	6,941,004	5,254,544

Notes to the Consolidated Financial Statements

(All amounts in RMB thousands unless otherwise stated)

3 Financial risk management (Continued)

3.1 Financial risk factor (Continued)

(i) Currency risk (Continued)

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	
	2009	2008	2009	2008
HK\$				
— Increase in profit for the year	1,239	153	29,791	17,865
US\$				
— Increase in profit for the year	261,969	161,640	262,143	161,844

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	
	2009	2008	2009	2008
HK\$				
— Decrease in profit for the year	(1,239)	(153)	(29,791)	(17,865)
US\$				
— Decrease in profit for the year	(261,969)	(161,640)	(262,143)	(161,844)

(ii) Interest rate risk

As the Group has no significant interest-bearing assets, the Group's income and operating cash flows are substantially independent of changes in market interest rates.

The Group's exposure to changes in interest rates is mainly attributable to its borrowings. Borrowings at variable rates expose the Group to cash flow interest-rate risk. 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 2009 and 2008, if interest rates on borrowings had been 1% higher or lower with all other variables held constant, profit for the years ended 31 December 2009 and 2008 would have been RMB20,623,000 and RMB10,949,000 lower or higher respectively, mainly as a result of higher or lower interest expense on floating rate borrowings.

3 Financial risk management (Continued)

3.1 Financial risk factor (Continued)

(iii) Credit risk

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

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

To manage this risk, deposits are mainly placed with 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 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 36.

No 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

(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.

	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
At 31 December 2009				
Bank borrowings	1,321,632	1,848,717	3,377,242	30,010
Senior notes	451,491	451,491	3,770,859	2,431,408
Syndicated loans	1,239,679	22,869	68,670	441,727
Trade and other payables excluding advances and deposits from customers	6,765,616	—	—	—
At 31 December 2008				
Bank borrowings	2,450,063	1,754,835	2,444,997	—
Senior notes	247,037	247,037	3,406,594	—
Syndicated loans	1,353,094	—	—	—
Trade and other payables excluding advances and deposits from customers	6,248,228	—	—	—

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

(All amounts in RMB thousands unless otherwise stated)

3 Financial risk management (Continued)

3.2 Capital risk management (Continued)

Consistent with other similar real estate enterprises in the PRC, the Group monitors its capital structure on a basis of gearing ratio. This ratio is calculated as net borrowings divided by total equity attributable to shareholders of the Company. Net borrowings are calculated as total borrowings (including current and non-current borrowings as shown in the consolidated balance sheet) less cash and cash equivalents.

	2009	2008
Total borrowings (note 20)	12,080,264	10,068,573
Less: Cash and cash equivalents (note 17)	(4,372,155)	(3,044,292)
Net borrowings	7,708,109	7,024,281
Total equity attributable to shareholders of the Company	14,061,755	12,915,951
Gearing ratio	54.8%	54.4%

3.3 Fair value estimation

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

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

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.

Notes to the Consolidated Financial Statements

(All amounts in RMB thousands unless otherwise stated)

4 Critical accounting estimates and judgements (Continued)

(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.

As at 31 December 2009, the deferred income tax assets, deferred income tax liabilities and PRC corporate income tax payable amounted to RMB48,356,000, RMB1,008,863,000 and RMB163,793,000, respectively.

(b) Land appreciation taxes

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

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

As at 31 December 2009, the land appreciation tax payable amounted to RMB3,315,908,000.

(c) Provisions for land use rights, properties under development and completed properties held for sale

For the purpose of assessing provision, land use rights, 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.

Notes to the Consolidated Financial Statements

(All amounts in RMB thousands unless otherwise stated)

4 Critical accounting estimates and judgements (Continued)

(c) Provisions for land use rights, properties under development and completed properties held for sale (Continued)

As at 31 December 2009, no impairment was provided for land use rights, properties under development or completed properties held for sale.

(d) Provisions for idle land use rights

Under the PRC laws and regulations, if a property developer fails to commence the development of land within the timeframe designated in the land grant contract, the PRC government may regard the land as idle land and issue a warning or impose a penalty on the developer or reclaim the land.

The Group has identified certain tracts of land for which development has not commenced according to the specified terms of the land grant contracts. Judgement is required in assessing whether these tracts of land will be subject to the penalty of idle land and thereby resulting in any financial impact to the Group. In making this judgement, the Group evaluates the extent of development of the whole tracts of land, status of negotiation with the government authorities as to the extension of time of commencement or revision of development plans.

5 Segment information

The Group's business operations are organised into three business segments, namely property development, property management and hotel operations. As less than 10% of the Group's consolidated turnover and results are attributable to the market outside the PRC, and less than 10% of the Group's consolidated assets are located outside the PRC, geographical segment information is not presented.

Analysis of turnover by the Group's business segments for the years ended 31 December 2009 and 2008 is as follows:

	2009	2008
Property development	13,058,458	9,094,026
Property management	232,504	203,340
Hotel operations	39,821	28,926
	13,330,783	9,326,292

Notes to the Consolidated Financial Statements

(All amounts in RMB thousands unless otherwise stated)

5 Segment information (continued)

Segment results and capital expenditure for the years ended 31 December 2009 and 2008 are as follows:

Year ended 31 December 2009

	Property development	Property management	Hotel operations	Elimination	Group
Gross segment turnover	13,058,458	274,841	39,821	—	13,373,120
Inter-segment turnover	—	(42,337)	—	—	(42,337)
Turnover	13,058,458	232,504	39,821	—	13,330,783
Segment results	3,719,587	16,018	(14,843)	—	3,720,762
Finance costs (note 30)					(57,682)
Profit before income tax					3,663,080
Income tax expenses (note 31)					(1,661,129)
Profit for the year					2,001,951
Segment assets	40,180,304	227,744	3,928,737	(327,155)	44,009,630
Unallocated assets					168,552
Total assets					44,178,182
Segment liabilities	9,889,696	268,082	2,705,552	(327,155)	12,536,175
Unallocated liabilities					16,568,828
Total liabilities					29,105,003
Capital expenditure	127,660	2,124	212,975	—	342,759
Depreciation	32,721	5,710	6,153	—	44,584
Amortisation of land use rights and intangible assets	210,843	4	43,082	—	253,929

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

	Assets	Liabilities
Segment assets/liabilities	44,009,630	12,536,175
Unallocated:		
Deferred income taxes	48,356	1,008,863
Prepaid taxes	120,196	—
Current income taxes	—	3,479,701
Current borrowings	—	2,228,830
Non-current borrowings	—	9,851,434
Total	44,178,182	29,105,003

Notes to the Consolidated Financial Statements

(All amounts in RMB thousands unless otherwise stated)

5 Segment information (Continued)

Year ended 31 December 2008

	Property development	Property management	Hotel operations	Elimination	Group
Gross segment turnover	9,094,026	222,088	28,926	—	9,345,040
Inter-segment turnover	—	(18,748)	—	—	(18,748)
Turnover	9,094,026	203,340	28,926	—	9,326,292
Segment results	6,561,161	(16,810)	(7,431)	—	6,536,920
Finance income (note 30)					92,437
Profit before income tax					6,629,357
Income tax expenses (note 31)					(1,171,919)
Profit for the year					5,457,438
Segment assets	34,821,559	137,486	42,622	(126,699)	34,874,968
Unallocated assets					102,809
Total assets					34,977,777
Segment liabilities	7,211,202	191,960	41,298	(126,699)	7,317,761
Unallocated liabilities					13,865,390
Total liabilities					21,183,151
Capital expenditure	143,639	4,748	27,053	—	175,440
Depreciation	21,226	6,631	1,027	—	28,884
Amortisation of land use rights and intangible assets	217,163	4	1,494	—	218,661

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

	Assets	Liabilities
Segment assets/liabilities	34,874,968	7,317,761
Unallocated:		
Deferred income taxes	54,898	1,023,414
Prepaid taxes	47,911	—
Current income taxes	—	2,773,403
Current borrowings	—	3,509,518
Non-current borrowings	—	6,559,055
Total	34,977,777	21,183,151

Notes to the Consolidated Financial Statements

(All amounts in RMB thousands unless otherwise stated)

5 Segment information (Continued)

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

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

Segment assets consist primarily of property and equipment, land use rights, properties under development, completed properties held for sale, 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 and intangible assets, including additions resulting from acquisitions through business combinations.

6 Property, plant and equipment — Group

	Buildings	Motor vehicles	Office equipment	Machinery	Construction in progress	Total
At 1 January 2008						
Cost	38,308	101,185	40,666	21,980	—	202,139
Accumulated depreciation	(2,269)	(47,378)	(11,336)	(13,358)	—	(74,341)
Net book amount	36,039	53,807	29,330	8,622	—	127,798
Year ended 31 December 2008						
Opening net book amount	36,039	53,807	29,330	8,622	—	127,798
Acquisition of subsidiaries	—	—	577	—	—	577
Transfer from properties under development	101,305	—	—	—	—	101,305
Additions	21,235	22,616	12,748	7,517	—	64,116
Disposals	—	(3,428)	(554)	(117)	—	(4,099)
Depreciation	(4,561)	(13,604)	(6,000)	(4,719)	—	(28,884)
Closing net book amount	154,018	59,391	36,101	11,303	—	260,813
At 31 December 2008						
Cost	160,848	114,142	52,656	29,236	—	356,882
Accumulated depreciation	(6,830)	(54,751)	(16,555)	(17,933)	—	(96,069)
Net book amount	154,018	59,391	36,101	11,303	—	260,813

Notes to the Consolidated Financial Statements

(All amounts in RMB thousands unless otherwise stated)

6 Property, plant and equipment — Group (Continued)

	Buildings	Motor vehicles	Office equipment	Machinery	Construction in progress	Total
Year ended 31 December 2009						
Opening net book amount	154,018	59,391	36,101	11,303	—	260,813
Transfer from properties under development (note (a))	125,506	—	—	—	1,505,510	1,631,016
Additions	—	16,156	4,262	2,536	—	22,954
Disposals	—	(1,026)	(471)	(4)	—	(1,501)
Depreciation	(18,497)	(15,332)	(9,028)	(1,727)	—	(44,584)
Closing net book amount	261,027	59,189	30,864	12,108	1,505,510	1,868,698
At 31 December 2009						
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

Note:

(a) Amounts transferred from properties under development mainly comprise a hotel building under construction in Shanghai amounting to RMB1,162,099,000.

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

	2009	2008
Cost of sales	10,243	9,574
Selling and marketing costs	2,736	2,809
Administrative expenses	31,605	16,501
	44,584	28,884

Notes to the Consolidated Financial Statements

(All amounts in RMB thousands unless otherwise stated)

7 Land use rights — Group

	2009	2008
Opening	12,765,126	8,968,974
Acquisition of subsidiaries	—	1,802,994
Additions (note (a))	3,222,076	3,709,446
Amortisation		
— Capitalised in properties under development	(118,507)	(121,705)
— Recognised as expenses (note 27)	(132,435)	(95,080)
Transfer to cost of sales	(1,273,382)	(1,499,503)
	14,462,878	12,765,126
Amounts to be realised within one normal operating cycle and included in current assets	5,597,873	5,797,924
Amounts included in non-current assets	8,865,005	6,967,202
	14,462,878	12,765,126
Outside Hong Kong, held on leases of:		
Over 50 years	11,357,363	9,484,372
Between 10 to 50 years	3,105,515	3,280,754
	14,462,878	12,765,126

Note:

(a) Additions of land use rights of RMB2,944,499,000 were transferred from prepayments for acquisition of land use rights during the year ended 31 December 2009.

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

As at 31 December 2009, land use rights of RMB5,252,993,000 (2008: RMB1,744,908,000) were pledged as collateral for the Group's borrowings.

Notes to the Consolidated Financial Statements

(All amounts in RMB thousands unless otherwise stated)

8 Intangible assets — Group

Intangible assets mainly comprised acquired computer software licenses:

	2009	2008
Opening net book amount	10,718	3,152
Additions	1,775	9,442
Amortisation (note 27)	(2,987)	(1,876)
Closing net book amount	9,506	10,718
Cost	16,522	14,747
Accumulated amortisation	(7,016)	(4,029)
Net book amount	9,506	10,718

9 Prepayments for acquisition of properties

Amounts represent prepayments for acquisition of a hotel building from Zhongshan Agile Hotel Company Limited, a company controlled by the Directors of the Company, and a composite building from Mr. Chen Zhuo Lin and Ms. Luk Sin Fong, Fion, the directors of the Company. The acquisition has not yet been completed as at 31 December 2009.

10 Other non-current asset

On 22 December 2009, the Group and certain PRC real estate developers jointly bid a tract of land in Guangzhou. The land will be developed by a project company jointly set up by the Group and the PRC real estate developers. As at 31 December 2009, the project company was yet to be established. Up to 31 December 2009, the Group has made a prepayment of approximately RMB2,040 million, which represents the Group's portion of the first instalment of the land premium.

Notes to the Consolidated Financial Statements

(All amounts in RMB thousands unless otherwise stated)

11 Financial instruments by category

Group

Assets as per consolidated balance sheet	Loans and receivables
At 31 December 2009	
Trade and other receivables from third parties and related parties, excluding prepayments	1,252,161
Restricted cash	1,755,536
Cash and cash equivalents	4,372,155
Total	7,379,852
At 31 December 2008	
Trade and other receivables from third parties and related parties, excluding prepayments	1,444,136
Restricted cash	2,208,171
Cash and cash equivalents	3,044,292
Total	6,696,599

Liabilities as per consolidated balance sheet	Other financial liabilities
At 31 December 2009	
Borrowings	12,080,264
Trade and other payables excluding advances and deposits from customers	6,765,616
Total	18,845,880
At 31 December 2008	
Borrowings	10,068,573
Trade and other payables excluding advances and deposits from customers	6,248,228
Total	16,316,801

Notes to the Consolidated Financial Statements

(All amounts in RMB thousands unless otherwise stated)

11 Financial instruments by category (Continued)

Company

Assets as per balance sheet	Loans and receivables
At 31 December 2009	
Receivables from subsidiaries and third parties	16,563,213
Restricted cash	477,974
Cash and cash equivalents	624,363
Total	17,665,550
At 31 December 2008	
Receivables from subsidiaries and third parties	14,477,487
Restricted cash	1,057,474
Cash and cash equivalents	602,870
Total	16,137,831

Liabilities as per balance sheet	Other financial liabilities
At 31 December 2009	
Borrowings	6,846,224
Amounts due to subsidiaries	3,112,216
Other payables and accruals	855,666
Total	10,814,106
At 31 December 2008	
Borrowings	4,022,213
Amounts due to subsidiaries	3,058,106
Other payable due to a third party and accruals	1,251,830
Total	8,332,149

Notes to the Consolidated Financial Statements

(All amounts in RMB thousands unless otherwise stated)

12 Properties under development — Group

	2009	2008
Properties under development comprise:		
— Construction costs and capitalised expenditures	7,194,801	7,784,886
— Interests capitalised	564,603	467,417
	7,759,404	8,252,303

All properties under development are located in the PRC.

As at 31 December 2009 and 2008, no properties under development were pledged as collateral for the Group's borrowings.

The capitalisation rate of borrowings is 7.18% for the year ended 31 December 2009 (2008: 7.59%).

13 Completed properties held for sale — Group

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

As at 31 December 2009, completed properties held for sale of approximately RMB35,064,000 (2008: RMB39,364,000) were pledged as collateral for the Group's bank borrowings.

14 Prepayments for acquisition of land use rights

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

15 Trade and other receivables

	Group		Company	
	2009	2008	2009	2008
Trade receivables (note (a))	527,077	881,373	—	—
Other receivables due from:				
— Subsidiaries	—	—	16,562,174	14,476,898
— Related parties (note 38 (c))	—	141	—	—
— Third parties	725,084	562,622	1,039	589
Prepayments	38,563	34,399	153	2,178
	1,290,724	1,478,535	16,563,366	14,479,665

As at 31 December 2009, the fair value of trade and other receivables approximated their carrying amounts.

Notes to the Consolidated Financial Statements

(All amounts in RMB thousands unless otherwise stated)

15 Trade and other receivables (Continued)

Note:

(a) Trade receivables mainly arose from sale of properties. Considerations in respect of properties sold are paid in accordance with the terms of the related sales and purchase agreements. As at 31 December 2009 and 2008, the ageing analysis of the trade receivables is as follows:

	Group	
	2009	2008
Within 90 days	474,711	806,503
Over 90 days and within 365 days	52,366	74,870
	527,077	881,373

As at 31 December 2009, accounts receivable of RMB27,258,000 (2008: RMB61,915,000) were past due but not impaired. These accounts are related to a number of customers who did not have a recent history of default. The ageing analysis of these trade receivables is as follows:

	Group	
	2009	2008
Over 90 days and within 365 days	27,258	61,915

16 Restricted cash

	Group		Company	
	2009	2008	2009	2008
Guarantee deposits for mortgage loans (note (a))	48,114	26,965	—	—
Guarantee deposits for construction of pre-sold properties (note (b))	1,149,553	1,072,937	—	—
Deposits for accident compensation (note (c))	79,895	50,795	—	—
Collateral for borrowings (note (d))	477,974	1,057,474	477,974	1,057,474
	1,755,536	2,208,171	477,974	1,057,474
Denominated in RMB (note (e))	1,277,562	1,150,697	—	—
Denominated in other currencies	477,974	1,057,474	477,974	1,057,474
	1,755,536	2,208,171	477,974	1,057,474

Notes to the Consolidated Financial Statements

(All amounts in RMB thousands unless otherwise stated)

16 Restricted cash (Continued)

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 purchase of construction materials or payments of 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 at 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 local government in 2005, certain property development companies of the Group are required to maintain certain amount of cash at designated bank accounts solely for payments of medical expenses and compensations to the workers who are injured during carrying out construction projects of the Group.*
- (d) *Amounts represent bank deposits pledged as collateral for the Group's borrowings (note 20). Such guarantee 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

(All amounts in RMB thousands unless otherwise stated)

17 Cash and cash equivalents

	Group		Company	
	2009	2008	2009	2008
Cash and cash equivalents comprise the following:				
Cash at bank and in hand	4,245,924	2,947,367	498,132	505,945
Short-term bank deposits	126,231	96,925	126,231	96,925
	4,372,155	3,044,292	624,363	602,870
Denominated in RMB (note (a))	3,173,255	2,083,079	—	—
Denominated in other currencies	1,198,900	961,213	624,363	602,870
	4,372,155	3,044,292	624,363	602,870

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.

18 Share capital and premium

	Number of ordinary shares	Nominal value of ordinary shares HK\$'000	Equivalent nominal value of ordinary shares RMB'000	Share premium RMB'000	Total RMB'000
Authorised					
At 31 December 2008 and 2009	10,000,000,000	1,000,000			
Movements were:					
Issued and fully paid					
At 1 January 2008	3,745,660,000	374,566	389,135	4,713,087	5,102,222
Repurchase of shares of the Company (note (a))	(65,828,000)	(6,583)	(5,777)	(159,391)	(165,168)
At 31 December 2008	3,679,832,000	367,983	383,358	4,553,696	4,937,054
Repurchase of shares of the Company (note (a))	(104,324,000)	(10,432)	(9,193)	(330,754)	(339,947)
At 31 December 2009	3,575,508,000	357,551	374,165	4,222,942	4,597,107

Note:

- (a) During the year ended 31 December 2009, the Company has acquired 104,324,000 (2008: 65,828,000) of its own shares through purchases on the Stock Exchange. The total amount of HK\$385,756,000, equivalent to RMB339,947,000 (2008: RMB165,168,000), paid for repurchases of shares has been deducted from share capital and premium.

Notes to the Consolidated Financial Statements

(All amounts in RMB thousands unless otherwise stated)

19 Other reserves

Group

	Merger reserve (note (a))	Statutory reserve and enterprise expansion fund (note (b))	Total
Balance at 1 January 2008 and 31 December 2008	442,395	241,667	684,062
Balance at 1 January 2009	442,395	241,667	684,062
Transfer from retained earnings	—	15,711	15,711
Balance at 31 December 2009	442,395	257,378	699,773

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 investments in subsidiaries acquired 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

(All amounts in RMB thousands unless otherwise stated)

20 Borrowings

	Group		Company	
	2009	2008	2009	2008
Borrowings included in non-current liabilities:				
Senior notes (note (a))				
— Senior notes issued in 2006 (“2006 Senior Notes”) (note (a)(i))	2,681,517	2,673,385	2,681,517	2,673,385
— Senior notes issued in 2009 (“2009 Senior Notes”) (note (a)(ii))	1,949,946	—	1,949,946	—
Long-term syndicated loans – secured (note (b))	350,000	—	—	—
Bank borrowings				
— secured (note (c))	4,381,040	3,792,170	—	—
— unsecured (note (d))	1,506,971	1,365,000	1,003,971	—
Less: current portion of long-term borrowings				
— secured	(525,370)	(764,500)	—	—
— unsecured	(492,670)	(507,000)	—	—
	9,851,434	6,559,055	5,635,434	2,673,385
Borrowings included in current liabilities:				
Bank borrowings				
— secured (note (c))	—	880,000	—	—
— unsecured (note (d))	—	9,190	—	—
Short-term syndicated loans — unsecured (note (e))	1,210,790	1,348,828	1,210,790	1,348,828
Current portion of long-term borrowings	1,018,040	1,271,500	—	—
	2,228,830	3,509,518	1,210,790	1,348,828
Total borrowings	12,080,264	10,068,573	6,846,224	4,022,213

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 RMB5,201,208,000 as at 31 December 2009 (2008: RMB1,038,946,000).

Notes to the Consolidated Financial Statements

(All amounts in RMB thousands unless otherwise stated)

20 Borrowings (Continued)

Notes: (Continued)

(a) Senior notes (Continued)

(i) 2006 Senior Notes

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

	2009	2008
Carrying amount as at 1 January	2,673,385	2,851,641
Amortisation of issuance costs (note 30)	10,692	9,744
Exchange gain	(2,560)	(188,000)
Carrying amount as at 31 December	2,681,517	2,673,385

The 2006 Senior Notes are bearing interest rate of 9% per annum, denominated in US\$ and mature on 22 September 2013.

(ii) 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 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 to the redemption date.

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

	2009
Face value of senior notes issued on 14 November	2,048,430
Discount of face value	(49,940)
Issuance costs	(49,857)
Fair value at the date of issuance	1,948,633
Amortisation of issuance costs (note 30)	1,283
Exchange loss	30
Carrying amount at 31 December	1,949,946

(b) A group company has entered into a bank loan agreement with a group of banks pursuant to which a loan facility of RMB1,000,000,000 has been granted to the group company which will expire on 3 January 2019. The facility is secured by certain properties of the group company. As at 31 December 2009, the loan drawn down by the group company amounted to RMB350,000,000.

(c) As at 31 December 2009, the Group's bank borrowings of RMB4,381,040,000 (2008: RMB4,672,170,000) are secured by its land use rights, properties and bank deposits.

Notes to the Consolidated Financial Statements

(All amounts in RMB thousands unless otherwise stated)

20 Borrowings (Continued)

Notes: (Continued)

(d) As at 31 December 2009, the Group's unsecured bank borrowings of RMB1,003,971,000 (2008: nil) are jointly guaranteed by certain subsidiaries of the Group.

(e) On 27 June 2007, the Company has entered into a revolving credit facility agreement with a group of banks and financial institutions pursuant to which a revolving loan facility of US\$200,000,000 has been granted to the Company which will expire on 27 June 2010. The facility is jointly guaranteed by certain subsidiaries of the Group. As at 31 December 2009, the loans drawn down by the Company amounted to HK\$1,380,000,000 (equivalent to US\$178,020,000).

The exposure of the Group's borrowings to interest-rate changes and the contractual repricing dates are as follows:

	6 months or less	6–12 months	1–5 years	Over 5 years
Borrowings included in non-current liabilities:				
At 31 December 2009	418,000	3,798,000	3,685,488	1,949,946
At 31 December 2008	215,000	3,670,670	2,673,385	—
Borrowings included in current liabilities:				
At 31 December 2009	1,359,160	869,670	—	—
At 31 December 2008	2,282,518	1,227,000	—	—

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

As of 31 December 2009

	Bank borrowings	Senior notes	Syndicated loans	Total
Between 1 and 2 years	2,414,000	—	—	2,414,000
Between 2 and 5 years	2,425,971	2,681,517	—	5,107,488
Over 5 years	30,000	1,949,946	350,000	2,329,946
	4,869,971	4,631,463	350,000	9,851,434

Notes to the Consolidated Financial Statements

(All amounts in RMB thousands unless otherwise stated)

20 Borrowings (Continued)

As of 31 December 2008

	Bank borrowings	Senior notes	Syndicated loans	Total
Between 1 and 2 years	1,552,670	—	—	1,552,670
Between 2 and 5 years	2,333,000	2,673,385	—	5,006,385
Over 5 years	—	—	—	—
	3,885,670	2,673,385	—	6,559,055

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

	2009		2008	
	RMB'000	Effective interest rate	RMB'000	Effective interest rate
Bank borrowings — RMB	4,884,040	6.45%	6,046,360	6.90%
Bank borrowings — US\$	1,003,971	5.18%	—	—
2006 Senior notes — US\$	2,681,517	9.51%	2,673,385	9.51%
2009 Senior notes — US\$	1,949,946	11.02%	—	—
Syndicated loans — RMB	350,000	6.35%	—	—
Syndicated loans — HK\$	1,210,790	1.67%	1,348,828	3.69%
	12,080,264		10,068,573	

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

	2009		2008	
	Carrying amount	Fair value	Carrying amount	Fair value
Bank borrowings (note (i))	4,869,971	4,869,971	3,885,670	3,885,670
2006 Senior notes (note (ii))	2,681,517	2,774,848	2,673,385	1,503,612
2009 Senior notes (note (ii))	1,949,946	2,073,972	—	—
Syndicated loans (note (i))	350,000	350,000	—	—
	9,851,434	10,068,791	6,559,055	5,389,282

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 2009, the last dealing date of 2009.

Notes to the Consolidated Financial Statements

(All amounts in RMB thousands unless otherwise stated)

20 Borrowings (Continued)

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

The Group has the following undrawn borrowing facilities:

	2009	2008
Floating rate — expiring beyond one year	1,345,550	305,000

21 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 2009, the Group did not have such offset amount (2008: nil) and the amounts shown in the consolidated balance sheet are as follows:

	2009	2008
Deferred income tax assets to be recovered within 12 months	48,356	54,898
Deferred income tax liabilities to be payable after more than 12 months	(1,008,863)	(1,023,414)

The movements in deferred tax assets/(liabilities) during the year were as follows:

	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	Net movement
At 1 January 2008	33,100	(833,298)	—	(800,198)
Credited to the consolidated income statement	21,798	163,115	—	184,913
Acquisition of subsidiaries	—	—	(353,231)	(353,231)
At 31 December 2008	54,898	(670,183)	(353,231)	(968,516)
(Charged)/credited to the consolidated income statement	(6,542)	14,551	—	8,009
At 31 December 2009	48,356	(655,632)	(353,231)	(960,507)

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 RMB5,348,000, RMB7,157,000, RMB82,855,000 and RMB98,063,000 will expire in 2011, 2012, 2013 and 2014, respectively.

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

Notes to the Consolidated Financial Statements

(All amounts in RMB thousands unless otherwise stated)

22 Trade and other payables

	Group		Company	
	2009	2008	2009	2008
Trade payables (note (a))	4,126,202	3,989,419	—	—
Other payables due to:				
— Subsidiaries	—	—	3,112,216	3,058,106
— Related parties (note 38 (c))	863,205	3,727	713,205	—
— Third parties (note (b))	1,367,239	1,916,202	11,613	1,164,922
Advances and deposits from customers	5,770,559	1,069,533	—	—
Staff welfare benefit payable	31,582	12,435	—	—
Accruals	239,267	173,768	130,848	86,908
Other taxes payable	138,121	152,677	—	—
	12,536,175	7,317,761	3,967,882	4,309,936

Notes:

(a) The ageing analysis of trade payables of the Group as at 31 December 2009 and 2008 is as follows:

	Group	
	2009	2008
Within 90 days	3,448,199	3,403,381
Over 90 days and within 180 days	213,731	151,072
Over 180 days and within 365 days	314,849	290,569
Over 365 days	149,423	144,397
	4,126,202	3,989,419

(b) A local government appointed the Group to carry out the land clearance and primary infrastructure construction for the local government. The government shall make progress payments to the Group for carrying out the construction, which are non interest bearing, 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 2009, the project was in progress. The advances received from the government after net of the relevant construction cost incurred, which amounted to approximately RMB686,993,000 (2008: RMB300,000,000), was recognised as other payables.

23 Current income tax liabilities

Current income tax liabilities are analysed as follows:

	Group	
	2009	2008
Income tax payables		
— PRC corporate income tax payables	163,793	214,427
— PRC land appreciation tax payables	3,315,908	2,558,976
	3,479,701	2,773,403

Notes to the Consolidated Financial Statements

(All amounts in RMB thousands unless otherwise stated)

24 Other gains, net

	2009	2008
Income in relation to a cancellation of land acquisition agreement (note (a))	138,000	—
Gain on partial disposal of a subsidiary (note (b))	—	4,144,639
Gain on acquisition of minority interests of subsidiaries	—	11,722
Interest income	53,949	44,055
Forfeited deposits from customers	2,357	13,893
Rental income	20,286	16,039
Miscellaneous	29,843	7,608
	244,435	4,237,956

Notes:

(a) Amount represented receipt in relation to a cancellation of a land acquisition agreement.

(b) On 27 June 2008, the Group entered into a subscription agreement with an independent third party, whereby the independent third party acquired 30% equity interests in a subsidiary of the Group. This partial disposal of a subsidiary has resulted in a gain of approximately RMB4,144,639,000 to the Group.

25 Other expenses

	2009	2008
Settlement of dispute (note (a))	263,541	—
Charitable donations	56,708	108,698
Miscellaneous	6,296	11,735
	326,545	120,433

Note:

(a) In 2008, there was a dispute arisen between the Company and Aetos Capital Asia TE II, Ltd., Aetos Capital Asia II, Ltd. and ACA II Co-Investment Fund, LP (collectively "Aetos") in relation to a Framework Agreement dated 27 November 2007 (the "Framework Agreement") concerning disposal of 25% of the Group's equity interests in Ma Lee International Holdings Limited and Huizhou Bailuhu Tour Enterprise Development Company Limited ("Huizhou Bailuhu") to Aetos at a consideration of approximately RMB1.2 billion (equivalent to US\$164,089,000). Aetos demanded the Group to refund the paid deposit of US\$164,089,000 together with interest accrued thereon on the ground that the Group could not finalise the sales and purchase agreement in relation to the said disposal of equity interests in Huizhou Bailuhu by 30 June 2008.

On 24 November 2009, the Company and Aetos reached an agreement to fully and finally settle the dispute, pursuant to which the Group has refunded the deposit of US\$164,089,000 and paid a settlement of US\$38,597,000 (equivalent to RMB263,541,000) to terminate the arbitration, of which was recognised as "other expense" in the consolidated income statement.

Notes to the Consolidated Financial Statements

(All amounts in RMB thousands unless otherwise stated)

26 Exchange (losses)/gain, 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 gain or loss of translation of borrowings which are included in the finance (costs)/income, net (note 30).

27 Expenses by nature

	2009	2008
Employee benefit expense — including directors' emoluments (note 28)	413,805	446,671
Auditors' remuneration	5,200	6,401
Advertising costs	448,244	385,148
Depreciation (note 6)	44,584	28,884
Amortisation of intangible assets (note 8)	2,987	1,876
Amortisation of land use rights (note 7)	132,435	95,080
Cost of properties sold	7,384,795	5,117,069
Business taxes and other levies on sales of properties (note (a))	653,138	454,390
Commission fee	42,634	19,791

Note:

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

28 Employee benefit expense — including directors' emoluments

	2009	2008
Wages and salaries	366,197	396,761
Pension costs — statutory pension (note (a))	15,508	20,161
Staff welfare	7,048	8,427
Medical benefits	5,566	6,742
Other allowances and benefits	19,486	14,580
	413,805	446,671

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 RMB15,508,000 (2008: RMB20,161,000).

Notes to the Consolidated Financial Statements

(All amounts in RMB thousands unless otherwise stated)

29 Directors' and senior management's emoluments

(a) Directors' emoluments

The emoluments of directors of the Company for the year ended 31 December 2009 are set out below:

	Fees	Salary	Contribution to pension scheme	Total
Mr. Chen Zhuo Lin	—	3,897	11	3,908
Mr. Chan Cheuk Yin	—	3,335	11	3,346
Ms. Luk Sin Fong, Fion	—	3,335	11	3,346
Mr. Chan Cheuk Hung	—	2,771	11	2,782
Mr. Chan Cheuk Hei	—	2,771	11	2,782
Mr. Chan Cheuk Nam	—	2,771	11	2,782
Mr. Cheng Hong Kwan (*)	254	—	—	254
Mr. Kwong Che Keung (*)	254	—	—	254
Mr. Cheung Wing Yui (*)	254	—	—	254
	762	18,880	66	19,708

The emoluments of directors of the Company for the year ended 31 December 2008 are set out below:

	Fees	Salary	Contribution to pension scheme	Total
Mr. Chen Zhuo Lin	—	3,926	11	3,937
Mr. Chan Cheuk Yin	—	3,359	11	3,370
Ms. Luk Sin Fong, Fion	—	3,359	11	3,370
Mr. Chan Cheuk Hung	—	2,793	11	2,804
Mr. Chan Cheuk Hei	—	2,793	11	2,804
Mr. Chan Cheuk Nam	—	2,793	11	2,804
Mr. Cheng Hong Kwan (*)	256	—	—	256
Mr. Kwong Che Keung (*)	256	—	—	256
Mr. Cheung Wing Yui (*)	256	—	—	256
	768	19,023	66	19,857

* Mr. Cheng Hong Kwan, Mr. Kwong Che Keung and Mr. Cheung Wing Yui are independent non-executive directors of the Company.

Notes to the Consolidated Financial Statements

(All amounts in RMB thousands unless otherwise stated)

29 Directors' and senior management's emoluments (Continued)

(b) Five highest paid individuals

All of the five individuals whose emoluments were the highest in the Group for the year are directors (2008: nil) whose emoluments are reflected in the analysis presented above.

- (c) During the years ended 31 December 2009 and 2008, 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.

30 Finance costs/(income), net

	2009	2008
Interest expenses of senior notes	271,947	248,186
Interest expenses of bank borrowings and syndicated loans	368,320	458,061
Amortisation of issuance costs of senior notes	11,975	9,744
Less: interest capitalised	(588,926)	(568,865)
	63,316	147,126
Exchange gain of borrowings	(5,634)	(239,563)
	57,682	(92,437)

31 Income tax expenses

	2009	2008
Current income tax		
— PRC corporate income tax	677,402	649,061
— PRC land appreciation tax	991,736	707,771
Deferred income tax		
— PRC corporate income tax	(8,009)	(184,913)
	1,661,129	1,171,919

Notes to the Consolidated Financial Statements

(All amounts in RMB thousands unless otherwise stated)

31 Income tax expenses (Continued)

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

	2009	2008
Profit before PRC corporate income tax	3,663,080	6,629,357
Tax calculated at tax rates applicable to profits in the respective entities of the Group	820,082	1,657,339
Effect of		
— Income not subject to corporate income tax (note (a))	(4,744)	(1,046,229)
— Expense not deductible for income tax (note (b))	86,183	29,981
— PRC land appreciation tax deductible for calculation of income tax purposes	(232,128)	(176,943)
PRC corporate income tax	669,393	464,148
PRC land appreciation tax	991,736	707,771
	1,661,129	1,171,919

Notes:

(a) *Income not subject to income tax for the year ended 31 December 2009 mainly comprises the bank interest income of the Company. Income not subject to income tax for the year ended 31 December 2008, mainly comprises the gain on partial disposal of a subsidiary.*

(b) *Expense not deductible for income tax for the year ended 31 December 2009 mainly comprises donations made to non-official public welfare institutions and the settlement of dispute with Aetos (note 25(a)).*

PRC land appreciation tax

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

PRC corporate 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.

On 16 March 2007, the National People's Congress approved the Corporate Income Tax Law of the People's Republic of China (the "new CIT Law"), which is effective from 1 January 2008. Under the new CIT Law, the corporate income tax rate applicable to the group entities located in Mainland China is 25% effective on 1 January 2008. Under the new CIT Law, the corporate income tax rate applicable to certain of the group entities established and operated in Hainan Special Economics Zone is gradually increased from 15% to 25% in a transitional period of five years starting from 1 January 2008.

Notes to the Consolidated Financial Statements

(All amounts in RMB thousands unless otherwise stated)

31 Income tax expenses (Continued)

PRC corporate income tax (Continued)

Pursuant to the Detailed Implementation Regulations for implementation of the Corporate Income Tax Law issued on 6 December 2007, withholding income tax of 10% shall be levied on the dividends remitted by the companies established in the PRC to their foreign investors starting from 1 January 2008. All dividends coming from the profits generated by the PRC companies after 1 January 2008 shall be subject to this withholding income tax. As at 31 December 2009, the Group has not accrued relevant withholding income tax liabilities for the earnings of its PRC subsidiaries, because the Group does not have a plan to distribute earnings from its PRC subsidiaries generated in the period from 1 January 2008 to 31 December 2009 in the foreseeable future.

Overseas income tax

The 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. The group entities in the British Virgin Islands were incorporated under the International Business Companies Act of the British Virgin Islands 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.

32 Retained earnings of the Company

	2009	2008
As at 1 January	2,891,814	565,063
(Loss)/profit for the year	(236,907)	3,727,434
Dividends	(379,409)	(1,400,683)
As at 31 December	2,275,498	2,891,814
Representing		
— Proposed final dividend	383,008	206,756
— Unappropriated retained earnings	1,892,490	2,685,058

Notes to the Consolidated Financial Statements

(All amounts in RMB thousands unless otherwise stated)

33 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.

	2009	2008
Profit attributable to shareholders of the Company	1,865,160	5,466,905
Weighted average number of ordinary shares in issue (thousands)	3,600,775	3,732,914
Basic earnings per share (RMB per share)	0.518	1.465

Diluted earnings per share is equal to basic earnings per share as there were no potential dilutive shares in issue during the years ended 31 December 2009 and 2008.

34 Dividends

	2009	2008
Interim dividend of HK\$0.056 (2008: HK\$0.271) per share (note (a))	176,540	886,625
Proposed final dividend of HK\$0.122 (2008: HK\$0.064) per ordinary share (note (b))	383,008	202,869
	559,548	1,089,494

Notes:

(a) *An interim dividend in respect of six months ended 30 June 2009 of HK\$0.056 per ordinary share totaling HK\$200,315,000 (equivalent to RMB176,540,000) was declared at the board meeting on 9 September 2009.*

(b) *A final dividend in respect of 2008 of HK\$0.064 per share totaling HK\$230,136,000 (equivalent to RMB202,869,000) was declared at the Annual General Meeting on 3 June 2009.*

A final dividend in respect of 2009 of HK\$0.122 per share totaling HK\$435,632,000 (equivalent to RMB383,008,000) is to be approved by the shareholders at the Annual General Meeting on 10 June 2010. These financial statements do not reflect this dividend payable.

Notes to the Consolidated Financial Statements

(All amounts in RMB thousands unless otherwise stated)

35 Cash generated from/(used in) operations

	2009	2008
Net profit	2,001,951	5,457,438
Adjustment for:		
Taxation (note 31)	1,661,129	1,171,919
Interest income (note 24)	(53,949)	(44,055)
Finance costs/(income), net (note 30)	57,682	(92,437)
Depreciation (note 6)	44,584	28,884
Amortisation of intangible assets (note 8)	2,987	1,876
Loss of disposal of property, plant and equipment	1,501	4,099
Net exchange losses/(gain)	2,235	(64,777)
Gain on partial disposal of a subsidiary	—	(4,144,639)
Loss/(gain) on acquisition of minority interests of subsidiaries	1,958	(11,722)
Settlement of dispute	263,541	—
Changes in working capital:		
Property under development and completed properties held for sales	497,999	(3,248,146)
Land use rights	(1,740,787)	(1,993,158)
Prepayments for acquisition of land use rights	(4,026,092)	1,637,683
Restricted cash	452,635	(566,427)
Trade and other receivables	187,811	(83,314)
Trade and other payables	5,216,848	1,081,111
Cash generated from/(used in) operations	4,572,033	(865,665)

Non-cash transaction

The major non-cash transaction comprises the transfer of certain properties under development to construction in progress of approximately RMB1,151,986,000 (2008: nil) (note 6).

Notes to the Consolidated Financial Statements

(All amounts in RMB thousands unless otherwise stated)

36 Contingencies — Group

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 2009, the outstanding guarantees amounted to RMB11,234,244,000 (2008: RMB6,021,461,000). 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; 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.

37 Commitments — Group

(a) Operating leases commitments

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

	2009	2008
Property, plant and equipment:		
— Not later than one year	5,152	5,380
— Later than one year and not later than five years	2,049	2,997
	7,201	8,377
Lease of areas adjacent to the property development projects:		
— Not later than one year	400	400
— Later than one year and not later than five years	1,600	1,600
— Later than five years	35,700	36,100
	37,700	38,100

(b) Other commitments

	2009	2008
Contracted but not provided for		
— Property development activities	12,629,678	3,895,490
— Acquisition of land use rights and other assets	4,619,803	379,484
	17,249,481	4,274,974

Notes to the Consolidated Financial Statements

(All amounts in RMB thousands unless otherwise stated)

38 Related party transactions

(a) Name and relationship with related parties

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

Note:

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

(b) Transactions with related parties

During the years ended 31 December 2009 and 2008, the Group had the following significant transactions with related parties, which are carried out in the normal course of the Group's business:

	2009	2008
Restaurant and hotel service fee charged by Zhongshan Agile Hotel Company Limited (note (i))	546	550
Golf facilities service fee charged by Zhongshan Changjiang Golf & Country Club (note (i))	374	1,053
Restaurant and hotel service fee charged by Zhongshan Agile Changjiang Hotel Company Limited (note (i))	4,429	5,201
Key management compensation		
— Salaries and other short-term employee benefits	18,880	19,023
— Retirement scheme contributions	66	66
	18,946	19,089

Notes to the Consolidated Financial Statements

(All amounts in RMB thousands unless otherwise stated)

38 Related party transactions (Continued)

(b) Transactions with related parties (Continued)

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.*

(c) Balances with related parties

As at 31 December 2009 and 2008, the Group had the following significant non-trade balances with related parties:

	2009	2008
Due from related parties		
Included in trade and other receivables:		
— Agile International Company Limited (note (ii))	—	141
Included in prepayments for acquisition of properties:		
— Zhongshan Agile Hotel Company Limited (note (i))	92,820	92,820
— Mr. Chen Zhuo Lin and Ms. Luk Sin Fong, Fion (note (i))	34,000	—
	126,820	92,820
	126,820	92,961
Due to related parties (note (ii))		
— Zhongshan Changjiang Golf & Country Club	150,000	3,727
— Top Coast Investment Limited	713,205	—
	863,205	3,727

Notes:

- (i) *Amounts due from Zhongshan Agile Hotel Company Limited, Mr. Chen Zhuo Lin and Ms. Luk Sin Fong, Fion represent prepayments for the acquisition of a hotel building and a composite building (note 9).*
- (ii) *Other amounts due from/to related parties, which are cash advances in nature, are unsecured, interest-free and repayable on demand.*

39 Ultimate holding company

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

Notes to the Consolidated Financial Statements

(All amounts in RMB thousands unless otherwise stated)

40 Investment in subsidiaries — Company

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

Particulars of principal subsidiaries are set out below:

Name	Place of incorporation and legal status	Nominal value of issued and fully paid share capital/ paid-in capital	Percentage of attributable equity interest	Principal activities/ place of operation
Directly held by the Company				
Eastern Supreme Group Limited	British Virgin Islands (the “BVI”)/ limited liability company	US\$10,000	100%	Investment holding/ BVI
Indirectly held by the Company				
中山雅居樂地產置業有限公司 Zhongshan Agile Property Land Co., Ltd	PRC/wholly foreign owned enterprise	RMB3,000,000	100%	Management consultants/PRC
中山雅居樂雍景園房地產有限公司 Zhongshan Agile Majestic Garden Real Estate Development 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	RMB176,427,900	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	RMB100,512,000	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	RMB30,000,000	100%	Property development/ PRC

Notes to the Consolidated Financial Statements

(All amounts in RMB thousands unless otherwise stated)

40 Investment in subsidiaries — Company (Continued)

Name	Place of incorporation and legal status	Nominal value of issued and fully paid share capital/ paid-in capital	Percentage of attributable equity interest	Principal activities/ place of operation
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
中山市雅居樂物業管理服務有限公司 Zhongshan Agile Property Management Services Co., Ltd (note i)	PRC/wholly foreign owned enterprise	RMB45,000,000	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\$83,803,108	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

Notes to the Consolidated Financial Statements

(All amounts in RMB thousands unless otherwise stated)

40 Investment in subsidiaries — Company (Continued)

Name	Place of incorporation and legal status	Nominal value of issued and fully paid share capital/ paid-in capital	Percentage of attributable equity interest	Principal activities/ place of operation
成都雅居樂房地產開發有限公司 Chengdu Agile Real Estate Development Co., Ltd. (note i)	PRC/wholly foreign owned enterprise	US\$55,000,000	100%	Property development/ PRC
海南雅居樂房地產開發有限公司 Hainan Agile Real Estate Development Co., Ltd. (note i)	PRC/foreign invested enterprise	HK\$1,914,999,960	70%	Property development/ PRC
海南雅恒房地產開發有限公司 Hainan Yaheng Real Estate Development Co., Ltd. (note i)	PRC/foreign invested enterprise	HK\$800,000,000	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\$170,000,000	100%	Property development/ PRC
四川雅居樂房地產開發有限公司 Sichuan Agile Real Estate Development Co., Ltd. (note i)	PRC/wholly foreign owned enterprise	HK\$750,000,000	100%	Property development/ PRC
佛山市三水雅居樂房地產有限公司 Foshan Shanshui Agile Real Estate Development Co., Ltd. (note i)	PRC/wholly foreign owned enterprise	HK\$100,000,000	100%	Property development/ PRC
惠州白鷺湖旅遊實業開發有限公司 Huizhou Bailuhu Tour Enterprise Development Co., Ltd (note i)	PRC/wholly foreign owned enterprise	HK\$200,000,000	100%	Property development/ PRC
陝西昊瑞房地產開發有限責任公司 Shanxi Haorui Real Estate Development Co., Ltd. (note i)	PRC/limited liability company	RMB210,000,000	100%	Property development/ PRC

Notes to the Consolidated Financial Statements

(All amounts in RMB thousands unless otherwise stated)

40 Investment in subsidiaries — Company (Continued)

Name	Place of incorporation and legal status	Nominal value of issued and fully paid share capital/ paid-in capital	Percentage of attributable equity interest	Principal activities/ place of operation
廣州荔灣雅居樂房地產開發有限公司 Guangzhou Liwan Agile Real Estate Development Co., Ltd. (note i)	PRC/wholly foreign owned enterprise	HK\$400,000,000	100%	Property development/ PRC
佛山市順德區雅居樂房地產有限公司 Foshan Shunde Agile Real Estate Development Co., Ltd. (note i)	PRC/wholly foreign owned enterprise	RMB10,000,000	100%	Property development/ PRC
遼寧雅居樂房地產開發有限公司 Liaoning Agile Real Estate Development Co., Ltd. (note i)	PRC/wholly foreign owned enterprise	US\$49,990,000	100%	Property development/ PRC
上海靜安城投重慶市置業有限公司 Shanghai Jingan Chengtou Chongqing Land Co., Ltd. (note i)	PRC/wholly foreign owned enterprise	HK\$300,000,000	100%	Property development/ PRC
廣州雅騰房地產開發有限公司 Guangzhou Yateng Real Estate Development Co., Ltd. (note i)	PRC/wholly foreign owned enterprise	HK\$100,000,000	100%	Property development/ PRC
廣州雅粵房地產開發有限公司 Guangzhou Yayue Real Estate Development Co., Ltd. (note i)	PRC/wholly foreign owned enterprise	HK\$740,000,000	100%	Property development/ PRC
中山市雅豐貿易有限公司 Zhongshan Yafeng Trading Co., Ltd. (note i)	PRC/wholly foreign owned enterprise	RMB500,000,000	100%	Investment holding/ PRC

Notes to the Consolidated Financial Statements

(All amounts in RMB thousands unless otherwise stated)

40 Investment in subsidiaries — Company (Continued)

Name	Place of incorporation and legal status	Nominal value of issued and fully paid share capital/ paid-in capital	Percentage of attributable equity interest	Principal activities/ place of operation
上海雅恆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. (originally named Shanghai Jinchang Real Estate Development Co., Ltd.) (note i)	PRC/wholly foreign owned enterprise	RMB810,000,000	100%	Property development/ PRC
上海濱湖旅遊發展有限公司 Shanghai Binhu Resort Development Co., Ltd. (note i)	PRC/wholly foreign owned enterprise	RMB80,000,000	100%	Property development/ PRC
廣州雅居樂酒店有限公司 Guangzhou Agile Hotel Co., Ltd. (note i)	PRC/wholly foreign owned enterprise	HK\$7,000,000	100%	Hotel operation/PRC
佛山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
常州雅居樂房地產開發有限公司 Changzhou Agile Real Estate Development Co., Ltd. (note i)	PRC/wholly foreign owned enterprise	US\$44,225,156	100%	Property development/ PRC

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

Note:

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

Five-year Financial Summary

CONSOLIDATED BALANCE SHEETS

	31 December 2009	31 December 2008	31 December 2007	31 December 2006	31 December 2005
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
ASSETS					
Non-current assets					
Property, plant and equipment	1,868,698	260,813	127,798	92,937	65,888
Land use rights	8,865,005	6,967,202	5,384,418	3,369,449	758,097
Intangible assets	9,506	10,718	3,152	2,679	788
Properties under development	—	—	—	—	47,784
Prepayments for acquisition of properties	126,820	92,820	—	—	—
Other non-current asset	2,040,000	—	—	—	—
Deferred income tax assets	48,356	54,898	33,100	29,417	17,397
	12,958,385	7,386,451	5,548,468	3,494,482	889,954
Current assets					
Land use rights	5,597,873	5,797,924	3,584,556	1,595,927	772,243
Properties under development	7,759,404	8,252,303	4,661,599	2,209,242	1,870,048
Completed properties held for sale	1,738,984	2,203,357	1,740,137	1,410,022	1,101,218
Trade and other receivables and prepayments for land acquisition	9,875,649	6,037,368	7,060,914	2,974,421	562,058
Prepayments for acquisition of subsidiaries	—	—	2,164,771	—	—
Prepaid taxes	120,196	47,911	—	—	44,810
Restricted cash	1,755,536	2,208,171	1,362,945	605,150	174,779
Cash and cash equivalents	4,372,155	3,044,292	2,582,513	5,194,508	4,205,202
	31,219,797	27,591,326	23,157,435	13,989,270	8,730,358
Total assets	44,178,182	34,977,777	28,705,903	17,483,752	9,620,312

Five-year Financial Summary

CONSOLIDATED BALANCE SHEETS (Continued)

	31 December 2009	31 December 2008	31 December 2007	31 December 2006	31 December 2005
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
EQUITY					
Capital and reserves attributable to the shareholders of the Company					
Share capital and premium	4,597,107	4,937,054	5,102,222	5,102,222	3,200,176
Other reserves	699,773	684,062	684,062	554,725	496,525
Retained earnings					
— Proposed final dividend	383,008	206,756	514,058	258,451	100,908
— Unappropriated retained earnings	8,381,867	7,088,079	2,714,555	1,454,133	706,600
	14,061,755	12,915,951	9,014,897	7,369,531	4,504,209
Minority interests	1,011,424	878,675	18,808	14,659	5,916
Total equity	15,073,179	13,794,626	9,033,705	7,384,190	4,510,125
LIABILITIES					
Non-current liabilities					
Borrowings	9,851,434	6,559,055	6,647,311	4,708,442	778,200
Deferred income tax liabilities	1,008,863	1,023,414	833,298	579,472	311,615
	10,860,297	7,582,469	7,480,609	5,287,914	1,089,815
Current liabilities					
Borrowings	2,228,830	3,509,518	1,375,100	651,200	507,500
Trade and other payables	12,536,175	7,317,761	8,428,464	3,100,630	3,126,411
Current income tax liabilities	3,479,701	2,773,403	2,388,025	1,059,818	386,461
	18,244,706	13,600,682	12,191,589	4,811,648	4,020,372
Total liabilities	29,105,003	21,183,151	19,672,198	10,099,562	5,110,187
Total equity and liabilities	44,178,182	34,977,777	28,705,903	17,483,752	9,620,312
Net current assets	12,975,091	13,990,644	10,965,846	9,177,622	4,709,986
Total assets less current liabilities	25,933,476	21,377,095	16,514,314	12,672,104	5,599,940

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

CONSOLIDATED INCOME STATEMENT

	2009 RMB'000	2008 RMB'000	2007 RMB'000	2006 RMB'000	2005 RMB'000
Turnover	13,330,783	9,326,292	10,312,324	6,675,156	5,370,614
Cost of sales	(8,376,704)	(5,889,994)	(5,105,342)	(3,818,204)	(3,350,999)
Gross profit	4,954,079	3,436,298	5,206,982	2,856,952	2,019,615
Other gains, net	244,435	4,237,956	140,036	124,862	56,696
Selling and marketing costs	(537,179)	(462,539)	(326,908)	(217,479)	(216,790)
Administrative expenses	(611,793)	(619,139)	(381,731)	(206,667)	(98,701)
Other expenses	(326,545)	(120,433)	(50,143)	(9,195)	(9,047)
Exchange (losses)/gain, net	(2,235)	64,777	(70,506)	(76,073)	(2,892)
Operating profit	3,720,762	6,536,920	4,517,730	2,472,400	1,748,881
Finance (costs)/income, net	(57,682)	92,437	(63,216)	(48,474)	(9,873)
Profit before income tax	3,663,080	6,629,357	4,454,514	2,423,926	1,739,008
Income tax expenses	(1,661,129)	(1,171,919)	(2,343,729)	(1,173,418)	(756,040)
Profit for the year	2,001,951	5,457,438	2,110,785	1,250,508	982,968
Attributable to:					
Shareholders of the Company	1,865,160	5,466,905	2,102,824	1,242,488	978,693
Minority interests	136,791	(9,467)	7,961	8,020	4,275
	2,001,951	5,457,438	2,110,785	1,250,508	982,968
Basic and diluted earnings per share for profit attributable to the shareholders of the Company during the year (expressed in RMB per share)	0.518	1.465	0.561	0.355	0.386
Dividends	559,548	1,089,494	713,065	436,756	491,538

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

Corporate Information and Information for Shareholders

Board of Directors

Executive Directors

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

Independent Non-Executive Directors

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

Company Secretary

Ms. Wai Ching Sum

Authorised Representatives

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

Auditor

PricewaterhouseCoopers

Legal Advisors

as to Hong Kong law

Sidley Austin Brown & Wood
Iu, Lai & Li

as to PRC law

Jingtian & Gongcheng

as to BVI and Cayman Islands law

Conyers Dill & Pearman

as to the US law

Sidley Austin Brown & Wood

Committees

Nomination Committee

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

Remuneration Committee

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

Audit Committee

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

Principal Bankers

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

Corporate Information and Information for Shareholders

Despatch of Corporate Communications

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

Closure of Register of Members

Agile's Register of Members will be closed from Monday, 31 May 2010 to Thursday, 3 June 2010, both dates inclusive, during which period, no transfer of shares will be effected. To qualify for the proposed final dividend, all properly completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's branch registrar in Hong Kong, Tricor Investor Services Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Hong Kong for registration not later than 4:00 pm on Friday, 28 May 2010. Subject to the Shareholders' approval of the proposed final dividend at the AGM 2010, dividend warrants will be despatched on or about Thursday, 10 June 2010 to the Shareholders whose names appear on Agile's Register of Members on 3 June 2010.

Annual General Meeting

The AGM 2010 will be held on Thursday, 3 June 2010. Notice of AGM which has been sent together with this Annual Report to the Shareholders. Notice of AGM and the proxy form are also available on the Stock Exchange and Agile's website.

Financial Calendar

AGM 2009	3 June 2009
Announcement of interim results	9 September 2009
Announcement of final results	15 April 2010
AGM 2010	3 June 2010

Dividends

Interim dividend	HK5.6 cents per share
Payment date for interim dividend	9 October 2009
Proposed final dividend	HK12.2 cents per share
Closure of register of members	31 May 2010 to 3 June 2010 (both dates inclusive)
Ex-entitlement date for final dividend	28 May 2010
Record date for final dividend	3 June 2010
Payment date for final dividend	on or about 10 June 2010

Corporate Information and Information for Shareholders

Listing Information

Share Listing

Shares are listed on the Main Board of the Stock Exchange (stock code: 3383) since 15 December 2005. The Shares has been included as a constituent stock of the Morgan Stanley Capital International China Index, Hang Seng Composite Index and Hang Seng Free float Composite Index.

Senior Notes Listing

The Company has issued 9%, 7-year (due 2013) and 10%, 7-year (due 2016) senior notes in 2006 and 2009 respectively, which are both listed on The Singapore Exchange Securities Trading Limited.

Lot Size

2,000 shares

Price History

2009	Price per share	
	Highest (HK\$)	Lowest (HK\$)
January	4.64	2.62
February	3.72	2.20
March	4.70	2.40
April	6.33	4.35
May	9.80	5.80
June	11.82	9.04
July	11.48	9.17
August	11.20	8.30
September	10.86	8.48
October	11.50	8.81
November	11.48	9.76
December	13.60	10.22

As at 31 December 2009

Market capitalisation	HK\$40.884 billion
Number of issued shares	3,586,348,000 shares
Closing price	HK\$11.40 per share

Corporate Information and Information for Shareholders

Registered Office

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

Branch Share Registrar in Hong Kong

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

Principal Place of Business in the PRC

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

Investor Relations

Corporate Communications Department

E-mail: ir@agile.com.cn
Telephone: (852) 2780 8688
(86) 760 8668 6868
Facsimile: (852) 2780 8822
(86) 760 8632 7753

Place of Business in Hong Kong

20th Floor
238 Nathan Road
Kowloon
Hong Kong

Website

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

Principal Share Registrar

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

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
AGM	annual general meeting of the Company
Board	the board of Directors of the Company
BVI	British Virgin Islands
Chen's Family	Chen Zhuo Lin, Chan Cheuk Yin, Luk Sin Fong, Fion, Chan Cheuk Hung, Chan Cheuk Hei, Chan Cheuk Nam, Lu Liqing, Lu Yanping, Chan Siu Na and Zheng Huiqiong
Chen'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	the Code on Corporate Governance Practices in Appendix 14 to the Listing Rules
Directors	the directors of the Company
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
GDP	Gross domestic product
GFA	Gross floor area
Group or Agile Group	the Company and its subsidiaries
HIBOR	Hong Kong Interbank Offered Rate
HK\$	Hong Kong dollar(s), the lawful currency of Hong Kong
Hong Kong	The Hong Kong Special Administrative Region of the PRC
Hong Kong Companies Ordinance	Companies Ordinance (Chapter 32 of the Laws of Hong Kong)

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

Renowned Brands



www.agile.com.cn

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