

20 10 annual report



Develop our future with
vision and enthusiasm 



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

CORPORATE PROFILE

Agile (stock code: 3383) is one of the leading property developers in China. As a renowned brand in China, Agile is principally engaged in the development of large-scale comprehensive property projects, with extensive presence in the businesses of hotel operations, property investment and property management. The Group currently owns a diversified portfolio of 70 projects in various stages of development in 26 different cities and districts across China in Hainan, Shanghai, Nanjing, Changzhou, Chengdu, Xi'an, Chongqing, Shenyang, Tianjin, Guangzhou, Foshan, Zhongshan, Huizhou and Heyuan. As at 16 March 2011, the Group has a land bank with total GFA of approximately 35.51 million sq.m. (including both lands with titles and contractual interests).

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



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FINANCIAL HIGHLIGHTS

Income Statement Highlights

	Year ended 31 December		
	2010	2009	Change
Turnover (RMB million)	20,520	13,331	+53.9%
Gross profit (RMB million)	9,389	4,954	+89.5%
Gross profit margin	45.8%	37.2%	+8.6 percentage points
Net profit (RMB million)*	6,419	2,002	+220.6%
Net profit (RMB million)**	4,020	2,002	+100.8%
Profit attributable to shareholders (RMB million)*	5,976	1,865	+220.4%
Profit attributable to shareholders (RMB million)**	3,617	1,865	+93.9%
Net profit margin*	31.3%	15.0%	+16.3 percentage points
Net profit margin**	19.6%	15.0%	+4.6 percentage points
Basic earnings per share (RMB)*	1.707	0.518	+229.5%
Dividend per share (HK cents)	29.1	17.8	+63.5%

Balance Sheet Highlights

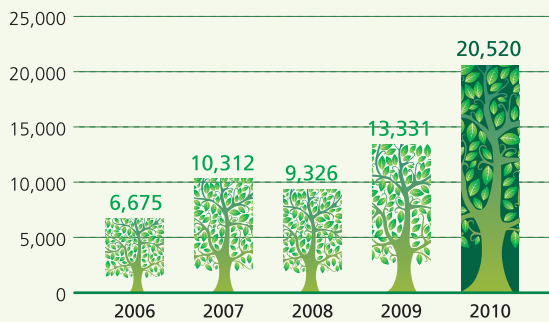
	As at 31 December		
	2010	2009	Change
Total assets (RMB million)	69,878	44,178	+58.2%
Cash and cash equivalents (RMB million)	6,482	4,372	+48.2%
Restricted cash (RMB million)	4,199	1,756	+139.2%
Short-term loans (RMB million)	5,262	2,229	+136.1%
Long-term loans (RMB million)	15,496	9,851	+57.3%
Shareholders' equity (RMB million)*	18,681	14,062	+32.9%
Return on equity (ROE)*	32.0%	13.3%	+18.7 percentage points
Total debt/total assets	29.7%	27.3%	+2.4 percentage points
Net debt/total equity	49.6%	39.5%	+10.1 percentage points

* Including after-tax revaluation gains on investment properties

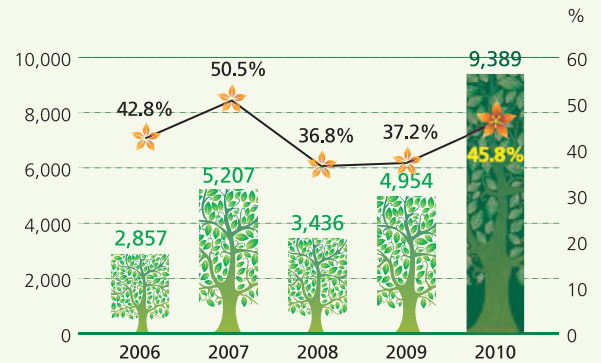
** Excluding after-tax revaluation gains on investment properties

FINANCIAL HIGHLIGHTS

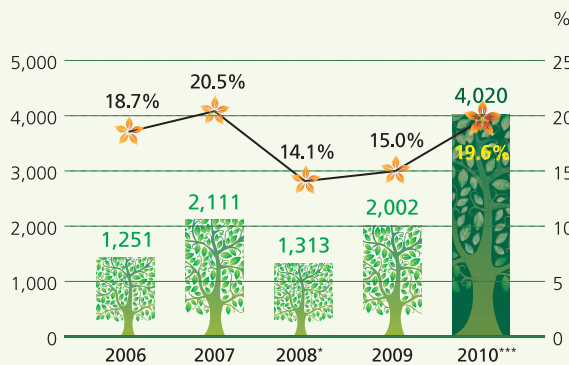
Turnover (RMB million)



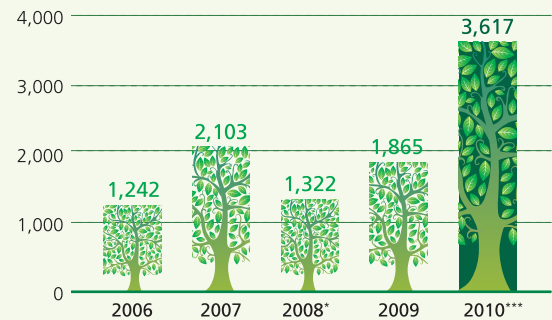
Gross profit and gross profit margin (RMB million / %)



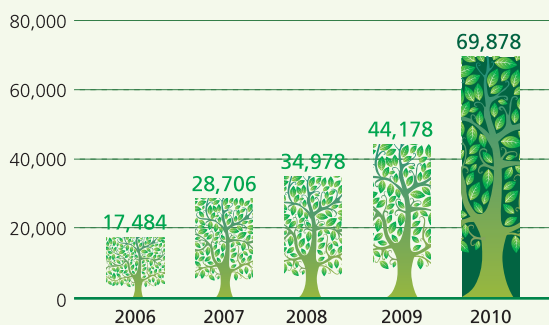
Net profit and net profit margin (RMB million / %)



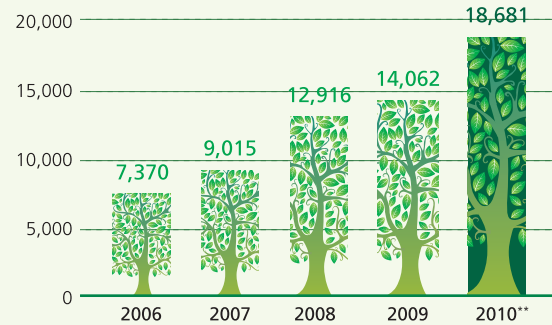
Profit Attributable to Shareholders (RMB million)



Total assets (RMB million)



Shareholders' equity (RMB million)



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

** Including after-tax revaluation gains on investment properties

*** Excluding after-tax revaluation gains on investment properties

BUSINESS STRUCTURE

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



PROPERTY DEVELOPMENT



- Pearl River Delta — Panyu, Baiyun, Tianhe, Liwan, Haizhu, Luogang, Zengcheng, Huadu, Conghua, Zhongshan, Nanhai, Foshan, Sanshui, Shunde (53 projects)
- Eastern Guangdong — Heyuan, Huizhou (2 projects)
- Yangtze River Delta — Nanjing, Changzhou, Shanghai (7 projects)
- Western China — Chengdu, Xi'an, Chongqing (4 projects)
- Hainan Province — Lingshui, Chengmai (2 projects)
- Northeast China — Shenyang (1 project)
- Northern China — Tianjin (1 project)

HOTEL OPERATIONS AND PROPERTY INVESTMENT



- Self-operated hotels
(in operation)**
- Guangzhou Agile Hotel
 - Foshan Agile Hotel
 - Zhongshan Agile Hotel
- Externally-managed
hotels
(under construction/
planning)**
- Shanghai Marriott Hotel City Centre
 - Sheraton Egret Lake Resort Huizhou
 - Raffles Sanya Clearwater Bay
 - Holiday Inn Resort Hainan Clearwater Bay
 - Jumeirah Clearwater Bay Resort
 - JW Marriott Clearwater Bay Resort & SPA
 - Hilton Hainan Clearwater Bay Resort
 - Outrigger Clearwater Bay Resort, Sanya, China
- Major Investment
Properties
(under construction/
planning)**
- Agile International Plaza Shanghai
 - Hainan Clearwater Bay International Brand Outlet
 - Xiqiao Metropolitan Plaza
 - Guangzhou Hongxi Huating Arcade
 - Guangzhou Zhujiang New City Project



PROPERTY MANAGEMENT

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



2010 | MILESTONES

February

- The Group acquired land use rights of a site in Jiangning District of Nanjing, which is planned to be developed into high-end residential apartments, at a total consideration of approximately RMB1.01 billion.

March

- Commencement of construction works of Panyu Southern District Qingxin Road Project and Furong Town Project Huadu.

April

- The Company issued 8.875% senior notes in an aggregate principal amount of US\$650 million due by 2017.
- The Group acquired land use rights of a residential site adjacent to Shenyang Puhe New City Project at a total consideration of approximately RMB274 million.
- Commencement of construction works of Panyu Shilou Town Project.

May

- Agile Garden Huadu and Agile International Garden Chongqing were launched for sale.
- Commencement of construction works of Tanzhou Yuzhoucun Project Zhongshan.

June

- Early redemption by the Company of its 9% senior notes in an aggregate principal amount of US\$400 million due by 2013.

July

- Commencement of construction works of Zhangjiabian Project Zhongshan.

August

- Establishment of a joint venture by the Group, Guangzhou R&F Properties Co., Ltd., KWG Property Holding Limited and Shimao Property Holdings Limited to jointly acquire and develop a land located in Jinnan District of Tianjin. The Group has 25% equity interest in the project.
- Commencement of construction works of Imperial Palace Nanhai (formerly known as Nanhai Yanbu Site).



September

- ❧ The Group acquired land use rights of a commercial and residential site adjacent to Agile Royal Mount Zhongshan at a total consideration of approximately RMB160 million.
- ❧ Commencement of construction works of Zengcheng Project.
- ❧ Agile Royal Mount Zhongshan and Guangzhou Asian Games City Project were launched for sale.

October

- ❧ The Group acquired land use rights of 2 residential sites in Pukou District in Nanjing, which is planned to be developed into a deluxe riverview residential project, at a total consideration of approximately RMB5.74 billion. The Group acquired the land use rights of a residential and commercial site in Sanshui District, Foshan, which is planned to be developed into high-end residential apartments, at a total consideration of approximately RMB350 million.

November

- ❧ Agile Xiyue Zhongshan was launched for sale.
- ❧ The Group signed a cooperation agreement with Phil Mickelson, an internationally renowned golfer, in respect of Shanghai Pudong New District Project, for Phil Mickelson and his golf course design team to design a championship standard golf course in the project.

December

- ❧ The Group acquired land use rights of a residential site in Chancheng District, Foshan, which is planned to be developed into a high-end residential project, at a total consideration of approximately RMB530 million. The Group acquired land use rights of a commercial and residential site in Xiuli Lake, Wugui Mountain, Zhongshan, which is planned to be developed into a high-end low-density residential project, at a total consideration of approximately RMB500 million. The Group acquired land use rights of two commercial and financial sites adjacent to Agile Garden Huadu, which is planned to be developed into commercial project, at a total consideration of approximately RMB440 million. The Group acquired land use rights of a commercial and residential site in Chengmai County, Hainan Province, which is planned to be developed into a local hub for recreation and entertainment, at a total consideration of approximately RMB100 million.
- ❧ Commencement of construction works of Shenyang Puhe New City Project, Shunde Lecong Project and Tianjin Jinnan Project.
- ❧ The 18th anniversary celebration ceremony on the theme of “Glorious 18 Years Because of You” and Business Partners Gathering Party 2010 was grandly held in Hainan.
- ❧ The Group’s Environmental Belief and Policy were approved by the Board.



HONOURS AND AWARDS

Corporate Social Responsibility

Caring Company 2009/10

The Hong Kong Council of Social Service

The Most Socially Responsible Property Developer

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)
People's Daily Online

Leading Guangdong Property Enterprise in Social Responsibility

Nanfang Daily
Golden Real Property Market
Lifestyle Dynamics

Corporate Brand

2010 The Ninth Guangdong Real Estate Credit Top 20

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)
People's Daily Online

2010 The Outstanding China Property Award

Economic Digest Magazine

Hurun Top Brands — Ranked 24th

Hurun Research Institute

Hurun Most Valuable Chinese Brands Top 100 — Ranked 62nd

Hurun Research Institute

2010 China Property Brand Top 10

China Top Real Property Enterprises Adjudication Committee
Netease Property Website

Outstanding Property Corporate

QQ.com
House.QQ.com



CHAIRMAN'S STATEMENT

The Group shall be keen to take on the challenges and seize the opportunities with strengths such as the professional experience of 19 years in property development, well-qualified management team, stable growth, excellent brand name, strong competitiveness of the products, sound financial position and ample and superior land bank.

Dear Shareholders,

Results and dividends

For the year ended 31 December 2010, the turnover and gross profit of the Group was approximately RMB20,520 million and RMB9,389 million respectively, representing an increase of 53.9% and 89.5% respectively when compared with last year. Profit attributable to shareholders reached RMB5,976 million and earnings per share was RMB1.707, representing an increase of 220.4% and 229.5% respectively when compared with last year.

The Board has proposed the distribution of a final dividend of HK23.0 cents per Share for 2010, representing an increase of 88.5% when compared with last year. If approved by Shareholders, the total dividend for the year will be HK29.1 cents per Share, representing an increase of 63.5% when compared with last year.





CHEN Zhuo Lin *Chairman*

Market and business review

In 2010, the Central Government exercised further control over the property market in China. In the second half of the year, tightening policies such as stringent requirements on the loan approval and grant for the purchase of second property, restriction on mortgage loan for the third home purchase or above, suspension of mortgage loan for non-resident buyers, purchase restriction order, more rigorous regulation on the financing for property enterprises were introduced in major cities of China, and the People's Bank of China had raised the deposit reserve fund ratio for commercial banks for 6 consecutive times and increased the interest rate twice. Under these circumstances, the property market in China had gone through another "policy year". The series of policies are vital for the long-term and healthy development of the property industry, and is also the acid test for the overall strength of property developers.

Year 2010 marked the Group's 18th anniversary of entering the property market in China and the 5th anniversary of listing in Hong Kong. Amid the stringent policy controls, with the extensive experience, excellent management and accurate judgement of the market, the Group tackled the situation in self-possession and seized opportunities that arose, took the initiative to adjust the operations and financial strategy and persisted in improving the mode of operation and financial structure, while applied an array of sales patterns based on past experience and prudently implemented a diversified development strategy in various regions to diversify the risk of operation. In addition, the Group made active efforts to broaden its financing channels. As a result thereof, the Group had achieved a remarkable result in all aspects and had also reached a historical breakthrough in the sales performance.

Effective strategy brought another excellent sales achievement

During the year, the Group had 32 projects on sale situate at 17 different cities and districts, including 4 newly-launched projects, namely Agile Garden Huadu, Agile International Garden Chongqing, Agile Royal Mount Zhongshan and Agile Xiyue Zhongshan. For the year ended 31 December 2010, the Group recorded contracted sales of approximately RMB32,300 million

CHAIRMAN'S STATEMENT

and contracted GFA sold of approximately 2.83 million sq.m., representing a year-on-year growth of 60.7% and 21.7% respectively with the average contracted ASP of approximately RMB11,406 per sq.m.. In particular, the sales of projects outside Guangdong Province accounting for approximately 45.6% of the Group's total contracted sales, witnessed the fruit of success in the implementation of its regional diversified strategy.

During the year, a number of projects of the Group has achieved an excellent sales achievement, with 9 projects recording contracted sales of RMB1,000 million or above. Among which, the contracted sales of Hainan Clearwater Bay was approximately RMB9,900 million; the contracted sales of Agile Cambridgeshire Guangzhou was approximately RMB2,600 million; the contracted sales of Agile Garden Guangzhou was approximately RMB2,600 million, and was ranked the second in number of units sold in Guangzhou in 2010 of Netease Property Website and selected as one of the "Top 10 Best Selling Famous Development (Guangzhou) on the Top Sales List of Property in China in 2010"; the contracted sales of La Cité Greenville Zhongshan was approximately RMB1,900 million; the contracted sales of Agile Garden Nanjing was approximately RMB1,900 million, and was accredited as one of the top three in sales amount in Nanjing; the contracted sales of Agile Garden Chengdu was approximately RMB1,500 million; the contracted sales of Agile Garden Shunde was approximately RMB1,500 million; the contracted sales of Metro Agile Zhongshan was approximately RMB1,200 million; the sales of Agile Royal Mount Zhongshan achieved excellent results with the contracted sales exceeding RMB1,000 million in just 4 months. Moreover, Guangzhou Asian Games City Project, in which the Group has 20% equity interest, was launched in September 2010, and had achieved remarkable contracted sales of approximately RMB5,000 million within 3 months.

A diversified business portfolio for future steady revenues

Having committed to the prudent development strategy, the Group had further allocated its resources on the development of hotels and investment properties businesses, so as to build up a more extensive and diversified business portfolio for generating steady revenue streams in future as well as dispersing operational risks. Furthermore, as most of the Group's hotels and investment properties are located within the Group's property development projects, synergy can be created and the value of these projects may also be enhanced. During the year, certain of these properties were designated for long-term rental yield or intended to be held for future capital appreciation purpose. The revaluation market value of these properties was approximately RMB4,998 million. The revaluation gains on these properties were approximately RMB3,198 million with the deferred income tax for the revaluation gains of approximately RMB800 million.

During the year, the operation of the Group's 3 self-operated hotels was sound. Also, the Group entered into a hotel management agreement with Holiday Inns (China) Limited. At present, a total of 8 hotels and 5 major investment properties were undergoing either planning design or construction. Among which Shanghai Marriott Hotel City Centre is undergoing interior fitting-out works and is expected to open in 2011. The main structures of Raffles Sanya Clearwater Bay and Sheraton Egret Lake Resort Huizhou have been topped out and are expected to open in or before 2012; Hainan Clearwater Bay International Brands Outlet and Xiqiao Metropolitan Plaza are also expected to commence operation soon.

Strategic replenishment of land bank for sustainable development

Given that land bank is the key factor for a solid and sustainable development for property development, the Group has been able to seize the right moment to strategically replenish the land bank by various means, depending on its cash flow and the development strategy. The Group targets mainly the regions with the brand name of Agile have been successfully established and in the vicinity of peripheral regions or cities with development potential and nearby the Group's projects that are near

CHAIRMAN'S STATEMENT

completion. During the year, the Group successfully acquired a number of pieces of prime land situated in various cities, such as Guangzhou, Foshan, Zhongshan, Nanjing, Shenyang, Shanghai and Hainan through auctions and by agreements. Moreover, following the joint venture for Guangzhou Asian Games City Project, the Group had also established a joint venture with Guangzhou R&F Properties Co., Ltd., KWG Property Holding Limited and Shimao Property Holdings Limited to jointly acquire the land in Jinnan District, Tianjin, China, to be developed into properties of high quality. During the year, the total GFA of newly acquired land of the Group was approximately 4.04 million sq.m..

As at 16 March 2011, the Group had 70 projects in 26 different cities and districts in China and a land bank with a total GFA of approximately 33.51 million sq.m., the average land cost of which is approximately RMB1,132 per sq.m. only, which is sufficient to cope with the development need of the Group in the next 8 to 10 years. As at 31 December 2010, the Group had a land bank with a total completed GFA held for sale of approximately 631,323 sq.m. and a total GFA under development of approximately 6.37 million sq.m..

A prudent financial strategy to enhance the Group's financial strength

The Group insists on implementing a prudent financial strategy in accordance with the corporate development needs and the conditions of the capital market. In respect of capital operations, the Group is convinced that steady and sufficient cash flows are paramount to the development. Therefore, the Group took the initiative to develop and broaden financial channels as well as created new financing platforms. During the year, not only did the Company succeed in issuing 8.875% senior notes in the aggregate principal amount of US\$650 million due 2017, but also early redeemed 9% senior notes in the aggregate principal amount of US\$400 million due 2013, which not only saved interest expenses but also optimised the Group's debt structure. Moreover, the Group also obtained a total financing of approximately US\$730 million by way of bilateral loans and club loans and repaid a syndicated loan of US\$200 million. These financing activities helped to further optimise the Group's debt structure and consolidate the foundation of the working capital for the healthy development. As at 31 December 2010, the Group's total cash and bank deposits were RMB10,681 million, representing an increase of 74.3% over last year; and contracted sales receivables were approximately RMB5,540 million, together with the available credit limit granted by banks of approximately RMB20,900 million, which shows that the Group has sufficient financial resources to seize any opportunity that arises in the market timely.

Mutual communication in investor relations for a higher corporate transparency

The Group firmly believes that an effective investor relations management can enhance investors' understanding and recognition of the Company, establishing a more solid Shareholders' basis and promoting the establishment of a long-term, stable and beneficial relation with various intermediaries in the capital market, all of these being able to reduce the finance cost. During the year, the Group strived to strengthen the regular communications with investors and the media so as to maintain a mutual communication and a high standard of corporate governance and corporate transparency.

During the year, the Group was accorded "The Asset Corporate Gold Award" presented by The Asset Magazine and the envied honour of "Fabulous 50 — The Best of Asia Pacific's Biggest Listed Companies" presented by Forbes Asia for 2 consecutive years. The Group's Annual Report of 2009 was accorded 3 grand awards by the League of American Communications Professional, thereby reaffirming that the Group's excellent corporate governance was highly recognised by all sectors.

CHAIRMAN'S STATEMENT

International property management enhancing the Group's brand value

Property management services, which was a focus of the Group, plays a vital role in enhancing the Group's brand promotion and after-sales services. With the Group's "Customer-oriented" servicing philosophy, the property management companies strived to provide approximately 300,000 residents with excellent services in order to meet each and every resident's needs, and creating a leisure lifestyle for the residents.

The property management companies of the Group had recorded a total property management fee income of approximately RMB257 million, representing a substantial increase of 10.7% when compared with last year.

Committed to corporate social responsibility and creating harmony in society

As a corporate citizen, the Group upholds the belief of "Benefiting from the Society, Giving back to the Society". The Group takes the initiatives to shoulder the social responsibility and works further so as to become an excellent corporate citizen which contributes towards a harmonious society. The Group has established a social responsibility management mechanism in relieving people in stricken areas, helping the poor, contributing for education, environmental protection and medical care.

The Group has been a supporter of sustainable development. It strictly adheres to environmental protection principles and establishes a mission statement and policy for environmental protection, which was approved by the Board during the year. In respect of planning and design, the Group adheres to the green development concept and incorporates the environmental protection element into every segment of property development, thereby promoting green construction and building green homes.

During the year, the Group was accorded awards and titles including "The Most Socially Responsible Property Developer", "Leading Guangdong Property Enterprise in Social Responsibility" and "Caring Company", which evident that the Group has been actively performing its responsibility and fulfilling its obligations as a corporate citizen, which is widely recognised by the society at large.

Development strategy and prospect

The current global financial situation remains complex and volatile. Similarly, the Central Government's policy towards the property industry is uncertain. All these in the short-term may have some impacts on the development of the property industry. Looking forward, development opportunities will be mixed with challenges in 2011 based on the overview of China's economic development. The tightening policies introduced by the Central Government are showing signs of impact, and will effectively adjust the property price and the transaction volume in different cities and districts to a healthy level in long-term.

China's economic fundamentals are sound with the economy in sustainable growth, the disposable income of the people is rising, the consumer confidence index is persistently high, urbanisation is being accelerated and the inelastic demand for housing keeps increasing. These are important factors working to push forward the long-term and steady development of the property industry of China. Upholding the operation philosophy of "Stability, Prudence, Sustainability", the Group is cautiously optimistic in the short-term and is optimistic in the medium to long-term, and will make any necessary adjustment according to the market positioning of the products, the geographic locations and development potential, and to generate the best return for the Shareholders. The Group shall be keen to take on the challenges and seize the opportunities with strengths such as the professional experience of 19 years in property development, well-qualified management team, stable and long-term business partners, excellent brand name, strong competitiveness of the products, sound financial position and ample and superior land bank.

CHAIRMAN'S STATEMENT

Looking ahead, the Group will adhere to the idea of "Better Value For Money" in developing quality properties, to further encourage incorporating innovation and humanisation in product design by establishing a design research and development centre in order to ensure satisfactory profit and growth. The Group will strive to lift the sophistication of construction skills, continue to increase the proportions of top and high-end properties in order to meet the market demand for diversified and superior housing with appreciation potential.

The Group has been accumulating extensive experience in developing large-scale composite properties in city outskirts or cities of high growth potential, and these regions have very high development potential and plenty of room for appreciation. Therefore, the Group will continue to implement the development strategy and focus on develop large-scale composite projects, whereas hotels and investment properties will be supplementary so as to disperse the operational risk. Furthermore, while the Group continues to strengthen its business in the regions with existing projects, it will expand and identify other new opportunities in an active yet prudent manner, so as to take the Agile brand name to cities and regions with even higher development potential and enlarge the Group's market share.

Regarding operation management, with the expanding business scale, the Group makes an active effort to improve the core competitiveness of each segment and optimise the management model, including strengthening the enforcement in carrying out project development, enhancing the Group's management efficiency and cost-effectiveness, rigorously implementing the monitoring and controlling of dynamic costs, step up the Group's internal monitoring system and lift the standard of the Group's corporate governance. In achieving these objectives, one of the Group's key strategies is by applying the fast-developing information technology and strive to implement the electronic management platform and its related operating systems. With the vigorous drive in recent years, the information system of the Group is becoming more mature and sound that can act to support the highly efficient operations of the Group's chain of core business and demonstrate inter-departmental synergy.

The Group is committed to maintain the leading position in China's property industry and achieve a balanced growth, which is sustainable and steady, in order to maximise values and generate greatest returns for the Shareholders and customers. While maintaining the healthy and sustainable development, the Group would also continue its promise of undertaking social responsibility and obligations by taking part in public welfare and charity.

Appreciation

On behalf of the Board, I would like to take this opportunity to extend my wholehearted gratitude to our Shareholders, customers and business partners, for their tremendous support and trust, as well as the concerted effort of our staff, without them Agile would not be able to achieve steady growth and successive performance throughout the year.

CHEN Zhuo Lin
Chairman

Hong Kong, 16 March 2011

MANAGEMENT DISCUSSION AND ANALYSIS

Overall performance

During the year, the Group's turnover was approximately RMB20,520 million (2009: RMB13,331 million), representing an increase of 53.9% when compared with last year. The operating profit was approximately RMB10,765 million (2009: RMB3,721 million), representing an increase of 189.3% when compared with last year. Profit attributable to shareholders (including after tax revaluation gains on investment properties) was approximately RMB5,976 million (2009: RMB1,865 million), representing an increase of 220.4%. Earnings per share was RMB1.707 (2009: RMB0.518), representing an increase of 229.5%. Earnings per share excluding after tax revaluation gains on investment properties was RMB1.033 (2009: RMB0.518), representing an increase of 99.4% when compared with last year.

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 16 March 2011, the Group owned a diversified portfolio of 70 projects at various stages of development in 26 different cities and districts across China, located in Pearl River Delta Region, Eastern Guangdong Region, Yangtze River Delta Region, Western China Region, Hainan Province Region, Northeast China Region and Northern China Region. The Group has a land bank with a total GFA of 33.51 million sq.m., which is sufficient to cope with the development needs for the next 8 to 10 years.

During the year, the Group acquired land sites with a total GFA of approximately 4.04 million sq.m.. These newly acquired sites are located in Zhongshan, Huadu, Sanshui, Foshan, Nanjing, Shanghai, Shenyang, Tianjin and Hainan respectively.



MANAGEMENT DISCUSSION AND ANALYSIS

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

Site name	City/District	GFA (sq.m.)
Pearl River Delta Region		
Site in Agile Royal Mount, Zhongshan	Zhongshan	256,865
Site in Xiuli Lake, Wugui Mountain, Zhongshan	Zhongshan	33,318
Site in Shenchong, Zhongshan	Zhongshan	769,751
Site in National Road No. 107, Huadu	Huadu	174,964
Site in Gaofeng Village, Sanshui	Sanshui	186,667
Site in Chancheng District, Foshan	Foshan	73,716
Subtotal		1,495,281
Yangtze River Delta Region		
Site in Jiangning District, Nanjing	Nanjing	228,040
Site in Pukou District, Nanjing	Nanjing	748,643
Site in Pudong New District, Shanghai	Shanghai	144,141
Subtotal		1,120,824
Northeast China Region		
Site in Puhe New City, Shenyang	Shenyang	419,883
Northern China Region		
Site in Jinnan, Tianjin	Tianjin	752,725
Hainan Province Region		
Site in Chengmai, Hainan	Hainan	247,795
Total (As at 31 December 2010)		4,036,508

MANAGEMENT DISCUSSION AND ANALYSIS

Property development and sales

During the year, the Group's total recognised GFA sold was approximately 2,143,120 sq.m. and the corresponding total recognised sales was approximately RMB20,197 million, representing an increase of 8.9% and 54.7% respectively when compared with 2009. Total recognised sales in Zhongshan was approximately RMB5,039 million, accounting for 25% of the total recognised sales and representing an increase of 70% when compared with last year. The total recognised GFA sold in Zhongshan amounted to 731,869 sq.m., representing an increase of 25% when compared with 2009.

Total recognised sales in Guangzhou was approximately RMB2,522 million, accounting for 12.5% of the total recognised sales and representing an increase of 24.6% when compared with last year. The total recognised GFA sold in Guangzhou amounted to 179,859 sq.m., representing a decrease of 62.3% when compared with 2009.

Total recognised sales in Foshan was approximately RMB2,147 million, accounting for 10.6% of the total recognised sales and representing an increase of 28.1% when compared with last year. The total recognised GFA sold in Foshan amounted to 303,519 sq.m., representing an increase of 0.15% when compared with 2009.

Total recognised sales in Eastern Guangdong (such as Heyuan and Huizhou) was approximately RMB1,013 million, accounting for 5% of the total recognised sales and representing a decrease of 24.4% when compared with last year. The total recognised GFA sold in Eastern Guangdong amounted to 242,140 sq.m., representing an increase of 3.9% when compared with 2009.

Total recognised sales in Western China (such as Chengdu, Chongqing and Xi'an) was approximately RMB2,471 million, accounting for 12.2% of the total recognised sales and representing an increase of 295.6% when compared with last year. The total recognised GFA sold in Chengdu, Chongqing and Xi'an amounted to 390,569 sq.m., representing an increase of 282.1% when compared with 2009.

Total recognised sales in Nanjing was approximately RMB2,223 million, accounting for 11% of the total recognised sales and representing an increase of 110.9% when compared with last year. The total recognised GFA sold in Nanjing amounted to 134,314 sq.m., representing an increase of 65.9% when compared with 2009.

Total recognised sales in Hainan Clearwater Bay was approximately RMB4,781 million, accounting for 23.7% of the total recognised sales and representing an increase of 133.4% when compared with last year. The total recognised GFA sold in Hainan Clearwater Bay amounted to 160,850 sq.m., representing a decrease of 13.8% when compared with 2009.

During the year, the ASP of the Group increased by 42.1% to RMB9,424 in 2010 from RMB6,634 in 2009.

MANAGEMENT DISCUSSION AND ANALYSIS

The following table indicates the recognised GFA sold and recognised sales of each project in 2010:

Project Name	City/District	Recognised GFA sold (sq.m.)	Recognised Sales (RMB'000)	ASP (RMB per sq.m.)
Pearl River Delta Region				
Agile Garden Guangzhou	Panyu	13,840	81,019	5,854
Hongxi Huating Panyu	Panyu	14,524	173,468	11,944
Agile Cambridgeshire Guangzhou	Panyu	84,589	1,688,225	19,958
Royal Hillside Villa Guangzhou	Baiyun	39,205	387,104	9,874
Majestic Garden Huadu	Huadu	8,462	55,281	6,533
Lishang International Mansion Guangzhou	Liwan	604	1,914	3,169
Agile Binjiang Garden Conghua	Conghua	18,635	134,656	7,226
Metro Agile Zhongshan	Zhongshan	140,617	710,195	5,051
Agile Royal Mount Zhongshan	Zhongshan	39,706	557,386	14,038
The Century Zhongshan	Zhongshan	182,568	1,072,033	5,872
Agile Xiyue Zhongshan	Zhongshan	39,263	377,545	9,616
La Cité Greenville Zhongshan	Zhongshan	290,958	2,177,314	7,483
Agile Garden Dachong Zhongshan	Zhongshan	30,388	93,472	3,076
Majestic Garden Zhongshan	Zhongshan	1,957	5,635	2,879
Grand Garden Zhongshan	Zhongshan	1,955	6,703	3,429
Star Palace Zhongshan	Zhongshan	1,101	2,862	2,599
La Nobleu Zhongshan	Zhongshan	3,356	36,056	10,744
Agile Garden Foshan	Foshan	130,328	1,162,515	8,920
Majestic Garden Nanhai	Nanhai	23,604	149,980	6,354
Agile Garden Sanshui	Sanshui	75,744	381,172	5,032
Agile Garden Shunde	Shunde	73,843	453,633	6,143
Subtotal		1,215,247	9,708,168	7,989
Eastern Guangdong Region				
Agile Garden Heyuan	Heyuan	176,131	649,649	3,688
Agile Egret Lake Huizhou	Huizhou	66,009	363,250	5,503
Subtotal		242,140	1,012,899	4,183
Western China Region				
Agile Garden Chengdu	Chengdu	172,215	1,239,422	7,197
Agile International Garden Chongqing	Chongqing	68,803	423,925	6,161
Agile Garden Xi'an	Xi'an	149,551	807,749	5,401
Subtotal		390,569	2,471,096	6,327
Yangtze River Delta Region				
Agile Garden Nanjing	Nanjing	134,314	2,223,219	16,552
Hainan Province Region				
Hainan Clearwater Bay	Hainan	160,850	4,781,435	29,726
Total		2,143,120	20,196,817	9,424

MANAGEMENT DISCUSSION AND ANALYSIS

Investment properties

To continue with the prudent development strategy of the Group and to further diversify the business portfolio so as to generate a stable income for the Group, the Group decided to designate certain properties as properties held for long-term rental yields or intended to be held for future capital appreciation purpose. The fair value gains of these properties amounted to approximately RMB3,198 million and the related deferred income tax charged for the year was approximately RMB800 million.

Hotels

The Group continued to develop its hotel business in a prudent and cautious manner with a view to developing a diversified business portfolio and generating a stable and reliable revenue stream for the Group. During the year, the hotel operations segment of the Group recorded a revenue of approximately RMB50 million, representing an increase of 24.4% when compared with 2009, which was primarily attributable to the revenues generated from Guangzhou Agile Hotel and Foshan Agile Hotel. Shanghai Marriott Hotel City Centre, which was undergoing interior fitting-out works, is expected to open in 2011. The main structures of Raffles Sanya Clearwater Bay and Sheraton Egret Lake Resort Huizhou have been topped out and are planned to be open in or before 2012. Meanwhile, a number of other hotels and ancillary facilities of the Group are under different stages of development and will be put into operation over the next few years. It is expected that these hotels and auxiliaries will generate a stable cash flow for the Group in the long run.

Property management

The Group provides residents with safe, modern, comfortable, convenient and excellent property management services, the quality of which has been accredited with the ISO9001 International Quality System Certificate. During the year, the property management companies of the Group recorded property management fee income of approximately RMB257 million, representing an increase of 10.7% when compared with 2009, which was mainly attributable to the increase in GFA managed. During the year, the property management companies of the Group managed a total GFA of approximately 12.39 million sq.m. in Mainland China (2009: 10.70 million sq.m.).

With 18 years of experience in housing property management driven with the "Customer-oriented" service philosophy, the Group emphasised on communication with the residents in order to collect their opinions and to improve the quality of our services. During the year, the property companies had organised more than 380 different cultural activities in the community and published seasonal magazine "Agile Property Club" for residents. In addition, the centralised property the management software system was fully implemented at all the projects managed in China and will further optimise the effectiveness in management in order to support the sustainable development of the Group. During the year, the Group has officially initiated the financial cooperation with The Bank of East Asia (China) Limited to provide residents with a convenient one-stop financial services known as "Two Regions" to meet the demand of residents in respect of high-end tailor-made management services.

MANAGEMENT DISCUSSION AND ANALYSIS

Cost of sales

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

Cost of sales increased by 32.9% to approximately RMB11,131 million in 2010 from approximately RMB8,377 million in 2009. The increase was the result of the increase in the corresponding turnover (the turnover for the same period increased by 53.9%).

Gross profit

Gross profit of the Group (before land appreciation tax provision) increased by 89.5% to approximately RMB9,389 million in 2010 from approximately RMB4,954 million in 2009. Gross profit margin increased to 45.8% in 2010 from 37.2% in 2009. The significant increase was due to changes in product mix of the Group during the year, which led to (i) the higher overall average selling price than that in 2009; (ii) the higher gross profit margin of certain projects than that in 2009, in particular the relatively higher gross profit margin in the sales of villas in Hainan Clearwater Bay Project and Agile Cambridgeshire Guangzhou; and (iii) further improvement in the development and construction management cost.

Revaluation gains on investment properties

During the year, the Group recorded revaluation gains on investment properties of approximately RMB3,198 million. After deducting the amount of approximately RMB800 million for deferred income tax on revaluation gains, after tax revaluation gains were approximately RMB2,398 million.

Other gains

Other gains of the Group decreased by 53.5% to approximately RMB114 million in 2010 from approximately RMB244 million in 2009. The relatively higher other gains in 2009 was mainly attributable to gains of approximately RMB138 million resulting from the cancellation of a land acquisition agreement.

Selling and marketing costs

Selling and marketing costs of the Group increased by 29.3% to approximately RMB695 million in 2010 from approximately RMB537 million in 2009, which was mainly attributable to the increase in related promotional expenses for launching the new development projects, such as Hainan Clearwater Bay, Agile Cambridgeshire Guangzhou, Agile Garden Chengdu and etc. Meanwhile, in the wake of improved sentiment in the property market, in order to maintain its creditable sales performance, the Group increased its input in regular advertisement in 2010, which led to the advertisement expenses increased by 15.2% to approximately RMB516 million in 2010 from approximately RMB448 million in 2009.

MANAGEMENT DISCUSSION AND ANALYSIS

Administrative expenses

Administrative expenses of the Group increased by 17.4% to approximately RMB718 million in 2010 from approximately RMB612 million in 2009, which was mainly attributable to the change of the Group's salary structure and the recruitment of a large number of talented people to cope with the growth. Accordingly, salaries and wages increased by 10.5% to approximately RMB239 million in 2010 from approximately RMB216 million in 2009.

Other expenses

During the year, other expenses of the Group increased by 21.8% to approximately RMB398 million from approximately RMB327 million in 2009, which was mainly attributable to the premium of approximately RMB185 million paid for early redemption of 9% senior notes in the aggregate principal amount of US\$400 million due by 2013. On the other hand, the Group shouldered the corporate social responsibility and obligations by formulating a charity and public welfare plan, putting intensive effort in the development of education in China and playing an active role in realising the goal of promoting the harmonious development of the society. During the year, donations increased by 173.8% to approximately RMB155 million in 2010 from approximately RMB57 million in 2009.

Profit attributable to shareholders

Profit attributable to shareholders was approximately RMB5,976 million (2009: RMB1,865 million), representing an increase of 220.4%. After the deduction of after tax revaluation gains on investment properties, the profit attributable to shareholders of the Group was approximately RMB3,617 million, representing an increase of 93.9% when compared with 2009.

Liquidity, financial and capital resources

Cash position and fund available

As at 31 December 2010, the total cash and bank deposits of the Group were approximately RMB10,681 million (2009: RMB6,128 million), among which the non-restricted cash was approximately RMB6,482 million (2009: RMB4,372 million).

As at 31 December 2010, the carrying amount of the restricted cash was approximately RMB4,199 million (2009: RMB1,756 million).

MANAGEMENT DISCUSSION AND ANALYSIS

Borrowings

On 28 April 2010, the Company succeeded in issuing 8.875% senior notes in the aggregate principal amount of US\$650 million (equivalent to approximately RMB4,437 million) due by 2017.

As at 31 December 2010, the bank borrowings, senior notes and other borrowings of the Group was approximately RMB12,487 million, RMB6,120 million and RMB2,151 million respectively.

Repayment schedule	2010 (RMB million)	2009 (RMB million)
Bank borrowings		
Within 1 year	5,262	2,229
Over 1 year and within 2 years	2,782	2,414
Over 2 years and within 5 years	3,538	2,426
Over 5 years	905	380
Subtotal	12,487	7,449
Senior notes		
Over 2 years and within 5 years	—	2,681
Over 5 years	6,120	1,950
Subtotal	6,120	4,631
Other borrowings		
Over 1 year and within 2 years	2,151	—
Total	20,758	12,080

As at 31 December 2010, the Group's bank borrowings and other borrowings of approximately RMB5,928 million were secured by the Group's land use rights, investment properties and completed properties held for sale and the bank borrowings of approximately RMB2,432 million were secured by the Group's bank deposits. The senior notes were jointly and severally guaranteed by certain subsidiaries of the Group and were secured by the pledges of their shares. The net assets of these subsidiaries were approximately RMB9,606 million as at 31 December 2010 (2009: RMB5,201 million).

MANAGEMENT DISCUSSION AND ANALYSIS

Financial indicators

The following are key indicators of international rating agencies to measure the credit ratings of companies:

Key indicators of Corporate Credit Ratings	2010	2009
Fixed charge coverage ratio (times) (Note 1)	5.9	5.6
The ratio of net debt* to EBITDA** (times) (Note 2)	1.3	1.6
Net debt to total equity ratio (%) (Note 3)	49.6	39.5

Notes:

- (1) Fixed charge coverage ratio (calculated by the EBITDA over the total interest of bank loans, senior notes and other loans) was 5.9 times in 2010, reflecting that the Group has sufficient cash flow and profits to pay the interest expenses.
 - (2) The ratio of net debt to EBITDA (calculated by the net debt over the EBITDA) was 1.3 times in 2010, reflecting that the Group has adequate repayment ability.
 - (3) Net debt to total equity ratio (calculated by the net debt over the total equity) was 49.6% in 2010, demonstrating that the Group's gearing ratio is at a reasonable level.
- * Net debt is calculated by total debt net of cash and cash equivalent and restricted cash.
- ** The calculation of earnings before interest, taxation, depreciation and amortisation (EBITDA) excluded revaluation gains on investment properties. During the year, the EBITDA was approximately RMB7,669 million (2009: RMB3,659 million).

These indicators are at satisfactory levels, showing that the Group has excellent repayment capability and creditworthiness.

Currency risk

The proportion of each currency of the Group's total borrowings and cash balances is listed below:

	Total borrowings	Cash balances
Hong Kong dollars	9.7%	7.5%
US dollars	46.0%	23.2%
Renminbi	44.3%	69.3%
Total	100%	100%

MANAGEMENT DISCUSSION AND ANALYSIS

The Group conducts its business almost exclusively in Renminbi. Other than the foreign currency denominated bank deposits, the senior notes denominated in US dollars and the dual-currency revolving credit facility denominated in Hong Kong dollars and US dollars, the Group has no material exposure directly due to foreign exchange fluctuations. Due to the gradual appreciation of exchange rate for Renminbi against Hong Kong dollars and US dollars in 2010, there were approximately RMB235 million of exchange gains as at 31 December 2010 (2009: RMB3.4 million). Fluctuations in the exchange rate of Renminbi will not have material and unfavourable impacts on the operations of the Group.

Cost of borrowings

During the year, the total cost of borrowings of the Group was approximately RMB1,295 million, representing an increase of approximately RMB643 million when compared with 2009. The increase was mainly attributable to the higher average balance of bank borrowings in 2010 and the rise in effective interest rate.

Contingencies

The Group has in cooperation with certain financial institutions arranged mortgage loan facility for its purchasers of property and provided guarantees to secure obligations of such purchasers for repayments. As at 31 December 2010, the outstanding guarantees were approximately RMB13,092 million (2009: RMB11,234 million). Such guarantees terminate upon the earlier of (i) issuance of the real estate ownership certificate which will generally be available within one year after the purchasers take possession of the relevant property; or (ii) the satisfaction of relevant mortgage loan by purchasers.

Pursuant to the terms of the guarantee, 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 default in payments.

In addition, in 2010, the Group provided a guarantee of approximately RMB1,025 million in respect of the bank borrowings by Guangzhou Lihe Real Property Development Company Limited (the joint venture which holds Guangzhou Asian Games City Project), representing its shareholding ratio of 20%.

MANAGEMENT DISCUSSION AND ANALYSIS

Return on equity

Return on equity is calculated by dividing the profit attributable to shareholders of the Company by the capital and reserves attributable to shareholders of the Company. The return on equity for 2010 was 32% (2009: 13.3%), including revaluation gains on investment properties. Excluding revaluation gains on investment properties, the return on equity was 22.2% (2009: 13.3%).

	2010	2009
Profit attributable to shareholders of the Company (RMB'000)	5,975,707	1,865,160
Equity attributable to shareholders of the Company (RMB'000)	18,681,082	14,061,755
Return on equity (%)	32.0%	13.3%

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.

	2010	2009
Profit attributable to shareholders of the Company (RMB'000)	5,975,707	1,865,160
Weighted average number of ordinary shares in issue (thousands)	3,501,544	3,600,775
Basic earnings per share (RMB per share)	1.707	0.518

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 2010 and 2009.

MANAGEMENT DISCUSSION AND ANALYSIS

Commitments

As at 31 December 2010, commitments of the Group in connection with the property development activities were approximately RMB15,617 million (2009: RMB12,630 million). The Group has also committed to pay the land premium on land acquisitions which was approximately RMB4,732 million (2009: RMB4,620 million).

Human resources

As at 31 December 2010, the Group had a total of 9,299 employees, among which 336 were senior management and 736 were middle management. By geographical locations, there were 9,236 employees in the Mainland China and 63 employees in Hong Kong and Macau. For the year ended 31 December 2010, the total remuneration costs, including directors' remuneration, was RMB541 million (2009: RMB414 million).

PROPERTY DEVELOPMENT

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





PROPERTY DEVELOPMENT

Business Overview

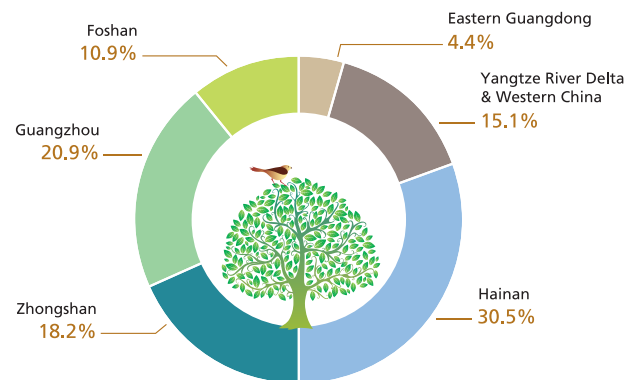
Business Overview

As one of the leading property developers in China, with the extensive experience, excellent management team and accurate judgement of the market, the Group had achieved remarkable results in sales, and excellent progress in project construction progress and acquisition of lands in prime location amid uncertainties of the property market during the year.

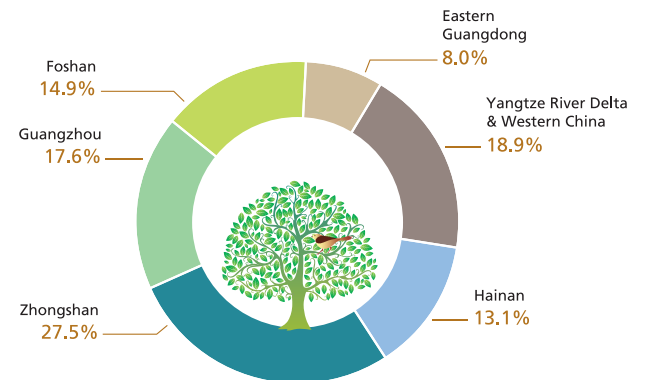
During the year, the Group had 32 projects on sale situated at 17 different cities and districts, including 4 new projects for sale, namely Agile Garden Huadu, Agile International Garden Chongqing, Agile Royal Mount Zhongshan and Agile Xiyue Zhongshan, and recorded contracted sales of approximately RMB32,300 million and contracted GFA sold of approximately 2.83 million sq.m., representing a year-on-year growth of 60.7% and 21.7% respectively with contracted ASP of RMB11,406 per sq.m..

In particular, the sales of projects outside Guangdong Province has been increasing and accounted for approximately 45.6% of the Group's total contracted sales. Such growth not only enhanced the overall project distribution but also effectively minimised the regional market risk.

Total contracted sales amounted to RMB32,300 million



Total contracted GFA amounted to 2.83 million sq.m.



PROPERTY DEVELOPMENT

Business Overview

The Group attained remarkable results in a number of projects with 9 of them recorded contracted sales of RMB1,000 million or above, including:

Project	Contracted sales (approximately RMB million)
Hainan Clearwater Bay	9,900
Agile Cambridgeshire Guangzhou	2,600
Agile Garden Guangzhou	2,600
La Cité Greenville Zhongshan	1,900
Agile Garden Nanjing	1,900
Agile Garden Chengdu	1,500
Agile Garden Shunde	1,500
The Century Zhongshan	1,200
Agile Royal Mount Zhongshan	1,000

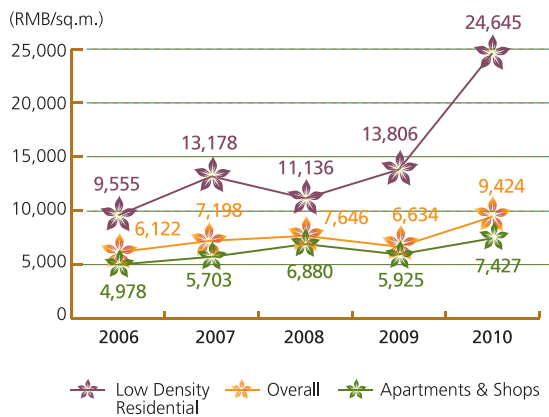
Among which the sales of Agile Royal Mount Zhongshan achieved excellent results since its launching in September 2010, with the contracted sales exceeding RMB1,000 million in just 4 months. Moreover, Guangzhou Asian Games City Project, in which the Group has 20% equity interest, was launched for sale in September 2010, and had achieved remarkable contracted sales of approximately RMB5,000 million in only 3 months. In addition, the results achieved by Agile Garden Guangzhou was excellent and was ranked 2nd in terms of units sold in Guangzhou in 2010 and was selected as a "Top 10 Best Selling Development (Guangzhou) on the Top Sales List of Property in China in 2010" by Netease Property Website, whereas the sale of Agile Garden Nanjing was accredited as the top three sales in Nanjing.

Recognised sales in 2010 was approximately RMB20,200 million, and recognised GFA sold was approximately 2.14 million sq.m., representing a year-on-year growth of 54.7% and 8.6% respectively with recognized ASP of approximately RMB9,424 per sq.m.. The following set forth the sales classified by products in the past few years.

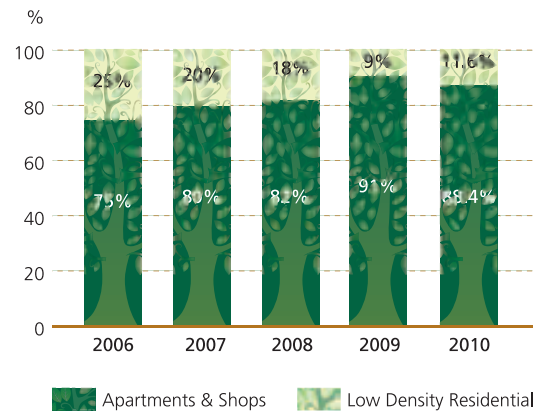
PROPERTY DEVELOPMENT

Business Overview

Recognised ASP trend (Classified by products)



Recognised GFA sold (Classified by products)



Since 2005, the Group has recorded remarkable growth in aspects of contracted sales, recognised sales, gross profit and net profit, with respective compound growth rate reaching 43.8%, 30.9%, 36.0% and 32.6%. Furthermore, gross profit margin and net profit margin during the year reached 45.6% and 19.6% respectively, with the performance being one of the best among the peers.

As at 16 March 2011, the Group had 70 projects in 26 different cities and districts in China and a land bank with a total GFA of approximately 33.51 million sq.m., which is sufficient to cope with the development needs of the Group in the next 8 to 10 years; the Group is able to keep the average land cost low at merely RMB1,132 per sq.m., which is only 9.9% of the contracted ASP in 2010. The Group is of strong belief that lands situated at prime location and at low cost can bring flexibility and competitiveness to its future development.



PROPERTY DEVELOPMENT

Business Overview

Land Bank (Classified by Location)

Land category	GFA (sq.m.)	Proportion	No. of projects	Land cost (RMB/sq.m.)
City centres	6,193,684	18.5%	33	2,231
City outskirts	13,492,853	40.2%	28	1,123
Cities with high growth potential	13,828,458	41.3%	9	507
Total	33,514,995	100%	70	1,132

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

Continuous product refinement is the Group's operation objective, and it also plays an important role to the sustainable growth of the business. To further establish a strong foundation for the long-term development of the business, the Group has established a product design centre in Hong Kong, thereby attracting architects, interior designers, master planners and landscape designers from around the world, in order to continuously lead the market by developing innovated, practical and user-friendly units and design.



PROPERTY DEVELOPMENT

Land Bank (as at 16 March 2011)

No.	Project Name	UnitCost per GFA (RMB/sq.m.)	Interests Attributable to the Group	Total Site Area (sq.m.)	Address
Pearl River Delta					
1	Agile Garden Guangzhou	289	100%	1,518,417	Nanda Road, Nancun Town, Panyu District, Guangzhou
2	Agile Cambridgeshire Guangzhou	259	100%	624,701	Caotang Village, Nanda Road, Nancun Town, Panyu District, Guangzhou
3	Jiacheng Mansion Panyu	3,650	100%	4,070	Dabei Road, Beicheng District, Shiqiao Street, Panyu District, Guangzhou
4	Hongxi Huating Panyu	3,905	100%	55,999	West of Guangmingbei Road & South of Donghuan Road, Shiqiao Town, Panyu District, Guangzhou
5	Panyu Southern District Qingxin Road Project	5,409	100%	60,747	Qingxin Road, South Zone, Central Area, Panyu District, Guangzhou
6	Panyu Shilou Town Project	2,972	100%	14,388	Chigang Village, Shilou Town, Panyu District, Guangzhou
7	Panyu Southern District Project	3,536	100%	103,825	North of Binjiang Avenue & East of Guangmingnai Road, South Zone, Central Area, Panyu District, Guangzhou
8	Guangzhou Asian Games City Project (Note 2)	5,822	20%	2,640,000	Asian Games City, Southern Part of Lianhua Mountain, Panyu District, Guangzhou
9	South Lagoon Guangzhou	357	100%	304,422	No.998, Tonghe Road, Baiyun District, Guangzhou
10	Royal Hillside Villa Guangzhou	400	100%	122,742	No.1168, Tonghe Road, Baiyun District, Guangzhou
11	Guangzhou Royal Hillside Villa No.3 Land	361	100%	39,384	Tonghe Road, Baiyun District, Guangzhou
12	Lishang International Mansion Guangzhou	5,700	100%	6,862	No.97-137, Wenchangnan Road, Liwan District, Guangzhou
13	Guangzhou Haizhu Project	5,700	100%	4,642	Tong Fuzhong Road, Haizhu District, Guangzhou
14	Guangzhou Science City Project	7,074	100%	306,812	Science City, Luogang District, Guangzhou
15	Guangzhou Zhujiang New City Project	3,674	100%	5,729	B Zone, Zhujiang New City, Tianhe District, Guangzhou
16	Majestic Garden Huadu	345	100%	154,081	No.108, Tianguai Road, Huadu District, Guangzhou
17	Furong Town Project Huadu	375	100%	52,600	Furong Xinzhuang Village, Huadu District, Guangzhou
18	Agile Garden Huadu	1,781	100%	274,384	No.107 National Road, Huadu District, Guangzhou
19	No.107 National Road Commercial Project Huadu	2,515	100%	87,482	No.107 National Road, Huadu District, Guangzhou
20	Zengcheng Project	1,791	100%	44,672	Yangxi Shanggao City, Qingfeng Village, Licheng Street, Zengcheng
21	Agile Binjiang Town Conghua	396	100%	303,358	Yanjiang South Road, Jiangpu Street, Conghua
22	Conghua Liangkou Town Project	1,148	100%	131,091	Adjacent to No.105 Subway, Reshui Village, Liangkou Town, Conghua
23	Conghua Jiekou Town Project	3,018	100%	442,866	Jiekou Town, Conghua
24	La Cité Greenville Zhongshan	187	100%	1,970,275	Changjiang Resort & Development Zone, Zhongshan
25	La Nobleu Zhongshan	250	100%	541,546	Changjiang Resort & Development Zone, Zhongshan
26	Shenchong Project Zhongshan	1,296	100%	485,656	Shenchong Village, Huoju Development Zone, Zhongshan
27	Metro Agile Zhongshan	117	100%	667,663	Sanxiang Town, Zhongshan
28	Majestic Garden Zhongshan	565	100%	143,377	Junction of Bo'ai Road and Qiguan West Road, East District, Zhongshan
29	Grand Garden Zhongshan	250	100%	96,374	Junction of Bo'ai Road and Xingzhong Road, East District, Zhongshan
30	Star Palace Zhongshan	278	100%	112,155	Junction of Bo'ai Road and Chenggui Road, East District, Zhongshan
31	The Riverside Zhongshan	739	100%	102,226	Henghai Road, Zhongshan
32	The Century Zhongshan	394	100%	487,871	Junction of Bo'ai Road and Qijiang River, Zhongshan
33	Agile Garden Dachong Zhongshan	337	100%	122,000	Nanwen Village, Dayong Town, Zhongshan
34	Zhongshan No.1 Ever Creator Project	65	100%	587,289	Qanyan and Yagang Administration Zones, Sanxiang Town, Zhongshan
35	Phase II The Landmark Zhongshan	1,112	100%	15,968	Junction of Bo'ai Road and Qiguan West Road, East District Zhongshan
36	Zhongshan Minzhong Town Project	260	100%	63,450	Xinsheng Village, Minzhong Town, Zhongshan
37	Zhongshan Western District Bo'ai Road Project	601	100%	375,357	Junction of Bo'ai Road and Qiguan West Road, East District Zhongshan
38	Agile Xiyue Zhongshan	2,054	100%	37,648	Xingwen Road, East District, Zhongshan
39	Agile Royal Mount Zhongshan	419	100%	563,253	Guinan Village, Wugui Mountain, Zhongshan
40	Zhongshan Wugui Mountain Xiuli Lake Project (Note 2)	7,563	50%	111,060	Changmingshui Village, Wugui Mountain Town, Zhongshan
41	Zhangjiabian Project Zhongshan	800	100%	164,539	Zhangjiabian Administration Zone, Huoju Development Zone, Zhongshan
42	Zhongshan Kunlun Hotel Project	1,429	100%	29,267	8 Nanqi North Road, Nanlang Town, Zhongshan
43	Zhongshan Nanlang Binhai Project	671	100%	347,323	Linguo Station, Cuiheng Village, Nanlang Town, Zhongshan
44	Tanzhou Yuzhoucun Project Zhongshan	520	100%	124,345	Tanzhou Town, Zhongshan
45	Majestic Garden Nanhai	510	100%	601,230	Suiyan Road, Nanhai District, Foshan
46	Nanhai Xiqiao Commercial Project	1,223	100%	52,950	Xiqiao Town, Nanhai District, Foshan
47	Imperial Palace (formerly known as Nanhai Yanbu Project)	3,004	100%	106,524	Site of Guangzhou-Foshan New Expressway, Yanbu, Dali Town, Nanhai District, Foshan
48	Agile Garden Foshan	2,202	100%	184,373	Junction of Lüjing Road and Wenhua Road, Chancheng District, Foshan
49	Foshan Chancheng District Project	7,122	100%	29,486	North of Kuiqi Road & West of Wenhua Road, Chancheng District, Foshan
50	Agile Garden Sanshui	318	100%	266,672	East of Xi'an Guanghai Road, Sanshui District, Foshan
51	Sanshui Gaofeng Village Project	2,164	100%	140,261	Gaofeng Village, Xi'an Street, Sanshui District, Foshan
52	Agile Garden Shunde	962	100%	212,410	No.18, Nan Zone, Daliang, Shunde District, Foshan
53	Shunde Lecong Project	3,454	100%	97,474	South Zone, Lecong Town, Shunde District, Foshan
Subtotal		1,874		16,143,296	
Eastern Guangdong					
54	Agile Garden Heyuan	267	100%	1,364,741	Huangsha Road Central, Heyuan
55	Agile Egret Lake Huizhou	325	100%	2,000,000	Jiaodong Reservoir, Ruhu Town, Huicheng District, Huizhou
Subtotal		292		3,364,741	
Yangtze River Delta					
56	Agile Garden Nanjing	4,242	100%	141,178	No. 33 Longpan South Road, Nanjing
57	Nanjing Qinhuai District Project	11,745	100%	59,900	Mendong Changledu, Qinhuai District, Nanjing
58	Nanjing Jiangning District Project	4,407	100%	114,020	Jiangning District, Nanjing
59	Nanjing Pukou District Project	7,661	100%	299,457	Pukou District, Nanjing
60	Changzhou Longcheng Avenue Project	1,679	100%	223,906	Longcheng Avenue, Xinbei District, Changzhou
61	Agile International Plaza Shanghai	15,285	100%	13,192	No. 559, Tibetan Road Central, Huangpu District, Shanghai
62	Shanghai Pudong New District Project	2,984	100%	1,441,967	No. 5333, Dagong Road, Binhai Town East, Pudong New District, Shanghai
Subtotal		5,086		2,293,620	
Western China					
63	Agile Garden Chengdu	1,163	100%	1,338,960	No. 19, Section 2, Lishan Avenue, Wan'an Town, Shuangliu County, Chengdu
64	Agile Garden Xi'an	450	100%	90,644	East of Donghuan Road, Industrial Zone, Guodu Street, Chang'an District, Xi'an
65	Xi'an Chang'an District Project	2,566	100%	120,333	Banmaopo Village, Guodu Street, Chang'an District, Xi'an
66	Agile International Garden Chongqing	880	100%	321,073	Huilong Road, Nanping Jingkai District, Chongqing
Subtotal		1,245		1,871,010	
Hainan Province					
67	Hainan Clearwater Bay	273	70%	9,096,570	Clearwater Bay, Yingzhou Town, Lingshui Li Minority Autonomous County, Hainan Province
68	Hainan Chengmai Project	420	100%	99,118	North Side of Huacheng, Jinjiang Town, Chengmai County, Hainan Province
Subtotal		276		9,195,688	
Northeast China					
69	Shenyang Puhe New City Project	565	100%	533,392	West Side, No. 101 National Road, Shenbei District, Shenyang
Northern China					
70	Tianjin Jinnan Project (Note 2)	2,341	25%	1,289,227	Xianshuigu Town, Jinnan District, Tianjin
Grand Total (Note 3)		1,132 (Note 4)		34,690,974	

Note:
1. Land bank = A+B+C+D
2. Total site area and total GFA of Guangzhou Asian Games City Project, Tianjin Jinnan Project and Zhongshan Wugui Mountain Xiuli Lake Project are the total area of the overall projects; while the area set out in the column of land bank is the area proportional to the respective 20%, 25% and 50% equity interests held by the Group.
3. Besides the above information, the Group holds 70% equity interest in lands (including agricultural land and others) with site area of approximately 1.11 million sq.feet in the New Territories, Hong Kong as at 16 March 2011, and is intended to submit its application for amendment of plan to the relevant government department.
4. The unit cost per GFA is calculated according to the attributable land bank of the Group.

	Total GFA of the Project (sq.m.)	Land Bank (sq.m.) (Note 1)								
		Total GFA(A) (sq.m.)	Investment Property	Property Development						
				Under Development (B)	Development Stage (C)			Planning Nature (D)		
					Completed for Sale (C1)	Under Development (C2)	Held for Future Development (C3)	Residential & Ancillary Facilities (D1)	Hotel (D2)	Commercial & Office (D3)
	1,655,026	325,173	—	4,562	233,159	87,452	325,173	—	—	
	1,128,255	1,043,684	—	14,623	381,576	647,485	1,043,684	—	—	
	10,410	10,410	—	—	—	10,410	10,410	—	—	
	117,791	53,983	18,277	494	35,212	—	29,760	—	24,223	
	154,077	154,077	—	—	154,077	—	154,077	—	—	
	25,898	25,898	—	—	25,898	—	25,898	—	—	
	134,607	134,607	—	—	—	134,607	134,607	—	—	
	4,380,000	802,668	—	177,962	—	624,706	761,148	—	41,520	
	274,951	1,482	—	1,482	—	—	1,482	—	—	
	179,354	3,831	—	3,831	—	—	3,831	—	—	
	78,768	78,768	—	—	—	78,768	78,768	—	—	
	54,864	15,057	—	680	14,377	—	15,057	—	—	
	24,834	24,834	—	—	—	24,834	24,834	—	—	
	613,624	613,624	—	—	—	613,624	613,624	—	—	
	88,466	88,466	88,466	—	—	—	—	—	88,466	
	250,948	107	—	107	—	—	107	—	—	
	84,160	84,160	—	—	84,160	—	84,160	—	—	
	652,102	652,102	—	—	246,371	405,731	652,102	—	—	
	174,964	174,964	—	—	—	174,964	—	—	174,964	
	111,680	111,680	—	—	111,680	—	111,680	—	—	
	346,674	1,160	—	1,160	—	—	1,160	—	—	
	47,438	47,438	—	—	—	47,438	47,438	—	—	
	434,023	434,023	—	—	—	434,023	434,023	—	—	
	1,889,961	528,018	—	3,657	339,027	185,334	490,597	—	37,421	
	368,017	14,964	—	5,453	—	9,511	14,964	—	—	
	769,751	769,751	—	—	—	769,751	769,751	—	—	
	1,260,274	444,243	—	22,290	329,055	92,898	444,243	—	—	
	236,926	359	—	359	—	—	359	—	—	
	150,357	594	—	594	—	—	594	—	—	
	176,226	405	—	405	—	—	405	—	—	
	72,645	3,850	—	3,850	—	—	3,850	—	—	
	916,486	487,352	—	45,353	249,731	192,268	487,352	—	—	
	203,567	78,117	—	78,117	—	—	78,117	—	—	
	880,934	858,870	—	—	—	858,870	858,870	—	—	
	16,144	16,144	—	—	—	16,144	16,144	—	—	
	95,175	95,175	—	—	—	95,175	95,175	—	—	
	1,444,668	1,444,668	—	—	—	1,444,668	1,444,668	—	—	
	82,732	40,795	—	40,795	—	—	40,795	—	—	
	1,126,505	1,088,867	—	10,705	434,097	644,065	1,088,867	—	—	
	66,636	33,318	—	—	—	33,318	33,318	—	—	
	246,808	246,808	—	—	150,628	96,180	246,808	—	—	
	87,801	87,801	—	—	—	87,801	—	21,854	65,947	
	491,859	491,859	—	—	—	491,859	491,859	—	—	
	373,035	373,035	—	—	253,047	119,988	373,035	—	—	
	859,757	34,379	—	34,379	—	—	34,379	—	—	
	153,034	91,099	—	—	91,099	—	35,748	—	55,351	
	372,834	372,834	—	—	201,143	171,691	372,834	—	—	
	365,181	83,526	—	6,245	31,315	45,966	83,526	—	—	
	73,716	73,716	—	—	—	73,716	73,716	—	—	
	480,316	210,867	—	806	203,041	7,020	210,867	—	—	
	370,653	370,653	—	—	—	370,653	370,653	—	—	
	488,500	362,213	—	469	237,481	124,263	304,213	25,000	33,000	
	292,422	292,422	—	—	75,740	216,682	292,422	—	—	
	25,435,834	13,878,898	106,743	458,378	3,881,914	9,431,863	13,311,152	46,854	520,892	
	2,729,481	2,310,028	—	38,792	146,406	2,124,830	2,207,431	60,000	42,597	
	2,000,000	1,684,357	16,470	2,398	278,133	1,387,356	1,569,338	97,082	17,937	
	4,729,481	3,994,385	16,470	41,190	424,539	3,512,186	3,776,769	157,082	60,534	
	358,980	29,120	—	3,707	25,413	—	29,120	—	—	
	59,600	59,600	—	—	—	59,600	30,000	—	29,600	
	228,040	228,040	—	—	—	228,040	228,040	—	—	
	748,643	748,643	—	—	—	748,643	748,643	—	—	
	559,765	559,765	—	—	—	559,765	559,765	—	—	
	93,330	93,330	21,222	—	72,108	—	—	60,980	32,350	
	433,260	433,260	—	—	—	433,260	200,992	—	232,268	
	2,481,618	2,151,758	21,222	3,707	97,521	2,029,308	1,796,560	60,980	294,218	
	1,606,752	1,063,318	—	88,077	68,990	906,251	1,023,318	40,000	—	
	234,439	89,054	—	107	88,947	—	89,054	—	—	
	369,505	369,505	—	—	—	369,505	369,505	—	—	
	463,843	391,052	—	3,288	118,070	269,694	391,052	—	—	
	2,674,539	1,912,929	—	91,472	276,007	1,545,450	1,872,929	40,000	—	
	9,854,037	9,453,770	—	36,576	1,408,532	8,008,662	8,858,968	544,842	49,960	
	247,795	247,795	—	—	—	247,795	247,795	—	—	
	10,101,832	9,701,565	—	36,576	1,408,532	8,256,457	9,106,763	544,842	49,960	
	1,122,735	1,122,735	—	—	280,190	842,545	1,122,735	—	—	
	3,010,901	752,725	—	—	—	752,725	752,725	—	—	
	49,556,940	33,514,995	144,435	631,323	6,368,703	26,370,534	31,739,633	849,758	925,604	

PROPERTY DEVELOPMENT

Projects Overview (as at 16 March 2011)

Pearl River Delta			
	No. of Project	Project Total GFA (sq.m.)	Land bank (sq.m.)
Panyu	8	7,606,064	2,550,500
Baiyun	3	533,073	84,081
Tianhe	1	88,466	88,466
Liwan	1	54,864	15,057
Haizhu	1	24,834	24,834
Luogang	1	613,624	613,624
Zengcheng	1	111,680	111,680
Huadu	4	1,162,174	911,333
Conghua	3	828,135	482,621
Zhongshan	21	10,956,507	7,104,993
Nanhai	3	1,385,625	498,312
Foshan	2	438,897	157,242
Sanshui	2	850,969	581,520
Shunde	2	780,922	654,635
Total	53	25,435,834	13,878,898

Eastern Guangdong			
	No. of Project	Project Total GFA (sq.m.)	Land bank (sq.m.)
Heyuan	1	2,729,481	2,310,028
Huizhou	1	2,000,000	1,684,357
Total	2	4,729,481	3,994,385

Yangtze River Delta			
	No. of Project	Project Total GFA (sq.m.)	Land bank (sq.m.)
Nanjing	4	1,395,263	1,065,403
Changzhou	1	559,765	559,765
Shanghai	2	526,590	526,590
Total	7	2,481,618	2,151,758

Northeast China			
	No. of Project	Project Total GFA (sq.m.)	Land bank (sq.m.)
Shenyang	1	1,122,735	1,122,735
Total	1	1,122,735	1,122,735

Hainan Province			
	No. of Project	Project Total GFA (sq.m.)	Land bank (sq.m.)
Lingshui	1	9,854,037	9,453,770
Chengmai	1	247,795	247,795
Total	2	10,101,832	9,701,565

Western China			
	No. of Project	Project Total GFA (sq.m.)	Land bank (sq.m.)
Chengdu	1	1,606,752	1,063,318
Xi'an	2	603,944	458,559
Chongqing	1	463,843	391,052
Total	4	2,674,539	1,912,929

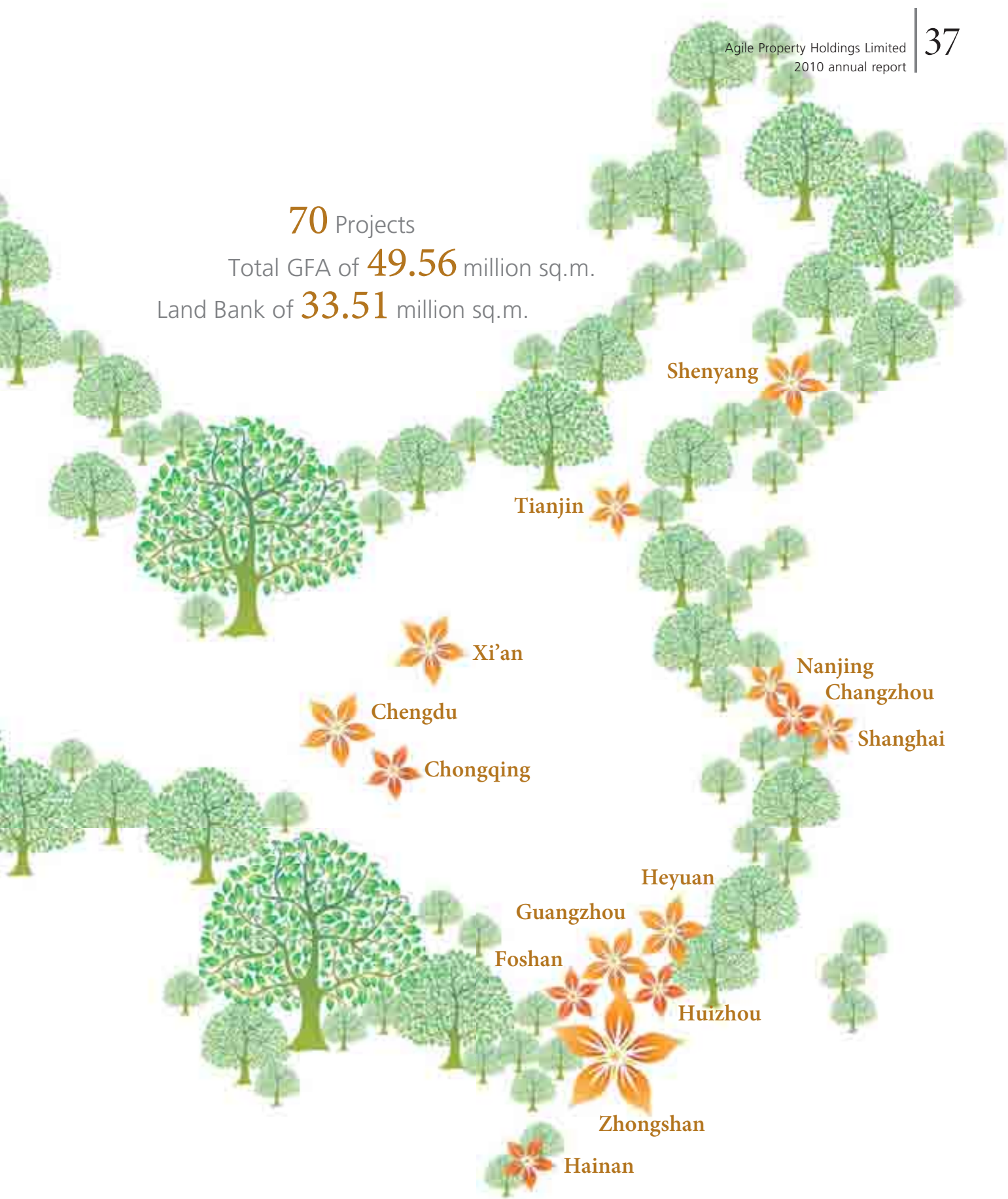
Northern China			
	No. of Project	Project Total GFA (sq.m.)	Land bank (sq.m.)
Tianjin	1	3,010,901	752,725
Total	1	3,010,901	752,725



70 Projects

Total GFA of 49.56 million sq.m.

Land Bank of 33.51 million sq.m.



Shenyang

Tianjin

Xi'an

Nanjing

Chengdu

Changzhou

Shanghai

Chongqing

Heyuan

Guangzhou

Foshan

Huizhou

Zhongshan

Hainan

PROPERTY
DEVELOPMENT

Flagship Projects at a Glance



Renowned Brands



HAINAN CLEARWATER BAY

Hainan Clearwater Bay is geographically well-located, with only 50 minutes' drive from Sanya Phoenix International Airport and only an hour to Haikou by Eastern Ring City Railway. The project's master planning, architectural design, landscape design, interior design and yacht club design have been the masterpieces of professional teams from the United States, Singapore, Hong Kong, Thailand and France. Adjacent to top class ancillary facilities, including 3 seaside 18-hole golf courses, 6 international five-star premium hotels, luxurious yacht club, commercial centre, the project also features a beautiful beach of approximately 12 kilometre-long and embodies vacation, tourism, health-keeping, business, sports and fine residence as a whole and starts a new era for China's tourism properties.

Recent key honours:

- Capital China — Deluxe Residence of Highest Investment Value (資本中國 — 最具投資價值豪宅項目)
- 2009 Customer's Favourite Development in Hainan Top Five (2009海南五大消費者最喜愛樓盤)
- 2009 The Most Influential Development in China (2009中國最具影響力樓盤)
- 2009 China Guangxia Award — Excellent Tourism Property Award in Hainan (2009年中國廣廈獎 — 海南優秀房地產旅遊地產獎)
- 2009 The Most Treasurable Seafont Deluxe Residential Community (2009最值得珍藏的濱海豪宅社區)





Total GFA
9,854,037 sq.m.



PROPERTY
DEVELOPMENT

Flagship Projects at a Glance



Renowned Brands



AGILE GARDEN NANJING

Agile Garden Nanjing is located at the south of Qinhuai Government Offices Building, neighbouring the Ming Dynasty City Wall, Qinhuai River, Wudingmen Park, Bailuzhou Park and the business circle of Fuzi Temple, thus enjoying a profound wealth of history and culture. The project, as a unique and superior international community in Nanjing City, comprises 22 high-class residential buildings and apartments with community resources and facilities, including a green concourse, a central lake, a wide water-themed park, kindergartens, primary schools and shops converging on it.

Recent key honours:

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

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

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

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

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

Three-star Community with Gardens (三星級園林小區)





Total GFA
358,980 sq.m.



PROPERTY DEVELOPMENT

Flagship Projects at a Glance



Renowned Brand



AGILE GARDEN XI'AN

Agile Garden Xi'an is located in Changan District of Xi'an, which is enriched with profound traditional Chinese culture, and is adjacent to High-tech Industry Development Zone to the west and Western University City to the south. The project consists of 21 high-rise residential buildings, with overall planning interspersed with the theme of waterscapes and kneaded with the sophisticated elements of European classic gardens. The community, with greenery ratio reached 40% and building density of merely 15%, is equipped with pleasing ancillary facilities such as luxurious club houses, schools, sports arenas and shopping streets to meet residents' pursuit of refined life style.

Recent key honours:

Classic Development Most Suitable for Living (宜居典範樓盤)

2010 Best View Residential Development in Xi'an (2010年西安樓市最佳景觀樓盤獎)

2010 Best Selling Residential Development in Xi'an (2010年西安樓市熱銷樓盤獎)

Total GFA
234,439 sq.m.



AGILE INTERNATIONAL GARDEN CHONGQING

Agile International Garden Chongqing is located in the centre of the city south, neighbouring Jiangnan University City. With the greenery ratio reached 50%, the project is a low-density green community that is rarely found in the city. As a masterpiece among local luxurious developments, the project consists of a water-themed garden of 60,000 sq.m., with hundreds of rare and precious vegetation distributed along the scenic boulevard of 20,000 sq.m., thereby shaping up an interspersing three-dimensional landscape.

Recent key honours:

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

The Most Suitable for Living Development (最佳宜居樓盤)

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

2009 Chongqing Three Gorges Cup for Superior Structural Engineering (2009年度重慶市
三峽杯優質結構工程)

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

Renowned Brand



Total GFA
463,843 sq.m.



PROPERTY
DEVELOPMENT

Flagship Projects at a Glance



Renowned Brands

峰會
WINNER
會

圓舞曲

小城故事

天玺

香華山
雅居樂

AGILE GARDEN CHENGDU

Agile Garden Chengdu is located in the city south with the highest development potential. The architectural and landscape designs have blended in strong essence of South California, advertising LOHAS in the themes of "Leisure Living", "Friendly Neighbourhood" and "Treasure the Nature". The community is abundantly planted with vegetation, creating a delightful community atmosphere with an artistic garden, a cordial quietness and an ever-changing charm. The elegant garden view, the perfect architecture and comprehensive ancillary facilities of the project embodying the essence of a green, healthy, convenient and leisure living.

Recent key honours:

Masterpiece Representing the Market Trend of Chengdu in the New Millennium
(壹零年代成都房地產市場趨勢代表項目)

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

2009 20 Classic Developments Leading Better Quality of Life in Chengdu
(2009引領成都國際南城品質生活二十大經典樓盤)





Total GFA
1,606,752 sq.m.



PROPERTY
DEVELOPMENT

Flagship Projects at a Glance



Renowned Brands

AGILE CAMBRIDGESHIRE
GUANGZHOU

Agile Cambridgeshire Guangzhou is located in Panyu and is embraced on three sides by the mountain while overlooking the University City opposite the Pearl River on the north, thus affording the unique experience of "heading to hustle and bustle or return to the landscape" in just 15 minutes. The project is the unreserved efforts made jointly by international design teams from Hong Kong and Singapore, together with top-notch modern architectural planning and landscape design to create a new classic masterpiece for majestic residence. Equipped with 10 major ancillary facilities, riverside villas, luxurious hillside view villas and apartments are the undoubted choice for the well-educated and the rich.

Recent key honours:

- Top Sellers in Panyu District, Guangzhou, China in the Second Half of 2010
(2010上半年中國樓市(廣州)番禺區銷售金額冠軍)
- 2010 Best High-end Community (2010年度最佳高尚社區)
- 2010 The Most Anticipated Development in Guangzhou (2010年度廣州最值得期待樓盤)
- 2010 High-end Property Award in Southern China (2010年度中國(華南)高端物業獎)
- 2010 Green and Low-carbon Development (2010地產網絡盛典綠色低碳樓盤)
- 2010 Favourite Choice for Consumers (2010華南消費者最喜歡的標杆項目)
- Trump Villa in Guangdong (廣東地產領袖榜王牌別墅)
- 2010 Image Ambassador Development of the Asian Games (2010亞運形象大使樓盤)





Total GFA

1,128,255 sq.m.

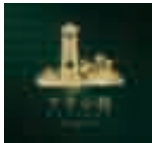


PROPERTY
DEVELOPMENT

Flagship Projects at a Glance



Renowned Brands



AGILE GARDEN GUANGZHOU

Agile Garden Guangzhou is located in Panyu. The project enjoys a comprehensive transportation network and is a famous residential community with ancillary facilities, including a club house, Guangzhou Agile Hotel, commercial streets and top garden landscaping. Since its launching in 2000, the project hit the sales record in Guangzhou for numerous times. In 2010, its brand new phase "Over the Past Decade" (十年小雅) was launched, and was much sought after in the market due to its superb quality, recorded contracted sales of RMB2.6 billion.

Recent key honours:

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

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

2010 Top 10 Best Selling Famous Developments (Guangzhou)

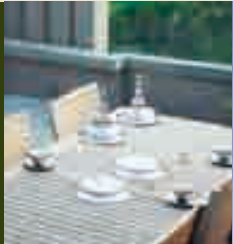
(2010年度中國地產冠軍榜(廣州)十大暢銷名盤)

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

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

Total GFA

1,655,026 sq.m.



AGILE GARDEN HUADU

Located in the centre of development in Huadu, Agile Garden Huadu is overlooking Tianma River Wetland Park, a large-scale ecological garden, and is comprehended with schools, supermarkets, recreation and entertainment facilities. The project occupies a site area of over 270,000 sq.m., providing over 7,000 units. Its first phase, namely "Huajianji" (花間集), was designed and planned in a unique layout so that a view is afforded to every unit, while the N+1 design has been adopted to ensure high efficiency rate, together with top fitting-outs with European and American brands, all of these make it the landmark development in Huadu.

Recent key honours:

2010 The Most Popular Residential Development (2010年度金牌住宅樓盤)
Sales Champion for Individual Development in Huadu (花都市單盤成交冠軍)

Renowned Brand



Total GFA
652,102 sq.m.



PROPERTY DEVELOPMENT

Flagship Projects at a Glance



Renowned Brands

CENTURY LEGEND
世紀傳頌



峇峇
ROYAL
SUMMIT
皇峯

THE CENTURY ZHONGSHAN

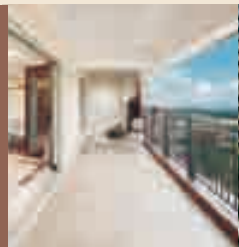
The Century Zhongshan is located at the junction of Qijiang River, the “mother river” of Zhongshan, and is 5 minutes’ drive to numerous popular business districts. The project is near to the entrance of Beijing-Zhuhai Expressway, and access to Guangzhou and Zhuhai is extremely convenient. With a splendid river view and well-developed ancillary facilities, including banks, hospitals, schools at various levels, the project has become a landmark property development in Zhongshan.

Recent key honours:

2008 Zhongshan City Development Contribution Award (2008年度中山城市營造貢獻大獎)
Most Glamorous Properties and Beautiful Landscape Award in Zhongshan (中山最美樓盤及最美景觀獎)

Total GFA

916,486 sq.m.



AGILE GARDEN FOSHAN

Agile Garden Foshan is situated at the core of downtown Foshan, which is geographically well located, and fully developed ancillary facilities such as Asian Art Park, Guangzhou-Foshan Metro Station, Lingnan Pearl Sports Centre as well as key educational institutes that are readily accessible. Featuring a deluxe clubhouse and commercial streets, the project is a famous local commercial and residential community.

Recent key honours:

Model Community in Property Management in Foshan (佛山市物業管理示範社區)
Most Popular Deluxe Residence of the Year (年度金牌豪宅)
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 Gold Award for Star Property (2009年度明星樓盤金獎)

Renowned Brand



Total GFA
365,181 sq.m.



PROPERTY DEVELOPMENT

Flagship Projects at a Glance



Renowned Brand



AGILE ROYAL MOUNT ZHONGSHAN

Agile Royal Mount Zhongshan is located at Wugui Mountain Ecological Reserve of Zhongshan City, and is close to Shiqi downtown to the north and Zhongshan Hot Spring Tourist Zone to the south. The project is adjacent to the entrance of Hong Kong-Zhuhai-Macao Bridge and Guangzhou-Zhuhai Light Rail Station, which are under construction. While hiding in the verdant hilly and enjoying abundant natural resources, the project fully enjoys the charming landscape of Zhongshan Hot Spring Golf Club. In addition, the community greenery ratio reached 38%, making it the ideal place for comfortable and healthy living.

Recent key honour:

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





Total GFA
1,126,505 sq.m.



PROPERTY DEVELOPMENT

Flagship Projects at a Glance



Renowned Brand



AGILE XIYUE ZHONGSHAN

Agile Xiyue Zhongshan is at the prime location of Zhongshan. The project is a deluxe delicate production by Agile in 2010 with every plant or tile being the finest selection. The greenery ratio of the community is as high as 35% and the architecture is in the form of a circular closing-in design to ensure that every unit is afforded a beautiful view of the lake, the bay and the pond in the community. Intelligent property management is implemented and attentive services are provided. A fitness room, a billiard room, a yoga hall and an art collection house are the enviable facilities in the water front club house for the enjoyment of privileged residents.

Total GFA

82,732 sq.m.



METRO AGILE ZHONGSHAN

Metro Agile Zhongshan is located at the heart of Sanxiang Town in Zhongshan with approximately 30 minutes' drive from Hong Kong — Zhuhai — Macao Bridge, which is under construction. The project is adjacent to the hub of government offices building, the exhibition, convention and cultural centre, hotels and the commercial area. As a very famous local large-scale deluxe residence development, the project was the work of famous international designers and has the pleasant environs of a European town equipped with club houses and commercial facilities.

Recent key honour:

Excellent Model Residential Community for National Property Management
(全國城市物業管理優秀示範住宅小區)

Renowned Brands



Total GFA
1,260,274 sq.m.



PROPERTY DEVELOPMENT

Flagship Projects at a Glance



Renowned Brands



LA CITÉ GREENVILLE ZHONGSHAN

La Cité Greenville Zhongshan is located within the Zhongshan Changjiang Tourism Scenery Area, neighbouring one of the Top Ten National 36-hole International Golf Courses, Changjiang Reservoir and Wugui Mountain and enjoys the greenery landscape, fresh air and excellent water quality. Planning of the project is based on the theme of green health and modeled on European style, which has fully embodied the integration of people and nature. Since its launching in 2002, the project has been the champion in terms of sales in Zhongshan.

Recent key honours:

Diamond Quality Property (鑽石級優質樓盤)

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

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





Total GFA
1,889,961 sq.m.



PROPERTY DEVELOPMENT

Flagship Projects at a Glance



Renowned Brand



AGILE GARDEN SHUNDE

Agile Garden Shunde is situated at the heart of Shunde's administration, cultural, business and financial centres neighbouring the Shunde International Commercial City, the passenger transport terminal, schools and hospitals and is so geographically well-located that it is merely 30 minutes' drive from downtown Foshan. The overall design of the project emphasises minimalism and trend with all buildings arranged in a progressive manner according to the contour, thereby ensuring a view for every household, and with the novel living environs perfectly integrating the garden beauty into the architecture. Since the launching of sale in 2009, the project hit the sales records of Shunde's property market for numerous times and has become a landmark residential community in south district of Shunde.

Total GFA
488,500 sq.m.



TIANJIN JINNAN PROJECT

Tianjin Jinnan Project is situated within the vicinity of the Jinnan Government Offices Building and is planned to be developed into a city of charm that sits on the main axle of Jinnan – Binhai development zone and to become the future administration, economic and cultural centre in Jinnan District. Also, diversified ancillary facilities such as schools, health care centres, hotels and commercial district will be available. The project is a joint venture between the Group, Guangzhou R&F Properties Co., Ltd., KWG Property Holding Limited and Shimao Property Holdings Limited.



Total GFA
3,010,901 sq.m.



PROPERTY
DEVELOPMENT

Flagship Projects at a Glance



Renowned Brands



AGILE EGRET LAKE HUIZHOU

Agile Egret Lake Huizhou is situated at the northeast of Huizhou and it is about 15 minutes' drive from the downtown. The community is richly endowed with natural resources and is embraced by a natural lake and verdant hills, such that the picturesque scenery of hills, water and the natural ecology are wonderfully knitted into one. The project comprises low-density resort residence and serviced apartments, accompanied by Sheraton Egret Lake Resort Huizhou, a golf park, an artificial beach, schools, the Egret Lake Sports Training Base and Egret Lake Ecological Protection Zone, and is a leisure lifestyle hub with commerce, tourism, recreation and residence.

Recent key honours:

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

Landmark Residence Project (標誌性人居項目)

The Most Popular Classic Design Villas (金牌經典設計別墅)

The Most Suitable for Living Ecological Development (金牌宜居生態樓盤)

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





Total GEA
2,000,000 sq.m.



PROPERTY DEVELOPMENT

Flagship Projects at a Glance

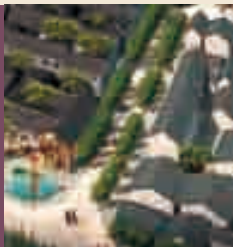


NANJING QINHUAI DISTRICT PROJECT

Nanjing Qinhuai District Project is situated at the southern old city area of Qinhuai District, Nanjing at the intersection of eastern bank of Qinhuai River and eastern section of Zhonghua Gate of the Ming Dynasty City Wall, and is neighbouring the commercial circle of Fuzi Temple. The project is planned to be built as a high-end and low-density residential community, with the traditional Chinese architectural style and streets in the form of ancient "lanes-and-alley" pattern that invokes a rich sense of history and culture.

Total GFA

59,600 sq.m.



SHENYANG PUHE NEW CITY PROJECT

Shenyang Puhe New City Project is situated at Shenbei New District enjoying the spectacular view of Pu River. The project embodies design concept of creating the maximum space for residents' interaction, and the architectural clusters of neo-classic style makes a full statement of nobility and elegance, with the design of natural beauty in three dimensions fully integrated into every aspect of the architecture.



Total GFA

1,122,735 sq.m.



PROPERTY DEVELOPMENT

Flagship Projects at a Glance



GUANGZHOU ASIAN GAMES CITY PROJECT

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





Total GFA
4,380,000 sq.m.



HOTEL OPERATIONS AND PROPERTY INVESTMENT

Leveraging on its solid experience in property development and a pragmatic management team with high execution capability, Agile is confident that the brand name awareness can be promptly established with good returns, and occupy a prominent position in the industry.







HOTEL OPERATIONS AND PROPERTY INVESTMENT



HOTEL OPERATIONS AND PROPERTY INVESTMENT

Business Overview

Having committed to the prudent development strategy, the Group had further allocated its resources on the development of hotel operations and property investment businesses, so as to build up a more extensive and diversified business portfolio for generating steady and reliable revenue streams in future, broaden the overall income base as well as disperse operational risks. The developments also created knock-on effect on the sale and enhanced the value of the adjacent property projects.

At present, the Group has 3 hotels in good operation, namely Guangzhou Agile Hotel, Foshan Agile Hotel and Zhongshan Agile Hotel. Moreover, there are 8 other hotels which are either under construction or under planning and design stage, namely Shanghai Marriott Hotel City Centre, Sheraton Egret Lake Resort Huizhou, Raffles Sanya Clearwater Bay, Jumeirah Clearwater Bay Resort, JW Marriott Clearwater Bay Resort & SPA, Hilton Hainan Clearwater Bay Resort (previously known as Hilton Clearwater Bay, Hainan), Outrigger Clearwater Bay Resort, Sanya, China and Holiday Inn Resort Hainan Clearwater Bay. As for property investment, the Group has a total of 5 major projects under construction, namely Agile International Plaza Shanghai, Hainan Clearwater Bay International Brand Outlet, Guangzhou Hongxi Huating Arcade, Xiqiao Metropolitan Plaza and Guangzhou Zhujiang New City Project.

During the year, the Group entered into a hotel management agreement with Holiday Inns (China) Limited in respect of Holiday Inn Resort Hainan Clearwater Bay. Leasing at Hainan Clearwater Bay International Brand Outlet and Xiqiao Metropolitan Plaza had been carried out for their grand opening in 2011.

Looking forward, the Group plans to expand the hotel operations and property investment businesses in Shanghai, Hainan, Chengdu, Huizhou, Guangzhou, Foshan, Zhongshan and Heyuan. With solid experience in property development, a pragmatic team with high execution capability, and the industry influence of partner hotel management companies, the Group is confident that the brand name awareness can be promptly established with good returns, and occupy a prominent position in the industry.

HOTEL OPERATIONS AND PROPERTY INVESTMENT

Hotel Operations

Shanghai Marriott Hotel City Centre

Shanghai Marriott Hotel City Centre, which will be managed by Marriott International Management Company B.V., is located at the central part of Huangpu District in Shanghai, where the scenic People's Park and the famous Nanjing Road Pedestrian Street are within walking distance and is adjacent to a large shopping centre — Agile International Plaza Shanghai. Due to the superior location, it would only require 20 minutes' drive from the hotel to Shanghai Hongqiao Airport. As a five-star hotel embodying business, tourism, large-scale conference and exhibition functions, it features 712 superior rooms and suites, over 2,000 sq.m. of professional conference facilities, 5 restaurants and a lounge bar Japanese, Chinese and international cuisines, and a deluxe spa and health club. The hotel is expected to open in 2011.

Sheraton Egret Lake Resort Huizhou

Sheraton Egret Lake Resort Huizhou, which is a luxury five-star hotel to be managed by Sheraton Overseas Management Corporation, is adjacent to the beautiful Egret Lake in the northeast of Huizhou City, and is only 15 minutes' drive away from the Central Business District. The hotel occupies approximately 70,000 sq.m. and will comprise 435 deluxe lake view guest rooms. It is full-fledged with multi-functional conference rooms, ballroom, spa centre, 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 a golf course, an artificial beach, a water park, water-skiing and grass-skiing courts, a garden and a cultural square. The hotel is a leisurely and comfortable choice of residence and is expected to open in 2012.

Raffles Sanya Clearwater Bay

Raffles Sanya Clearwater Bay, a hotel with elegant design, will be managed by Raffles Hotel Management (Beijing) Co. Ltd. It will comprise approximately 331 guest rooms, deluxe suites and villa suites generally sized to 70 sq.m., and every room is tremendously spacious and comfortable with the fascinating view of the Clearwater Bay. There will be 7 themed restaurants and lounge bars at the pleasure of hotel guests, including a Chinese restaurant, a café, a pool bar and grill, a lobby lounge and a pub. Guests may also seek rejuvenating wellness experience at Raffles Amrita Spa, a feature spa of more than 2,000 sq.m., or have a go with their skills at the neighbouring golf course. As for large-scale business conferences or weddings, the large ballroom, conference rooms and a wedding chapel at the hotel are no doubt the best choice. The hotel is expected to open in 2012.

Jumeirah Clearwater Bay Resort

Jumeirah Clearwater Bay Resort will be managed by Jumeirah International LLC. It will comprise about 250 sea-view guest rooms and suites and about 50 villa suites. Other hotel features include Chinese and western cuisine restaurants, a spa centre, a large-scale banquet hall over 4,000 sq.m., a business centre, conference rooms and various recreational facilities. The hotel is expected to open in 2013.

JW Marriott Clearwater Bay Resort & SPA

JW Marriott Clearwater Bay Resort & SPA, which will be managed by Marriott International Management Company B.V., will comprise approximately 500 sea view guest rooms and suites. At present, the hotel is undergoing later-phase design and is expected to open in 2013.

HOTEL OPERATIONS AND PROPERTY INVESTMENT

Holiday Inn Resort Hainan Clearwater Bay

Holiday Inn Resort Hainan Clearwater Bay, which will be managed by Holiday Inns (China) Limited, will comprise about 300 golf course view guest rooms and suites. At present, the hotel is undergoing the fore to intermediate phase design works and is expected to open in 2013.

Hilton Hainan Clearwater Bay Resort (previously known as Hilton Clearwater Bay, Hainan)

Hilton Hainan Clearwater Bay Resort, which will be managed by Hilton International Manage LLC, will comprise about 500 sea view guest rooms and suites. At present, the hotel is undergoing advanced stage of design works and is expected to open in 2014.

Outrigger Clearwater Bay Resort, Sanya, China

Outrigger Clearwater Bay Resort, Sanya, China, which will be managed by Outrigger Enterprises HK Limited, will comprise about 500 sea view guest rooms and suites. At present, the hotel is undergoing the preliminary stage of design works and is expected to open in 2014.

Guangzhou Agile Hotel

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

Foshan Agile Hotel

Foshan Agile Hotel is located opposite to Majestic Garden Nanhai, at the traffic hub of Guangzhou and Foshan and is only 10 minutes' drive from Guangzhou. The hotel has 205 superior rooms fitted out according to 4-star standard with ancillary facilities include Chinese and western cuisine restaurants, red wine house, ballroom, multi-media conference rooms, business centre and two sub-tropical style sky gardens. The hotel has been in operation since 2008.

Zhongshan Agile Hotel

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



HOTEL OPERATIONS AND PROPERTY INVESTMENT

Other major property investments

Agile International Plaza Shanghai

Agile International Plaza Shanghai is located at the business hub of tourism, retail and commercial centre of Huangpu District of Shanghai. The project, which comprises 4 storeys with a total planned GFA of approximately 21,000 sq.m., is geographically well located with convenient transportation network. The project is situated at the northwest of Nanjing Road Pedestrian Street, and is within proximity of First Department Store and New World Shopping Centre, with various cultural buildings and landmarks in the neighbourhood, such as People's Square, Shanghai Museum and Shanghai Grand Theatre. Agile International Plaza Shanghai will be developed into a high-end shopping plaza that houses internationally renowned brands. It is expected to open within 2011.

Hainan Clearwater Bay International Brand Outlet

Hainan Clearwater Bay International Brand Outlet, which is located within the strip of walking lane of approximately 800 metres along the Clearwater Bay Avenue of Silver Sand in Hainan Clearwater Bay, has a total planned GFA of approximately 27,000 sq.m.. By upholding the concept of "shopping and treasure hunting paradise of international brands", the project is comprising discount garment shops of internationally renowned brands and commercial establishments such as franchised shops, fine goods, a trendy household plaza, a food court, Chinese and international cuisine restaurants. The project will be developed into Hainan's top outlet of genuine famous international brands offering discounts. It is expected to open within 2011.

Xiqiao Metropolitan Plaza

Xiqiao Metropolitan Plaza, which is located in Xiqiao Town, Nanhai, Foshan, has a total planned GFA of approximately 52,000 sq.m., and is the first integrated one-stop shopping centre in Xiqiao Town with supermarkets, electrical appliances shops, fine goods shops, department stores, catering and cinemas. Many national renowned enterprises have already signed the tenancy contracts and the project is expected to open within 2011.

Guangzhou Hongxi Huating Arcade

Guangzhou Hongxi Huating Arcade, which is located at the central hub of Shiqiao of Panyu, Guangzhou and is near to the exit of Shiqiao Station of Guangzhou Metro Line 3. Comprises 5 storeys with total planned GFA of approximately 22,000 sq.m., the project is positioned as a quality lifestyle ancillary centre with various major retailers and catering chain enterprises.

Guangzhou Zhujiang New City Project

Guangzhou Zhujiang New City project, located within the commercial core in the centre of Guangzhou, which is the financial offices zone within the regional planning of Guangzhou Zhujiang New City. With a full range of banks and catering shops in its vicinity, the project also enjoys a superior transportation network and is near to Zhujiang New Town Station of Guangzhou Metro Line 3. With total planned GFA of approximately 90,000 sq.m., the project is Agile's first exclusive commercial project in Guangzhou and will be developed into a 39-storey tall grade A office building.



PROPERTY MANAGEMENT

“Property management companies under the Group have always been operating with the “customer-oriented” servicing philosophy and dedicating to providing approximately 300,000 residents with excellent property management services in order to meet their individual needs and helping them to build a content living style.”

Property management companies under the Group have always been operating with the “customer-oriented” servicing philosophy in return for the support of customers. During the year, the number of projects managed had increased to 25 with a total GFA of approximately 12.39 million sq.m. More than 6,000 professional management staff and technical staff are committed to serve approximately 300,000 residents and to meet their individual needs and help them to build a content living style. The customer satisfaction survey for 2010 showed that the overall satisfaction rating by customers was nearly 90%.

The property management companies of Agile have been committed to provide property management and operation services of international standard, including repair and maintenance of buildings and ancillary facilities, community security management, environmental hygiene, landscape maintenance, household services, club house entertainment, recreational and catering services and community culture activities, which not only won the acclaims of residents, but also established excellent reputation in the industry. During the year, the Group had 7 property management companies and 21 subsidiaries, all of which have been accredited with the ISO9001 international quality system by BSI Group, a UK chartered institution.

Since 2003, Agile has come up with a service theme every year, and “Elite Cultivation Year” was the service theme for 2010. During the year, upholding the philosophy of “customer-oriented”, the property management companies of Agile continued to improve on the basis of services in all areas while stepped up the professional training, and built a professional service team to render outstanding services to the residents.



PROPERTY MANAGEMENT

During the year, with the property management companies' excellent service standard, the projects under their management have been recognised by all sectors, and received awards and honours including:

Region/city	Project	Award/Honours	Institution
Hainan	Hainan Clearwater Bay (Golfer's Paradise)	Peaceful Community	Department of Justice Hainan Judiciary Office of Lingshui County
Hainan	Hainan Clearwater Bay (Cote d'Azur)	Peaceful Community	Department of Justice Hainan Judiciary Office of Lingshui County
Nanjing	Agile Garden Nanjing	Residential Community of Excellent Property Management in Nanjing	Nanjing Municipal Commission of Housing and Urban-Rural Development
Nanjing	Agile Garden Nanjing	2010 Pioneering Landscaping Residence	Landscaping Committee of Nanjing
Nanjing	Agile Garden Nanjing	3-star Community with Garden	Landscaping Committee of Nanjing
Zhongshan	Metro Agile Zhongshan (Duhuicheng)	Model Community of Traffic Safety of Guangdong Province	Publicity Division of Guangdong Party Committee Guangdong Provincial Public Security Department Department of Education of Guangdong Province Bureau of Work Safety of Guangdong Province
Zhongshan	Agile Royal Mount Zhongshan	Green Community of Zhongshan City	Zhongshan Environmental Protection Bureau
Zhongshan	Majestic Garden Zhongshan	2010 Recognition for Residential Community Landscaping in Zhongshan	Housing and Urban-Rural Development Committee of Zhongshan
Foshan	Agile Garden Foshan	2010 Model Community in Foshan	Real Estate Association of Foshan
Huadu	Agile Garden Huadu	Top Ten-Civilised Communities	The Municipal Government of Huadu District, Guangzhou

PROPERTY MANAGEMENT



Agile believes that continuous improvement is essential for achieving customer satisfaction. During the year, the centralised property management software system had covered all of Agile's projects in China, and will continue improving the service quality to cope with the sustainable development of the Group.

The Group has been in collaboration with various organisations to keep improving service standard. During the year, by cooperating with Savills Property Management Limited, the service quality of property management leaped to another height. Agile will establish the "Harrogate" high-end property management brand name which specialises in providing property management in the form of British housekeeping for high-end projects, investment properties, serviced apartments, marking a new era for the property management services of Agile. Also, the Group has forged a strategic financial cooperation relationship with The Bank of East Asia (China) Limited and whole-heartedly provide owners with a convenient one-stop personal financial services.



Agile firmly believes that listening to the views of customers is one of the best means to improve the quality of property management services. Therefore, by taking the initiative to bolster up the exchanges and communications with members of Agile Property Club (the customers club of Agile), and designated alliance vendors, demands and recommendations are collected from time to time for the sake of achieving better living, lifestyle and cultural services. At present, Agile Property Club provides its members with over 2,000 preferred business partners in China and Hong Kong. During the year, Agile successfully held community activities on 378 occasions across China with over 100,000 people participated.

Looking ahead, the Group's property management companies will continue to pursue the "Elite Cultivation Year" service theme, and will step up the professional training and learn from the most advanced management services ideas, while at the same time optimising the overall service quality to provide customers with professional and attentive property management services.

CORPORATE SOCIAL RESPONSIBILITY

Review of the year

As a leading developer in China, the Group upholds the belief of “Benefiting from the Society, Giving back to the Society” in its practice of fulfilling our corporate social responsibility. At the beginning of 2010, the Group formulated an annual charity programme to take on an active role to promote the harmonious development of the society. During the year, the Group continued making utmost effort in aspects of education and study subsidy, disaster and poor relief, health care and care about its staff, with donations of over RMB150 million.

During the year, the Group’s charitable contributions were highly appraised and recognised by the nation and all sectors in the society. The Company was honoured with the titles of “The Most Socially Responsible Property Developer” and “Leading Guangdong Property Enterprise in Social Responsibility” and received the “Zhongshan Voluntary Service Contribution Award”. In Hong Kong, the Company has been granted the logo of “Caring Company” for the 4th consecutive year.

Education and study subsidy

Education and talents are pillars of growth of the nation and the society. Therefore, the Group continued to put intensive effort at the development of national and local education so as to foster the future pillars and to preach profound Chinese culture.

The Group donated a total of RMB50 million to the Chinese Language and Culture Education Foundation of China for establishing “Agile Special Fund for Chinese Culture Continuation Work” in 2008 and 2009, and during the year, the Group hosted a series of activities to promote Chinese Culture, including Cultural Trip for Overseas Chinese Teenagers — Agile Summer (Winter) Camp and Tutorial Session of Chanwu Culture for Overseas Chinese Teenagers, Training Programme for New Chinese Teachers, Training Programme for Primary School Teachers, Educational Field Trip and Study activities, and there were nearly 1,000 overseas Chinese teenagers from 58 overseas Chinese schools of 22 countries participated in and benefitted from the activities. During the year, a total of 106 people subsidised by “Agile Education Subsidy Fund” under Chinese Language and Culture Education Foundation awarded Bachelor’s degree in Chinese Language and Teaching Chinese as Foreign Language via distance learning in Indonesia and Bachelor’s degree in Education by Jinan University.



CORPORATE SOCIAL RESPONSIBILITY

During the year, the Group presented for the 3rd consecutive year the “Agile Property Scholarship and Study Subsidy” to a total of 190 university students studying at 10 tertiary education institutes including Hunan University, Tsinghua University and Tianjin University, who are excellent both in studies and in conduct yet poverty-stricken. The Group also succeeded in hosting “Agile University Summer Camp” for the 2nd year, participated by 62 outstanding students from various tertiary education institutes.

During the year, the Group donated to many schools and education departments of the government in support of their education operations, including a donation of RMB20 million to Zhongshan Guishan Secondary School for its moving and re-construction works; afterwards, the Group made donation the 2nd time to Zhongshan Guishan Secondary School, and to Tanzhou Secondary School, Memorial Secondary School and Zhongshan Municipal Education Bureau of a total of RMB60 million and set up “Agile Property Education Foundation”, with the fund designated for encouraging and rewarding outstanding students and teachers, and for subsidising students and teachers from poor families. The Group also donated RMB10 million to Lingshui Education Development Foundation of Hainan Province in support of the education development in Lingshui County, and the fund is mainly used to subsidise poverty-stricken students in the county to gain admission to local and overseas universities.

Disaster and poor relief

During the year, natural disasters such as earthquakes, land slides, flooding and rainstorms occurred consecutively. The Group continued to extend its help to the very much needed, including:

- Donated RMB20 million to the earthquake stricken area of Yushu, Qinghai to subsidise the local education development.
- Donated RMB13 million to Lingshui County Government to help housing reconstruction after the unprecedented torrential rain in Hainan.
- Donated RMB1 million to the stricken area in Yangjiang, Maoming through the Guangdong Province Qiaoxin Charity Foundation for housing reconstruction.
- Called on its staff for donations in support of the re-building after the occurrence of land slide in Zhouqu, Gansu.



CORPORATE SOCIAL RESPONSIBILITY

On the other hand, progress in helping the building of schools in the massive earthquake stricken Wenchuan in Sichuan has been satisfactory. The Group have eventually committed to provide assistance to 16 schools and the following states their progress:

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

During the year, Agile Volunteer Team formed by staff of the Group embarked on activities such as "Oneiromancy for Children in Disaster-stricken Area", the donation campaign for students in the stricken areas in Shanxi/Sichuan, "Caring for Orphaned and Disabled Children by Sunshine Angels" and the "Warming Sunset for the Elderly Living Alone", with an aim to care and provide support for the orphaned, the lonely, and the underprivileged. Over a thousand children and elderly were benefitted.

In Hong Kong, the Group donated HK\$10 million to the recently established Hong Kong New Home Association in support of the association which provides a one-stop professional social work services for new immigrants. Moreover, the Group sponsored the "30-Hour Famine" and "Macau Famine" of the World Vision for the first time and sponsored the "Sowers Action Walk to Guangzhou" fund raising programme for the 3rd consecutive year and helped poverty-stricken children back to school.

Health care

The Group continued to support Best Chinese Medical Practitioners Award organised by Chinese Medical Practitioners Association. The award aims at recognising primary care physicians who are excel in both medical morality and ethics, so as to promote a healthy development of Chinese physician team. In 2010, 95 physicians from various professional fields, who are either western or Chinese medical practitioners from all parts of China, were commended. Moreover, the Group continued to join hands with the Red Cross in various regions and to continue supporting its health care, humanitarian and community work by setting up a Red Cross donation box at every resident's centre.

CORPORATE SOCIAL RESPONSIBILITY

Caring about our staff

The Group 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 term. The Group continued to organise various cultural and volunteer activities to maintain both the physical and mental wellness of our staff, and established a mutual help mechanism to help staff overcome difficulties, and also provided comprehensive training and a bright career path for our staff.

During the year, the Group allocated fund to the “Agile Foundation for Mutual Help” and provided assistance with appropriate financial support to 114 staff or their families who had encountered accidents or suffering from serious illness in the spirit of love and care between the Group and staff. Also, the Group continued to organise various amusing and exciting cultural and sports events to promote the healthy development of both the physical and mental wellness of staff and enrich their cultural life after work and enhance staff cohesion.

The Group provides good training opportunities and a bright career path for our staff, which has laid a sound foundation of talented people for future development. During the year, based on the belief of “learn to excel and speed up the growth”, the Group continued to implement a systemic training for staff with an advanced training system in the industry. The Group provided training for various levels of management and staff on a total of 5,058 occasions with 88,498 participants joined the training. During the year, the Group continued to implement the EMBA/EDP management practices with all the existing senior management having the opportunity to continue further study at Tsinghua University, Peking University, Cheung Kong Graduate School of Business, China Europe International Business School, The University of Hong Kong and Hong Kong University of Science and Technology. Furthermore, the Group has initiated the “Leaders Scheme” for the fostering of future senior management and has planned to initiate the “Pillars Scheme” and the “Seeds Scheme” for the fostering of middle-level management in preparation for the healthy growth of the Group.

Harmonious community

During the year, property management companies under the Group have organised various activities such as sports competitions, charity donation, free medical consultations, environmental protection activities, cultural and art festivals, outdoors walks, and high-end activities such as friendly golf tournaments, wealth forum and cultural and art exchange on antique, which serve as bridges for communication among neighbourhood, so as to jointly contribute in building a harmonious community and promoting the well-being of every home.

Future directions

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

SUSTAINABLE DEVELOPMENT

As a leading property developer with extensive experience in property development and the willingness to take upon itself the corporate social responsibility, the Group has been upholding the corporate spirit of “developing our future with vision and enthusiasm” and deems sustainable development as the key to long-term development.

During the year, the Board of the Group set an example for our staff, consumers, suppliers and business partners as an enterprise conscientious in environmental protection. The Group devotes itself in continuously optimising the concept of green development in respect of planning and design, construction and works management, procurement of materials, community establishment and hotel management so as to integrate into the various aspects of property development the element of environmental protection, thereby promoting the concept of sustainable utilisation of natural resources, the co-existence of human being and the environment in harmony and the harmonious progress with the society.

Green planning and design

As the fountainhead of property project management, planning and design are vital to the energy-saving of property projects and the effectiveness of environmental protection. During the year, sustainable development measures have been adopted in the planning and design of the Group’s residential projects and the results are satisfactory.

- In the advanced planning and design of property projects, particular attention was paid to achieve a reasonable architectural layout, interval and facing direction with respect to the local climate features, and in-depth studies were made with respect to the terrain and land form, so as to minimise the impacts on the hill, water source, natural vegetation and trees of conservation value.
- Deluxe residence represents the trend of future property development, which has a profound influence on minimising wastes in construction after completion and pollution to the environment. Therefore, the Group has made in-depth studies on the design and setting of standards with respect to deluxe residence, and the Group has saved a substantial amount of resources by means of standardised design, production and procurement.
- In view of the significant effect on energy saving as a result of standardised design of the outline of units and facilities, a large amount of standardised design work has been triggered with a thorough study in optimising different types of residential units, and inspections and comparisons of energy-consuming products (such as lifts, air-conditioners and water heaters) were carried out for the selection of more environmentally friendly and energy-saving mechanical and electrical products.
- Further study on the use of materials that are more environmentally friendly and energy-saving on walls and roof structure, as well as a more extensive use of active energy-saving and emission reduction measures, for example, solar energy water heaters have been used in Hainan Clearwater Bay.

Construction and works management

Not only can the application of advanced technology and effective works management can minimise the waste of construction materials and the impacts on the environment but can also improve the quality of products and enhance the market competitiveness. During the year, the Group continued to rigorously implement the national and local requirements of energy-saving in construction, and by the application of new technology and optimised works management, unnecessary consumption of power, water, concrete and steel have been further reduced.



SUSTAINABLE DEVELOPMENT



Application of new technologies:

In terms of energy saving, it includes:

- The extensive use of low-voltage wattless power compensation technique to minimise loss in electrical power.
- Intelligent illumination was adopted in large public structures to control power consumption of the system.
- The main processor frequency variation technique has been applied for the air-conditioning of a number of hotels together with the main processor centralised control technique, which has substantially reduced power consumption.
- Cooperation with the local water supply companies to fully utilise the residual pressure of the pipe grid with a reasonable distribution of water supply sub-zones, so as to minimise power waste from secondary pressurising to supply the water.

In terms of saving and conservation of water resource, it includes:

- Recycling of outdoor rain water for irrigation of vegetation, thereby saving water consumption.
- Construction of sewage treatment plants and ancillary facilities to recycle water for irrigation of vegetation and to conserve water, minimise water pollution and water consumption.

In terms of reducing the use of concrete and steel:

- Further the use of pre-stressed construction technique, which minimises the use of concrete and steel and reduces the cost of construction works.
- Prove and pilot-test the prefabricated concrete housing technology, which minimises the use of concrete and steel and reduces the cost of construction works.
- Actively promote the use of new grade 3 high-strength steel to reduce the unnecessary consumption of steel.

In terms of works management:

- Aiming to improve quality of engineering works and enhance the competitiveness of products, the Group implemented management systems such as "Accountability for Works Management" and "Second Examination for Acceptance of the Main Structure" with remarkable results.

SUSTAINABLE DEVELOPMENT

In terms of environmental protection, the Group has adopted a number of measures, including:

- Measures such as sound insulation, noise reduction and dust-proofing have been adopted to large-scale equipments and machine rooms to minimise the impacts on the environment.
- Adopt solar heat technology to minimise energy consumption.

Procurement of materials

Procurement of materials is a crucial element in construction which has a vital impact on environmental protection. During the year, while the Group procured materials that were up to standard, particular attention was paid to their quality relating to environmental protection, so that residential projects upon completion can be more energy-saving and environmentally friendly, thus enhancing the environmental protection value.

The external environmental friendly materials used by the Group are of the latest technology standards, which can minimise pollution of the environment, for example:

- The choice of roof tiles using the latest technology, which can reduce the emission of carbon dioxide and acid rain by 50%.
- The choice of bricks for the external wall, which is nationally accredited for utilising residual heat, has low sulphur emission, and has passed the national test of anti-electrostatic inspection.
- The colourful bricks paved on the ground surface are mainly Jianling Bricks, the raw materials of which consist of environmentally friendly materials such as sand, slag and fine coal dust. They help preventing the loss of water moisture and are favourable to the growth of peripheral plants and have the functions of keeping radiating heat and humidity.

The Group selects indoor materials stringently so as to ensure that while a comfortable living environment is provided, the effect of sustainable development can also be attained, for example:

- The use of Opplé 20 watt energy-saving light for the Group's selected lighting is equivalent to the brightness of a 100 watt light bulb, thereby saving energy, and its design can also doubly obstruct ultraviolet light, thereby improves the protection for the illuminated objects.
- Cooperation with world famous brand-name producers such as Groche, Kohler and Hansgrohe and use their products which embody the latest technology, with water-saving efficiency improved by about 50%.



SUSTAINABLE DEVELOPMENT

- Energy-saving electrical appliances are used for the Group's interior fitting-out, such as the choice of air-conditioners which are the latest energy-saving products, and on the basis of the same refrigerating effect, an improvement of about 6% is achieved as compared to products of the older generation.
- The choice of flooring meets the E1 grade environmental protection requirement, and the formal in emission complies with the national standard. The ecological paints technique is even applied to part of the flooring which can release a large amount of negative ions, thereby removing harmful gases in the air.

Community management

The property management companies of the Group have adopted a number of sustainable development measures in their daily management, and have attained remarkable results in power-saving, water-saving and planting vegetation.

Regarding electrical power, additional water pumps in Majestic Garden Zhongshan and La Cité Greenville Zhongshan projects have successfully reduced the noise from the equipment and achieved energy-saving of about 45%, and such measure will be extended to other mature projects. In addition, street lamps in the community will be replaced with energy-saving lights which can save electric energy by about 48%.

Regarding water resources, when cleansing is carried out on a large outdoor area of the community, a mechanised high-pressure cleansing equipment is used and has saved water significantly. Regular chemical precipitation is carried out every month for the water landscaping, and the dirt is subsequently sucked away with a sucking machine in order to avoid wasting water by frequent draining and cleansing. In artificial lakes where the cleansing cycles are relatively longer, fish fry is placed for natural sanitisation.

Regarding planting vegetation, a large amount of temperature-lowering, heat-dissipating, air-cleansing and noise-reducing trees and shrubs have been planted in the projects of the Group, and the community green zone areas are generally over 40% to 50%. In addition, the property management companies cultivate saplings in their own nurseries and planted in the green zones so as to save the cost of landscaping. In the use of pesticides, environmentally friendly pesticides are used to minimise the hazards to the ecology. In the prevention of pests, the pests are effectively dealt with according to their occurrence pattern and weather conditions, so that both the prevention doses and frequency can be contained, thus minimising the hazards to the ecology.

Hotel management

During the year, apart from providing superior guest room products and services, the self-operated hotels of the Group have adopted a number of sustainable development measures to enhance the competitiveness of its hotels and establish the green hotel image, such as the addition of solar heaters at Foshan Agile Hotel as the water supply back-up for hot water, resulting in a saving in gas expenses of approximately RMB110,000 per year; the addition of heat pumps facility for hot water at Guangzhou Agile Hotel as the water supply back-up for hot water, resulting in a saving in gas expenses of approximately RMB100,000 per year. In addition, exhaust from the boiler steam at the self-operated hotels of the Group is recycled, mainly as the heating facility to back up hot water supply, with a recycle rate of 75%, thus creating an economic value of approximately RMB200,000 per year and achieving a win-win situation for the environment and the economy.

In the course of constructing new hotels, the Group also has adopted a lot of new technologies to realise our commitment of sustainable development. For example, the water thermal technology for the air-conditioning system in conjunction with the main processor frequency variation technology is adopted in all newly constructed hotels, so that the NPLV value of the main processor is improved by over 25%, which has greatly reduced power consumption.

SUSTAINABLE DEVELOPMENT

Active participation and promotion of environmental protection

The Group also heightens the environmental protection awareness of its staff and residents by taking part in various kinds of environmental protection related activities so as to support environmental protection by practicing what it preaches, which includes:

- Projects in all regions across the country organised the 2010 Agile Property Ecological Environmental Protection Day activities on the theme of “Adding Green to the Earth and Adding Colours to Our Homes” with a total of 1,155 participants. Of which there were volunteered planting of 1,028 trees, and the volunteers embarked on pruning and protection of ecological woods, thereby deepening the understanding of all staff and residents of the activities and enhancing the environmental protection awareness.
- The Group took part in the “Earth Hour” initiated by the World Wild Fund in the name of the Company for the first time with several thousand of its staff, residents and customers participated in the event. Also, lights of billboards, views lights and neon lights of each project were switched off at that evening to show support for the event.
- In early 2011, the Group called into action its staff across the country to take part in the “Lai See Recycling Program” initiated by the Greeners Action, a Hong Kong environmental protection organisation. The Group also set up collection points in 20 residential projects in Zhongshan, Guangzhou and Foshan and at the Hong Kong sales office to facilitate the participation of residents and the general public.
- The Group has become a “Council Member” of the Business Environment Council of Hong Kong and joined as a “Carbon Audit • Green Partner” of the Environmental Protection Department of Hong Kong.



INVESTOR RELATIONS

The Group upholds the management concept of “mutual communication and achieving a win-win situation” for investor relations and firmly believes that effective investor relations management plays a positive role in promoting investors’ understanding and recognition of the Company, establishing an even more solid Shareholder base, enhancing Shareholders’ value and facilitating the forging of a long-term, stable and favourable relation with various intermediary organisations in the capital market, thereby reducing its financing costs.

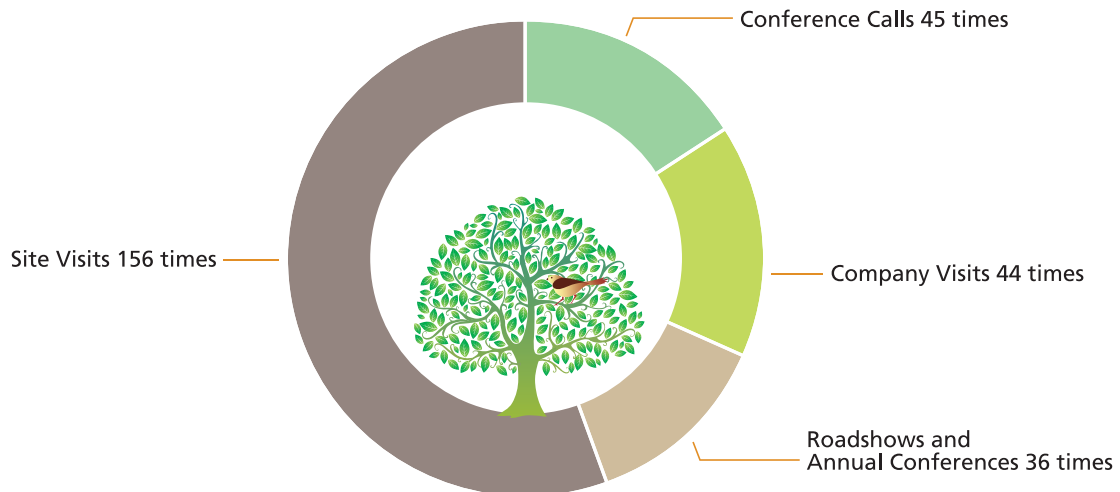
Over the years, the Group has been working hard to optimise its efforts in investor relations, making the Company as one of the best known property developers in China with a strong business presence and recognition both in China and overseas. At present, many securities companies issue regular analysis reports on the Company, and Agile is also a focus of interest of many institutional investors. During the year, the Group further strengthened the day-to-day communication with the capital market, the regulators and the media by a mutual and interactive communication, and maintained a high-standard corporate governance and a high corporate transparency.



INVESTOR RELATIONS

The Group has established a rigorous management system for the management of investor relations to ensure that the latest sales performance, development strategy, operation management, financial position and market prospect of the Group can be disseminated to all sectors truly, clearly, accurately and timely in accordance with the regulatory requirements so that everyone can access the information fairly. Also, the Group is committed to maintaining close contact with investors in an honest and open manner through publishing interim reports, annual reports, press releases, announcements and monthly newsletters, as well as by other means of communication such as meetings, telephone, emails and website. Moreover, the Group is pro-active in gathering constructive views to optimise investor relations with reference to the best market practice and understanding of the market concerns.

During the year, the Group had organised and engaged in all kinds of investor relations activities. In addition to conducting roadshows in Hong Kong, Singapore, Europe and the United States, the Group also attended a number of local and overseas investor summits organised by various investment banks such as Morgan Stanley, Goldman Sachs, UBS, Bank of America Merrill Lynch, Citibank, J.P. Morgan, BNP Paribas, HSBC, CLSA, Credit Suisse, and Deutsche Bank. Besides, the Group had frequently arranged site visits to the Company's projects for domestic and overseas investors, who were received by the Group's directors, senior managers or executives of its regional subsidiaries, with a view to keeping the investors informed of the latest business development of the Company and the current conditions of the domestic property market, so as to boost their confidence in and favourable expectation of the Company. During the year, the Group had received a total of 672 investment institutions through the above channels.



INVESTOR RELATIONS

Major investor relations activities of the Group in 2010

Month	Place	Activities
January	Beijing	Deutsche Bank Access China Conference
	Shanghai	UBS Greater China Conference
	Hong Kong	CLSA HK/China Corporate Access Day
	Hong Kong	HSBC HK & China Property Corporate Day
April	Hong Kong	2009 Annual Results Press Conference and Analysts' Conference
	Hong Kong	2009 Annual Results Roadshows in Hong Kong co-organised by UBS
	Singapore	2009 Annual Results Roadshows in Singapore co-organised by UBS
	London	2009 Annual Results Roadshows in London co-organised by Morgan Stanley
	Boston	2009 Annual Results Roadshows in Boston co-organised by Goldman Sachs
May	New York	2009 Annual Results Roadshows in New York co-organised by Goldman Sachs
	Shanghai	2009 Annual Results Roadshows in Shanghai co-organised by ICBC International
	Beijing	2009 Annual Results Roadshows in Beijing co-organised by CICC
	Beijing	2009 Annual Results Roadshows in Beijing co-organised by Goldman Sachs
	Qingdao	BOCI Investors Conference
June	Shanghai	15th CLSA China Forum
	Beijing	JP Morgan's 6th Annual China Conference
	Hong Kong	Bank of America Merrill Lynch China Property Day
	Hong Kong	Taifook Institutional Investor Conference 2010
	Hong Kong	2010 Annual General Meeting and Extraordinary General Meeting
July	Hong Kong	BNP Paribas China Property Corporate Day
	Hong Kong	Credit Suisse China Property Day
	Hong Kong	Citi's Hong Kong/China mini conference 2010
August	Hong Kong	2010 Interim Results Press Conference and Analysts' Conference
	Singapore	2010 Interim Results Roadshows in Singapore co-organised by Morgan Stanley
	Hong Kong	2010 Interim Results Roadshows in Hong Kong co-organised by Morgan Stanley
	London	2010 Interim Results Roadshows in London co-organised by Morgan Stanley
	New York	2010 Interim Results Roadshows in New York co-organised by Goldman Sachs
September	Boston	2010 Interim Results Roadshows in Boston co-organised by Goldman Sachs
	Hong Kong	UBS HK/China Property Day
October	Guilin	BNP Paribas 17th Annual China Conference
	Macau	Citi Greater China Investor Conference 2010

INVESTOR RELATIONS

Month	Place	Activities
November	Beijing	Goldman Sachs China Investment Frontier 2010
	Beijing	Bank of America Merrill Lynch China Investment Summit
	Singapore	Morgan Stanley Asia Pacific Summit conference
	Guangzhou	Samsung Asian Games China Consumer & Property Conference
	Nanjing	Organised a site visit to Nanjing projects for analysts from investment banks
	Shanghai	Organised a site visit to Shanghai projects for analysts from investment banks
	Hainan	Organised a site visit to Hainan Clearwater Bay, for analysts from investment banks
December	Hong Kong	Standard Chartered Bank China Real Estate Corporate Access Day

During the year, the Group has achieved excellent results in investor relations by means of our creditable efforts in investor relations, and has been accorded a number of awards by well-known institutions.

Award	Institution
Fabulous 50 — The Best of Asia Pacific's Biggest Listed Companies	Forbes Asia Magazine
The Asset Corporate Gold Award	The Asset Magazine
Annual Report 2009 — Top 100 Annual Reports of 2009 (ranked 48th) Best Annual Report Financials — Silver (Asia-Pacific Region) Gold Award of Excellence within its industry	League of American Communication Professional
Excellence Prize — Annual Report 2009	International Annual Reports Committee

Prospects

The Group will continue to improve investor relations on its existing basis to develop more effective communication channels for the Shareholders and investors to have a better understanding of the Company. At the same time, in order to continuously improve the internal management, profitability and standard of governance of the Company, the Management will listen wholeheartedly to the expectation of the capital market on the Company.

DIRECTORS' PROFILE

Chen Zhuo Lin (陳卓林), aged 49, has been Chairman of the Company since August 2005. Mr. Chen is the founder of Agile and has over 18 years extensive experience in real estate development and management. Mr. Chen is responsible for the formulation of development strategies, making decisions on investment projects and development directions on the operations and overall business management of the Group. He received an Honorary Doctorate degree in business administration from Armstrong University, USA in 2007 and was awarded as "2007 World Outstanding Chinese Award". He has been awarded "Top 30 Chinese Philanthropists in 30 Years of Reform" (改革開放30年·華人慈善30人) in 2008, "2009 Top 10 Persons of the Year for China Enterprise Management Excellence Award" (2009中國企業十大卓越管理年度人物) and "China Philanthropy Outstanding Contribution Individual Award" (中華慈善突出貢獻人物獎) in 2009. Currently, Mr. Chen is the Vice-Chairman of China Overseas Chinese Entrepreneurs Association (中國僑商投資企業協會), 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 Fellowship Association (香港中山三鄉同鄉會), Vice-Chairman of Zhongshan Association of Enterprise with Overseas Chinese Investment (中山市僑資企業商會) and Vice-Chairman of 2nd general committee of Guangdong Overseas Chinese Enterprises Association (廣東省僑商投資企業協會). He is a brother of Mr. Chan Cheuk Yin, Mr. Chan Cheuk Hung, Mr. Chan Cheuk Hei and Mr. Chan Cheuk Nam and the spouse of Ms. Luk Sin Fong, Fion.

Chan Cheuk Yin (陳卓賢), aged 43, has been Vice-Chairman and Co-President of the Company since August 2005. Mr. Chan has over 18 years extensive experience in real estate development and project management. Mr. Chan is in 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, Chongqing, Shanghai and Guangzhou Asian Games City. He is Chairman of Guangdong Chamber of Real Estate (廣東省地產商會). Mr. Chan was awarded as "Guangdong Province Outstanding Entrepreneurs of Privately-owned Enterprises" (廣東省優秀民營企業家) in 2003, and "2006-2007 The Most Respected Entrepreneurs in Guangzhou, PRC" (中國廣州最受尊敬企業家), and was elected as a member of Standing Committee of 10th Guangdong Provincial Committee of the CPPCC (第十屆廣東

省委員會) in 2007. Mr. Chan is actively involved in charitable activities, he was honoured as "Top 10 Philanthropist in Guangdong" (廣東十大慈善人物) in 2008 and currently Honorary Vice-Chairman of China Charity Federation (中華慈善總會). 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 49, has been Vice-Chairlady and Co-President of the Company since August 2005. Ms. Luk has over 18 years extensive management experience in real estate development and management, in particular in the area of strategic marketing and marketing management. Ms. Luk is responsible for planning and marketing, sales, finance, administration and human resources management, information technology, property management and hotel management of the Group, and management the overall operation of the projects in the areas of Zhongshan, Foshan, Nanjing, Shenyang and Hainan. Ms. Luk received a Master's degree in business administration from University of Western Sydney, Australia in 2005. She has also received an honorary resident award in Foshan and Nanhai, respectively in 2004. She was awarded "Zhongshan Outstanding Entrepreneurs" (中山優秀企業家) in 2006, "Top 10 Excellent CBO" (中國十大卓越CBO) in 2008 and an honorary resident award in Zhongshan in 2009. She is currently Vice-Chairlady of Guangzhou Housing Society (廣州市房地產協會) and honorary Chairlady of Guangdong Provincial Qiaoxin Charity Foundation (廣東省僑心慈善基金會). She is the spouse of Mr. Chen Zhuo Lin.

Chan Cheuk Hung (陳卓雄), aged 53, has been Executive Director and Senior Vice-President of the Company since August 2005. Mr. Chan has over 18 years extensive experience in real estate development and related businesses. Mr. Chan is responsible for quality control of projects, management of contractors of the Group, as well as the businesses of its project in the areas of Hainan. Mr. Chan has been awarded an honorary resident award in Foshan and "Small Community Construction Outstanding Contribution Award" (小區建設突出貢獻獎) in National Xiaokang Housing Demonstration Small Community Competition (國家小康住宅示範小區評比) by Ministry of Construction (國家建設部) in 2000. Mr. Chan was a standing committee member of Guangdong Province Real Estate Association (廣東省房地產協會) in 2004. He is a brother of Mr. Chen Zhuo Lin, Mr. Chan Cheuk Yin, Mr. Chan Cheuk Hei and Mr. Chan Cheuk Nam.

DIRECTORS' PROFILE

Chan Cheuk Hei (陳卓喜), aged 52, has been Executive Director and Senior Vice-President of the Company since August 2005. Mr. Chan has over 18 years extensive experience in 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 47, has been Executive Director and Senior Vice-President of the Company since August 2005. Mr. Chan has over 18 years extensive experience in 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 83, has been Independent Non-executive Director of the Company since October 2005. Dr. Cheng has also been serving as a member of audit committee and nomination committee of the Company, and Chairman of 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 Honourary 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. Dr. Cheng is a Past President, Honourary Fellow and Gold Medallist of Hong Kong Institution of Engineers; Past Vice President, Fellow and Gold Medallist of Institution of Structural Engineers; Fellow of Institution of Civil Engineers, United Kingdom and of American Society of Civil Engineers and Honourary Fellow of Engineers Australia. He is also an Honourary Member of Hong Kong Institute of Planners and Hong Kong Institute of Architects and obtained National Class 1 Registered Structural Engineer qualification. Dr. Cheng is an authorised person and a registered structural engineer; and a Former Chairman of Hong Kong Housing Authority and Transport Advisory Committee. He was a member of Standing Committee of Tianjin CPPCC and is currently a permanent Honourary Chairman of Hong Kong Tianjin Friendship Association. He was a member of both 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 61, has been Independent Non-executive Director of the Company since October 2005. Mr. Kwong has also been serving as a member of remuneration committee, and nomination committee of the Company, and the Chairman of audit committee of the Company. Mr. Kwong has a Bachelor of Social Science degree from The University of Hong Kong, and is a fellow member of Institute of Chartered Accountants in England and Wales and Hong Kong Institute of Certified Public Accountants. Mr. Kwong is also an Independent Non-executive Director of a number of companies listed on the Stock Exchange, including COSCO International Holdings Limited, Beijing Capital International Airport Co., Ltd., NWS Holdings Limited, OP Financial Investments Limited, China Chengtong Development Group Limited, Global Digital Creations Holdings Limited, Quam Limited, China Power International Development Limited, Henderson Land Development Company Limited, Henderson Investment Limited and CITIC Telecom International Holdings Limited. Mr. Kwong resigned as an Independent Non-executive Director of Frasers Property (China) Limited with effect from 14 January 2011. From 1984 to 1998, Mr. Kwong was a Partner of Price Waterhouse and a council member of the Stock Exchange from 1992 to 1997.

Cheung Wing Yui (張永銳), aged 61, has been Independent Non-executive Director of the Company since October 2005. Mr. Cheung has also been serving as a member of audit committee and remuneration committee of the Company, and Chairman of nomination committee of the Company. Mr. Cheung received a Bachelor of Commerce degree in accountancy from The University of New South Wales, Australia in 1973. He is a member of CPA Australia. Mr. Cheung 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 United Kingdom and as an advocate and solicitor in Singapore. Mr. Cheung had held the position of Deputy Chairman of The Hong Kong Institute of Directors, a Director of Po Leung Kuk, Vice-Chairman of the Mainland Legal Affairs Committee of The Law Society of Hong Kong and a member of the Board of Review (Inland Revenue Ordinance). Mr. Cheung is currently a Director and Executive Committee Member of The Community Chest, Deputy Chairman of the Council of The Open University of Hong Kong, and a Non-executive Director of a number of companies listed on the Stock Exchange including Tianjin Development Holdings Limited, Sunevision Holdings Ltd., Tai Sang Land Development Limited, SRE Group Limited and SmarTone Telecommunications Holdings Limited. He is also an Independent Non-executive Director of Hop Hing Group Holdings Limited.

SENIOR MANAGEMENT'S PROFILE

Wu Xiaoping (吳小平), aged 47, is Vice-President of the Company. Mr. Wu is mainly responsible for the Group's property development, sales and property management in Zhongshan district. Since joining the Group in 1993, Mr. Wu had been business manager and assistant to general manager, deputy general manager and general manager of the Group. Prior to joining the Group, he worked for China Shenzhen Foreign Trade (Group) Corp. Ltd. (中國深圳對外貿易(集團)有限公司) from 1987 to 1993. Mr. Wu graduated from South China Normal University (華南師範大學) majoring in Foreign Languages. Currently, he is a delegate of 13th People's Congress of Zhongshan City (中山市第十三屆人大), Member of the Standing Committee of Zhongshan City Industry and Commerce Confederation (General Chamber) (中山市工商業聯合會(總商會)), Vice-Chairman of Zhongshan City Real Estate Association (中山市房地產協會), Vice-President of Standing Committee of Commerce Chamber in East District Zhongshan City (中山市東區商會), Vice-Chairman of Standing Committee of Commerce Chamber of Commerce of Zhongshan Torch Hi-Tech Industrial Development Zone (中山火炬高技術產業開發區商會), Vice-President of Charity Federation in Zhongshan City (中山市慈善總會), Honourary President Macau Zhongshan Shiqi Friendship Association (澳門中山石岐聯誼會), Honourable President of Euro Asia Chinese Golf Association (歐洲亞洲華人高爾夫球協會), Honourary President of Zhongshan Golf Association (中山市高爾夫球協會); Vice-President of Zhongshan Table Tennis Association (中山市乒乓球協會), Deputy Secretary-General of 3rd Committee of Zhongshan City Administration of Sports (中山市體育總會第三屆委員會), Standing Committee Member of Zhongshan Overseas Friendship Association (中山市海外聯誼會), Honourable Principal of Zhongshan West District Central Primary School (中山市西區中心小學) and Director of Alumni Association of South China Normal University (華南師範大學).

Liu Huaxi (劉華錫), aged 36, is Vice-President of the Company. Mr. Liu is mainly responsible for the management of the Group's project development, hotel business, business development, property management, administration and personnel management, and corporate communications. Since joining the Group in 1995, Mr. Liu had been head of Business Development Department, head of administrative office,

assistant to vice-president, deputy director of Real Estate Management Centre and vice-president of the Group. Mr. Liu graduated from Hohai University (河海大學) in 1995 majoring in enterprise management.

Huang Fengchao (黃奉潮), aged 49, is Vice-President of the Company. 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 had been a general manager of our Real Estate Management Centre and Huadu & Nanhu project. Prior to joining the Group, he had worked for foreign invested oil companies, including ExxonMobil (China) Co. Ltd. (美國埃索(中國)有限公司) & France TOTAL (China) Ltd. (法國道達爾(中國)有限公司).

Chui Wing Nin (崔永年), aged 45, is Chief Financial Officer of the Company. Mr. Chui joined the Group in July 2010 and is mainly responsible for accounting, corporate finance and investor relations of the Group. Prior to joining the Group, he was a general manager of finance department of a Hong Kong listed company, and he has over 20 years experience in corporate finance, treasury management, finance and banking. Mr. Chui is a Chartered Financial Analyst, and graduated from The Chinese University of Hong Kong with a Bachelor's degree in business administration, and a Master's degree of finance from The University of London.

Chen Zhongqi (陳忠其), aged 43, is Vice-President of the Company. Mr. Chen is mainly responsible for the management of the project development of the Group's real estate business, including monitoring project quality, progress, technology, contract and quantity survey. Since joining the Group in 1993, Mr. Chen had been company's project controller and chief engineer, head of Project Engineering Department, deputy manager of Project Management Department and vice-controller of Real Estate Management Centre of the Group. Mr. Chen is a budget engineer and registered quantity surveyor, and graduated from Neijiang Normal University (內江師範學院), Sichuan (previously known as Neijiang Institute of Education (四川內江師範專科學院)) in 1991.

SENIOR MANAGEMENT'S PROFILE

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

Chen Lulin (陳璐琳), aged 39, is Vice-President of the Company. Mr. Chen is mainly responsible for the design centre and decoration project management of the Group, and in charge of operating management of Zhongshan Fashion Decoration Co., Ltd. (中山市時興裝有限公司). Since joining the Group in 2005, Mr. Chen had been a vice-controller and vice-president of Real Estate Management Centre of the Group. Prior to joining the Group, he worked for Shanghai Construction Group (上海建工集團). Mr. Chen graduated from Lanzhou Jiaotong University (蘭州交通大學) (previously known as Lanzhou Railway Institute (蘭州鐵道學院)) in engineering.

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

Li He (李合), aged 52, is Vice-President of the Company. Mr. Li is mainly responsible for the management of the Group's property projects in Western China (Chengdu, Chongqing and Xi'an). Since joining the Group in 2007, Mr. Li had been the vice-president of the Group. Prior to joining the Group, he was a managing director of Beijing Changli Investment Company Limited (北京昌力投資有限公司) and president director of Guangzhou Dali Investment Company Limited (廣州達利投資有限公司). Mr. Li graduated from South China Normal University (華南師範大學) in Guangzhou in 1983 majoring in politics, and obtained a Master's degree in business administration from Murdoch University in Australia in 2001.

Chen Weike (陳偉科), aged 37, is Deputy General Manager of the Company. Mr. Chen is mainly responsible for the Group's capital operations and project investments. Since joining the Group in 2000, Mr. Chan had been an officer and deputy manager of Capital Department and manager of Investment Department of the Group. Prior to joining the Group, he worked for Agricultural Bank of China (Zhongshan branch) from 1996 to 2000. Mr. Chen graduated from Shanghai University of Finance and Economics (上海財經大學) in 1996 with a Bachelor's degree in economics.

Wu Jinhong (吳錦鴻), aged 42, is 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, Mr. Wu had been a project finance officer, manager and deputy director of Finance Centre of the Group. Prior to joining the Group, he was an auditor of an accounting firm and finance manager of a property development company. Mr. Wu is a Registered Financial Planner, and graduated from Foshan Financial College (佛山財政學校) in 1990 majoring in finance and taxation, graduated from Guangdong Radio & TV University (廣東廣播電視大學) in 1995 majoring in finance and accounting, and obtained a postgraduate diploma in economic management from Guangdong Institute of Social Science (廣東省社會科學院) in 2002.

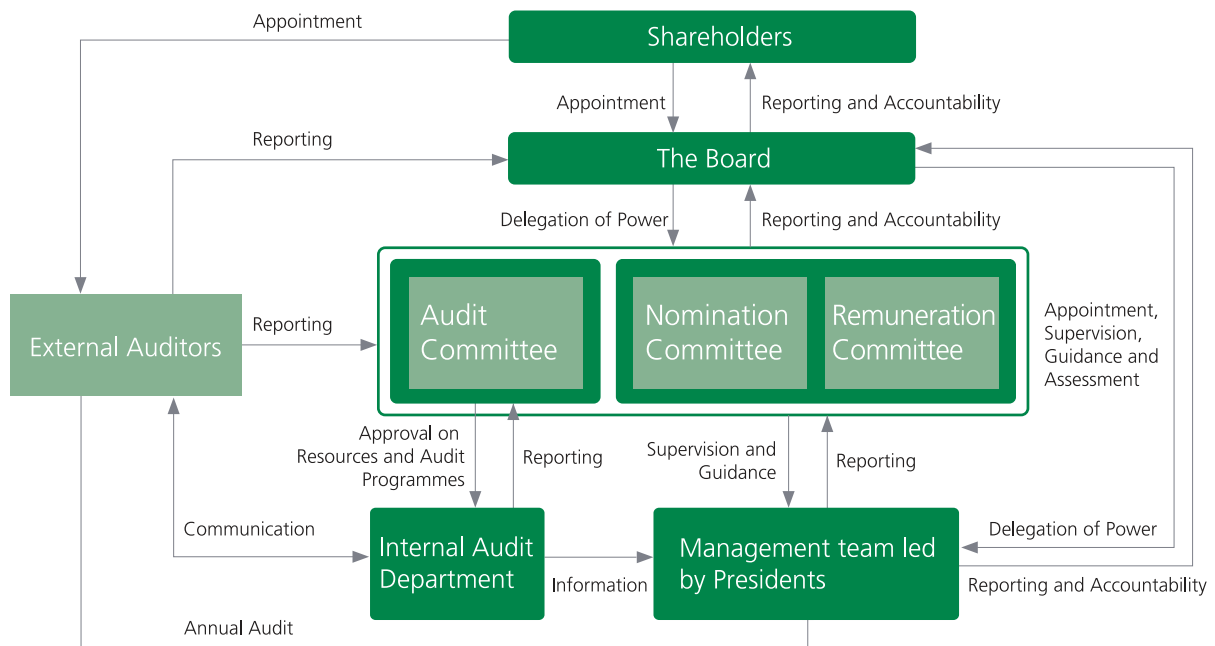
SENIOR MANAGEMENT'S PROFILE

Huang Zejun (黃澤軍), aged 46, is Deputy General Manager of the Company. Mr. Huang is mainly responsible for project planning, public affairs and investor relations of the Group. Since joining the Group in 1996, he had 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 (中山中旅集團). Mr. Huang obtained a postgraduate diploma in foreign languages from South China University of Technology (華南理工大學) in 1989.

Wai Ching Sum (衛靜心), aged 43, is Deputy General Manager and Company Secretary of the Company. Ms. Wai joined the Group in 2005 and is mainly responsible for corporate governance and corporate affairs of the Group, and the management and business operation of Hong Kong district. Prior to joining the Group, she had worked in a number of companies listed on the Stock Exchange and has 20 years relevant professional experience. Ms. Wai is a fellow member of The Institute of Chartered Secretaries and Administrators in the United Kingdom and The Hong Kong Institute of Chartered Secretaries and obtained the Practitioner's Endorsement issued by 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 City University of Hong Kong in 2002.

CORPORATE GOVERNANCE REPORT

Corporate Governance Structure



Apart from complying with applicable laws, regulations, and regulatory standards as well as from adhering strictly to corporate governance principles, the Company strives to enhance its corporate governance standard which has been set as its goal. To achieve the goal, the Company focuses on high quality of the Board, a sound corporate governance style, improvement in internal controls, and transparency of operations, so as to ensure that the operations are in the long-term interest of the Company as well as the Shareholders.

The Company reviews the standard of corporate governance practices periodically with reference to the recommendations and practices of market, which is reflected in the amended "Statement of Policy for Corporate Governance".

During the year, the Company has complied with all code provisions of Code on Corporate Governance Practices as set out in Appendix 14 to the Listing Rules and adopted and complied with certain recommended best practices.

CORPORATE GOVERNANCE REPORT

The compliance of code on corporate governance practices by the Company is summarised as below:

A. Directors

A.1 Board of Directors

Principle

The Board should assume responsibility for leadership and control of the company and is collectively responsible for directing and supervising the company's affairs.

Code Provisions and Major Contents	C/E*	Compliance Position
A.1.1 Board should meet regularly and board meetings should be held at least four times a year at approximately quarterly intervals.	C	<ul style="list-style-type: none"> During the year, the Board held a total of 4 meetings in March, August, October and December respectively, with two held outside Hong Kong. For particulars of Directors attending the meetings, please see "Attendance of Directors and members of Board committees" on page 113 of this annual report.
A.1.2 All directors are given an opportunity to include matters in agenda for regular board meetings.	C	<ul style="list-style-type: none"> Company Secretary had distributed first draft meeting agenda to all Directors for their perusal and comment 21 days before meeting date as instructed by Chairman. Board meeting agenda was issued only after incorporating comments of Directors (if any).
A.1.3 Notice of at least 14 days should be given of a regular board meeting to give all directors an opportunity to attend. For all other board meetings, reasonable notice should be given.	C	<ul style="list-style-type: none"> Company had issued notices to all Directors at least 14 days before date of all regular Board meetings. Regular Board meetings during the years are scheduled towards the end of immediately preceding year so that Directors can arrange their schedule to attend meetings. For convening other Board meetings, Company usually gives a reasonable time of notice.
A.1.4 All directors should have access to the advice and services of the company secretary with a view to ensuring that board procedures, and all applicable rules and regulations, are followed.	C	<ul style="list-style-type: none"> Any Director may seek advice on procedures of Board meeting and compliance of applicable rules and regulations from Company Secretary or gives instructions to Company Secretary for following-up.
A.1.5 Meeting minutes of board and board committee should be kept by a duly appointed meeting of secretary and such minutes should be open for inspection at any reasonable time on reasonable notice by any director.	C	<ul style="list-style-type: none"> Company Secretary is responsible for preparing and keeping meeting minutes of Board and its committees, and relevant minutes of meeting may be inspected upon request of Directors within reasonable time.

* "C" = complied
"E" = explained

CORPORATE GOVERNANCE REPORT

Code Provisions and Major Contents	C/E*	Compliance Position
A.1.6 Meeting minutes of board and board committee should record in sufficient detail the matters considered by the board and decisions reached. Draft and final versions of minutes of board meetings should be sent to all directors for their comment and records respectively, in both cases within a reasonable time after the board meeting is held.	C	<ul style="list-style-type: none"> All meeting minutes will set out in detail matters considered and decisions made in the meetings of Board and its committees which includes any queries made or views expressed by Directors. Company Secretary will normally distribute first draft meeting minutes to all Directors for their perusal and comment 7 days after end of Board meeting. Having incorporated the comments by Directors (if any), finalised version will be eventually distributed to Directors for record-keeping purpose, and the Company Secretary will then ask meeting chairman to sign on meeting minutes and do filing.
A.1.7 There should be a procedure agreed by the board to enable directors, to seek independent professional advice at the company's expenses.	C	<ul style="list-style-type: none"> The Board has established procedures for Directors to seek independent professional opinions when discharging their duties at the fees and expenses of the Company.
A.1.8 If a substantial shareholder or a director has a conflict of interest in a matter to be considered by the board which the board has determined to be material, the matter should not be dealt with by way of circulation or by a committee but a board meeting should be held. Independent non-executive directors who, whose associates, have no material interest in the transaction should be present at such board meeting.	C	<ul style="list-style-type: none"> Any transaction involving interest of substantial Shareholder or Directors shall be subject to the consideration and approval by Board at a duly convened meeting, or to be implemented and dealt by designated Board committee. Directors who have interest may attend meeting but shall not be counted towards quorum and Directors who have interest in it shall abstain from voting for the relevant matter.

Recommended Best Practices and Major Contents	C/E*	Compliance Position
A.1.9 The company should arrange appropriate insurance cover in respect of legal action against its directors.	C	<ul style="list-style-type: none"> Since its listing in 2005 and to date, the Company has taken out Director and senior management liability insurance coverage for its Directors and senior management to safeguard from any loss and damage arising from misconducts in the course of discharging their duties.
A.1.10 Board committees should adopt, so far as practicable, the principles, procedures and arrangements set out in A1.1 to A1.8.	C	<ul style="list-style-type: none"> Standing committees of Board, namely audit, remuneration and nomination committees have complied with principles, procedures and arrangements stated in A1.1 to A1.8.

* "C" = complied
"E" = explained

CORPORATE GOVERNANCE REPORT

A.2 Chairman and the Chief Executive Officer

Principle

There should be a clear division of responsibilities between the chairman & the chief executive officer to ensure balance of power and authority.

Code Provisions and Major Contents	C/E*	Compliance Position
A.2.1 The roles of chairman and chief executive officer should be separate and should not be performed by the same individual. The division of responsibilities between chairman and chief executive officer should be clearly established and set out in writing.	C	<ul style="list-style-type: none"> Mr. Chen Zhuo Lin, is Board Chairman and Mr. Chan Cheuk Yin and Ms. Luk Sin Fong, Fion are Vice-Chairmen and Co-Presidents respectively. Responsibilities of Chairman and Co-Presidents are independent, and work division has been clearly defined in "Statement of Policy for Corporate Governance". Chairman is responsible for leadership of Board and formulating strategies of Company, and ensuring establishment a sound communication with Shareholders. Vice-Chairmen and Co-Presidents are responsible for daily management and operations, including implementation of business policies, strategies and plans adopted by Board.
A.2.2 The chairman should ensure that all directors are properly briefed on issues arising at board meetings.	C	<ul style="list-style-type: none"> Chairman should ensure all Directors are appropriately briefed on issues as listed in the agenda, and receive timely, adequate, accurate, complete and reliable information.
A.2.3 The chairman should be responsible for ensuring that directors receive adequate information, which must be complete and reliable, on a timely manner.	C	<ul style="list-style-type: none"> Chairman will periodically direct Company Secretary to obtain information regarding latest development and requirement for corporate governance from official channels as well as information of Company's development and to provide Directors of such information so to keep them fully informed of Company's development in the course of discharging their duties as Directors.

Recommended Best Practices and Major Contents	C/E*	Compliance Position
A.2.4 One of the important roles of the chairman is to provide leadership for the board, and to ensure that the board works effectively and discharges its responsibilities, and that all key and appropriate issues are discussed by the board in a timely manner. The chairman should be primarily responsible for drawing up and approving the agenda for each board meeting, and take into account any matters proposed by the other directors for inclusion in the agenda. The chairman may delegate such responsibility to a designated director or the company secretary.	C	<ul style="list-style-type: none"> The terms of reference of the Board stipulate the roles of Chairman in coordinating and leading the Directors and is responsible for determining and approving the agenda for businesses to be discussed in the Board meeting.

* "C" = complied
"E" = explained

CORPORATE GOVERNANCE REPORT

Recommended Best Practices and Major Contents	C/E*	Compliance Position
A.2.5 The chairman should take responsibility for ensuring that good corporate governance Practices and procedures are established.	C	<ul style="list-style-type: none"> Under Chairman's leadership, Board adopted the "Statement of Policy for Corporate Governance" on 14 February 2006, which was amended on 14 April 2009 and 17 December 2010 respectively in accordance with latest developments in corporate governance practices and procedures.
A.2.6 The chairman should encourage all directors to make a full and active contribution to the board's affairs and take the lead to ensure that the board acts in the best interests of the company.	C	<ul style="list-style-type: none"> Chairman takes the lead at meeting, encourages constructive discussions, gives sufficient time for matters being discussed, facilitates the arriving at a consensus, encourages full participation by Directors, and ensures the decision process is clear, and all matters are properly kept on record.
A.2.7 The chairman should at least annually hold meetings with the non-executive directors (including independent non-executive directors) without the executive directors present.	C	<ul style="list-style-type: none"> In October 2010, Chairman had a meeting with the INEDs without the presence of executive Directors.
A.2.8 The chairman should ensure that appropriate steps are taken to provide effective communication with shareholders and that views of shareholders are communicated to the board as a whole.	C	<ul style="list-style-type: none"> Either Chairman and/or Vice-Chairman and Co-President will attend annual general meeting every year, and report the operation and future development of the Group. A question and answer session is available at the meeting to ensure that views of the Shareholders can reach the Board.
A.2.9 The chairman should facilitate the effective contribution of non-executive directors in particular and ensure constructive relations between executive and non-executive directors.	C	<ul style="list-style-type: none"> Apart from Board meeting, Chairman will arrange Directors to attend new project launch ceremony, projects visits, golfs playing and corporate banquet, with a view to maintaining a constructive relation between executive Directors and INEDs.

A.3 Compositions of the Board

Principle

The board should have a balance of skills and experience appropriate for the business of the company. The board should include a balanced compositions of executive directors and independent non-executive directors so that the board can effectively exercise independent judgement.

Code Provisions and Major Contents	C/E*	Compliance Position
A.3.1 The independent non-executive directors should be expressly identified as such in all corporate communications that disclose the names of directors of the company.	C	<ul style="list-style-type: none"> Both Directors' names and their capacities have been stated in corporate communications of Company (including annual and interim reports, announcements and other forms of communications with its Shareholders).

* "C" = complied
"E" = explained

CORPORATE GOVERNANCE REPORT

Recommended Best Practices and Major Contents	C/E*	Compliance Position
A.3.2 A company should appoint independent non-executive directors representing at least one-third of the board.	C	<ul style="list-style-type: none"> The Board comprises 9 members, with 6 executive Directors and 3 INEDs, being one-third of the Board. They have professional qualifications and experiences in accounting and finance, law and property industries.
A.3.3 A company should maintain on its website an updated list of its directors identifying their role and function and whether they are independent non-executive directors.	C	<ul style="list-style-type: none"> The list of members of the Board, their titles and terms of reference are posted onto the website of the Company for perusal.

A.4 Appointment, re-election and removal

Principle

There should be a formal, considered and transparent procedure for the appointment of new directors and plans in place for orderly succession for appointments to the board. All directors should be subject to re-election at regular intervals.

Code Provisions and Major Contents	C/E*	Compliance Position
A.4.1 Non-executive directors should be appointed for a specific term, subject to re-election.	C	<ul style="list-style-type: none"> The tenure of INEDs is 3 years. Pursuant to requirements of articles of association of Company, each Director (including INEDs) shall retire by rotation once every 3 years, in annual general meeting, and being entitled to re-election. In 2010, all INEDs confirmed their independence pursuant to Rule 3.13 of Listing Rules, and the Company confirmed them to be independent.
A.4.2 All directors appointed to fill a casual vacancy should be subject to election by shareholders at the first general meeting after their appointment. Every director, including those appointed for a specific term, should be subject to retirement by rotation at least once every three years.	C	<ul style="list-style-type: none"> Pursuant to requirements of articles of association of Company, all Directors appointed to fill casual vacancies shall be subject to re-election in the first general meeting after appointment. Pursuant to requirements of articles of association of Company, each Director shall retire by rotation once every 3 years, in annual general meeting, and being entitled to re-election. Both names and biographical details of Directors eligible for re-election are set out in circular to shareholders for them to make informed decisions with grounds in the election of Directors.

* "C" = complied
"E" = explained

CORPORATE GOVERNANCE REPORT

Recommended Best Practices and Major Contents	C/E*	Compliance Position
<p>A.4.3 If an independent non-executive director serves more than 9 years, any further appointment of such independent non-executive director should be subject to a separate resolution to be approved by shareholders.</p>	C	<ul style="list-style-type: none"> • None of INEDs have served the Company for more than 9 years.
<p>A.4.4 The company shall establish a nomination committee, which shall comprise independent non-executive directors as majority.</p>	C	<ul style="list-style-type: none"> • Board has established nomination committee since December 2006. • Committee comprises 3 INEDs and an executive Director, and is chaired by Mr. Cheung Wing Yui, independent non-executive Director.
<p>A.4.5 The nomination committee should be established with specific written terms of reference which deal clearly with the committee's duties.</p>	C	<ul style="list-style-type: none"> • The Board had adopted terms of reference of nomination committee held on 13 December 2006.
<p>A.4.6 The nomination committee should make available its terms of reference explaining its role and the authority delegated to it by the board.</p>	C	<ul style="list-style-type: none"> • The terms of reference of nomination committee has been posted onto the website of the Company.
<p>A.4.7 The nomination committee should be provided with sufficient resources to discharge its duties.</p>	C	<ul style="list-style-type: none"> • Pursuant to requirements of "Statement of Policy for Corporate Governance", nomination committee may seek independent professional opinions when discharging their duties at the fees and expense of the Company.
<p>A.4.8 Where the board proposes a resolution to elect an individual as an independent non-executive director at the general meeting, it should set out in the circular to shareholders and/or explanatory statement accompanying the notice of the relevant general meeting why they believe the individual should be elected and the reasons why they consider the individual to be independent.</p>	E	<ul style="list-style-type: none"> • Although Company has not informed Shareholders the reason for electing such persons as INED and reason of why they are independent in the circular, it has set out the names and their biographical details in the circular to Shareholders for them to make informed decisions with grounds.

* "C" = complied
"E" = explained

CORPORATE GOVERNANCE REPORT

A.5 Responsibilities of directors

Principle

Every director is required to keep abreast of his responsibilities as a director of the company and of the conduct, business activities and development of the company.

Code Provisions and Major Contents	C/E*	Compliance Position
<p>A.5.1 Every newly appointed director of a company should receive a comprehensive, formal and tailored induction on the first occasion of his appointment, and subsequently such briefing and professional development as is necessary, to ensure that he has a proper understanding of the responsibilities under statute and common law, the Listing Rules, applicable legal requirements and other regulatory requirements and the business and governance of the company.</p>	C	<ul style="list-style-type: none"> Pursuant to established procedures of Company, all newly appointed Directors will be provided with information relating to their duties, including "Statement of Policy for Corporate Governance", the operation & financial information of the Group. "A Guide on Directors Duties" issued by Companies Registry and Listing Rules. Company Secretary will also provide Directors with latest information on Listing Rules and other applicable regulatory requirements, so as to strengthen awareness of Directors of sound corporate governance.
<p>A.5.2 The functions of non-executive directors should include but should not be limited to the following:</p> <p>(a) participate in board meetings of the company to bring an independent judgement;</p> <p>(b) taking the lead where potential conflicts of interests arise;</p> <p>(c) serving on the audit, remuneration, nomination and other governance committees, if invited; and</p> <p>(d) scrutinizing the company's performance in achieving agreed corporate goals and objectives, and monitoring the reporting of performance.</p>	C	<ul style="list-style-type: none"> INEDs may offer independent opinions on the operation and management and development strategies of Company, and vote independently on matters where executive Directors shall abstain from voting when there is a potential conflict of interests between executive Directors and the matter under consideration. Each INED shall be appointed as chairman of audit, remuneration, and nomination committees respectively, and as ex-officio members who is not the chairman of these respective committees. Each INED will carefully examine and monitor the performance of the Company and see whether or not the Company has attained its set goals and objectives and report the results to the Board accordingly.
<p>A.5.3 Every director should ensure that he can give sufficient time and attention to the affairs of the company and should not accept the appointment if he cannot do so.</p>	C	<ul style="list-style-type: none"> Both executive Directors and INEDs have allocated a substantial amount of time and attention taking care and dealt with Company's affairs. Other than attending the meetings of Board and its committees, the Directors also spent time in reviewing monthly internal audit reports provided by Internal Audit Department.

* "C" = complied
"E" = explained

CORPORATE GOVERNANCE REPORT

Code Provisions and Major Contents	C/E*	Compliance Position
A.5.4 Directors must comply with their obligations under the Model Code and should establish written guidelines on no less exacting terms than the Model Code for relevant employees in respect of their dealings in the securities of the company.	C	<ul style="list-style-type: none"> Directors shall comply with and have confirmed that they have complied with Code for Securities Transactions by Directors adopted by the Board which shall no less exact than those criteria set out in Model Code. Besides, Group's employees shall also comply with Code for Securities Transactions by Group's Employees adopted and as amended by the Board.

Recommended Best Practices and Major Contents	C/E*	Compliance Position
A.5.5 All directors should participate in a programme of continuous professional development to develop and refresh their knowledge and skills to help ensure that their contribution to the board remains informed and relevant. The company should be responsible for arranging and funding a suitable development programme.	C	<ul style="list-style-type: none"> Company will issue memorandum to Directors from time to time about latest legal and regulatory activities as well as other matters relating to Directors' duties.
A.5.6 Each director should disclose to the company at the time of his appointment, and on a periodic basis, the number and nature of offices held in public companies or organisations and other significant commitments. The board should determine for itself how frequently such disclosure should be made.	C	<ul style="list-style-type: none"> Directors have disclosed to Company about the number of positions held in public companies or organisations, and nature (if any) when accepted the appointments. Company will disclose the undated biographical details of each Director with their positions held in public companies or organisations and number (if any) in its annual report every year.
A.5.7 Non-executive directors, as equal board members, should give the board and any committees on which they serve the benefit of their skills, expertise and varied backgrounds and qualifications through regular attendance and active participation. They should also attend general meetings and develop a balanced understanding of the views of shareholders.	C	<ul style="list-style-type: none"> All INEDs attended meetings of Board and the committees on which they serve regularly. They discussed and gave their views in the meeting with their skills, and expertise, contributed to the development of Group. Besides, the INEDs have attended annual general meeting and the extraordinary general meeting on 3 June 2010.
A.5.8 Non-executive directors should make a positive contribution to the development of the company's strategy and policies through independent, constructive and informed comments.	C	<ul style="list-style-type: none"> INEDs provided independent and constructive opinions based on facts each time they attended the meeting.

* "C" = complied
"E" = explained

CORPORATE GOVERNANCE REPORT

A.6 Supply and access of information

Principle

Directors should be provided in a timely manner with appropriate information in such form and of such quality as will enable them to make an informed decision and to discharge their duties and responsibilities as directors of a company.

Code Provisions and Major Contents	C/E*	Compliance Position
A.6.1 In respect of regular board meetings, and so far as practicable in all other cases, an agenda and accompanying board papers should be sent in full to all directors in a timely manner and at least 3 days before the intended date of a board or board committee meeting.	C	<ul style="list-style-type: none"> Meeting documents of Board and/or its committees will normally be delivered to all Directors for perusal 3 days before meeting date, so as to ensure they are fully informed before meeting.
A.6.2 Management has an obligation to supply the board and its committees with adequate information in a timely manner to enable it to make informed decisions. The information supplied must be complete and reliable. The board and each director should have separate and independent access to the company's senior management so that further enquiries can be made whenever necessary.	C	<ul style="list-style-type: none"> Management of Company will provide sufficient and timely information to Board and its committees, so as to enable them be fully informed in decision-making. After having received the information provided, Directors will take initiative to further inquire individual management from time to time, and senior management will provide assistance upon request.
A.6.3 All directors are entitled to have access to board papers and related materials. Such papers and related materials should be prepared in such form and quality as will enable the board to make informed decision on matters placed before. Where queries are raised by directors, step must be taken to respond as promptly as possible.	C	<ul style="list-style-type: none"> All Directors are entitled to inspect any document and its related information. Management of Company is obliged to accommodate the enquiries of Directors and to provide information upon request.

* "C" = complied
"E" = explained

CORPORATE GOVERNANCE REPORT

B. Remuneration of directors and senior management

B.1 The level and make-up of remuneration and disclosure

Principle

There should be a formal and transparent procedure for setting policy of executive directors' remuneration and for fixing the remuneration packages for all directors.

Code Provisions and Major Contents	C/E*	Compliance Position
B.1.1 The company should form a remuneration committee with specific written terms of reference; the terms of reference should clearly set out the powers and duties of the committee. The majority of members of the remuneration committee should be independent non-executive directors.	C	<ul style="list-style-type: none"> Board has established remuneration committee and adopted its terms of reference since November 2005. Remuneration committee comprises 3 INEDs and an executive Director, and is chaired by Dr. Cheng Hon Kwan, independent non-executive Director.
B.1.2 The remuneration committee should consult the chairman and/or chief executive officer about their proposals relating to the remuneration of other executive directors and have access to professional advice if considered necessary.	C	<ul style="list-style-type: none"> Before the remuneration committee discusses and determines the remuneration for executive Directors, the remuneration committee will first consult the Chairman and, if necessary, consult the management for their advice.
B.1.3 The terms of reference of the remuneration committee should include: (a) determine the specific remuneration packages of all executive directors and senior manager; (b) review and approve performance-based remuneration and the compensation payable on loss or termination of office or appointment; and (c) ensure that no director or any of his associates is involved in deciding his own remuneration.	C	<ul style="list-style-type: none"> The terms of reference of the remuneration committee has set out the specific responsibilities.
B.1.4 The remuneration committee should make available its terms of reference, explaining its role and the authority delegated to it by the board.	C	<ul style="list-style-type: none"> The terms of reference of the remuneration committee has been posted onto the website of the Company.
B.1.5 The remuneration committee should be provided with sufficient resources for them to discharge their duties.	C	<ul style="list-style-type: none"> Pursuant to requirements of "Statement of Policy for Corporate Governance", remuneration committee may seek independent professional opinions when discharging their duties at the fees and expenses of the Company.

* "C" = complied
"E" = explained

CORPORATE GOVERNANCE REPORT

Recommended Best Practices and Major Contents	C/E*	Compliance Position
B.1.6 A significant proportion of executive directors' remuneration should be structured so as to link rewards to corporate and individual performance.	C	<ul style="list-style-type: none"> In determining remuneration of executive Directors, remuneration committee will take into consideration the remuneration level of our peers with similar scale, also, the respective executive Director's time spent, individual performance and Company's performance.
B.1.7 The company should disclose details of any remuneration payable to members of senior management, on an individual and named basis, in their annual reports and accounts.	E	<ul style="list-style-type: none"> For personal privacy and undesirable competition between employees (if disclosed) which not in the interests of Company and Shareholders reasons, none of the Company's annual reports has disclosed the emolument of each member of senior management on named basis, but Directors' fees on named basis have been disclosed in annual report.
B.1.8 Where the board resolves to approve any remuneration or compensation arrangements which the remuneration committee has previously resolved not to approve, the board must disclose the reasons for its resolution in its next annual report.	Not Applicable	<ul style="list-style-type: none"> During the year, the Board had not approved any resolution on remuneration which had been disapproved by the remuneration committee.

C. Accountability and audit

C.1 Financial reporting

Principle

The board should present a balanced, clear and comprehensive assessment of the company's performance, positions and prospects.

Code Provisions and Major Contents	C/E*	Compliance Position
C.1.1 Management should provide such explanation and information to the board as will enable the board to make an informed assessment of the financial and other information put before the board for approval.	C	<ul style="list-style-type: none"> Management will submit detailed reports to Board, and will provide full explanation to Directors in response to queries, so the Board can make assessment with substantiated financial information and other information submitted to the Board for approval. If necessary, relevant management will meet the Directors upon request for a better understanding.
C.1.2 The directors should acknowledge in the corporate governance report their responsibilities for preparing the accounts, and there should be a statement by the auditors about their reporting responsibilities in the auditors' report on the financial statements.	C	<ul style="list-style-type: none"> Directors have acknowledged their responsibilities in this annual report for preparing the accounts, and PricewaterhouseCoopers, the external auditors of the Company have also stated their reporting responsibility in auditors' report of financial statements.

* "C" = complied
"E" = explained

CORPORATE GOVERNANCE REPORT

Code Provisions and Major Contents	C/E*	Compliance Position
<p>C.1.3 The board's responsibility to present a balanced, clear and understandable assessment extends to annual and interim reports, other price-sensitive announcements and other financial disclosures required under the Listing Rules, and reports to regulators as well as to information required to be disclosed pursuant to statutory requirements.</p>	C	<ul style="list-style-type: none"> The Board have made fair, unambiguous, and clear assessment on the annual reports, interim reports, and other price sensitive announcement.

Recommended Best Practices and Major Contents	C/E*	Compliance Position
<p>C.1.4 The company should announce and publish quarterly financial results within 45 days after the end of the relevant quarter, disclosing such information as would enable shareholders to assess the performance, financial positions and prospects of the company. Any such quarterly financial reports should be prepared using the accounting policies applied to the company's half-yearly and annual accounts.</p>	E	<ul style="list-style-type: none"> Pursuant to the relevant requirements of Listing Rules, Company has published its interim result announcement and its annual result announcement for the Shareholders to assess the performance, financial positions, and future prospects of the Company. Moreover, the Company will announce and disclose to the public all significant and price-sensitive transactions pursuant to the relevant requirements of Listing Rules, thereby ensuring that Shareholders can make a balanced, unambiguous and clear assessment in respect of the positions and prospects of the Company. The Company considers that quarterly financial statements are not practicable, nor are they cost-effective for the Company, and therefore this practice has not been adopted.
<p>C.1.5 Once the company decides to announce and publish quarterly financial results, it should continue to adopt quarterly reporting of subsequent financial years. Where the company decides not to announce and publish its financial results for a particular quarter, it should publish an announcement to disclose the reason(s) for the decision.</p>	Not Applicable	<ul style="list-style-type: none"> The Company considers there is no practical need to publish quarterly results, and therefore this practice has not been adopted.

* "C" = complied
"E" = explained

CORPORATE GOVERNANCE REPORT

C.2 Internal controls

Principle

The board should ensure that the company maintains sound and effective internal controls to safeguard the shareholders' investment and the company's assets.

Code Provisions and Major Contents	C/E*	Compliance Position
C.2.1 The directors should at least annually conduct a review of the effectiveness of the system of internal control of the company and its subsidiaries and report to shareholders that they have done so in their corporate governance report. The review should cover all material controls, including financial, operational and compliance and risk management functions.	C	<ul style="list-style-type: none"> The Board is fully responsible for the internal control system of the Group, formulates appropriate strategies, and seeks regular safeguards in order for the system to operate effectively and to ensure that the internal control system can manage risks effectively. The Board has conducted annual reviews on the material risks and capabilities of the Group in response to changes of the business environment.
C.2.2 The board's annual review should, in particular, consider the adequacy of resources, qualifications and experience of staff of the company's accounting and financial function, and their training programmes and budget.	C	<ul style="list-style-type: none"> Within its terms of reference, audit committee discusses with management as to whether or not resources, and staff qualifications and experience are adequate regarding accounting and financial reporting functions, and whether or not training received by staff and budget are adequate, and to report the results to Board to fulfil their annual review duties.

Recommended Best Practices and Major Contents	C/E*	Compliance Position
C.2.3 The board's annual review should, in particular, consider: (a) the changes since the last annual review in the nature and extent of significant risks, and the company's ability to respond to changes in its business and the external environment; (b) the scope and quality of management's ongoing monitoring of risks and of the system of internal control, and where applicable, the work of its internal audit function and other providers of assurance; (c) the extent and frequency of the communication of the results of the monitoring to the board (or board committee(s)) which enables it to build up a cumulative assessment of the state of control in the company and the effectiveness with which risk is being managed; (d) the incidence of significant control failings or weakness that has been identified at any time during the period and the extent to which they have resulted in unforeseen outcomes or contingencies that have had, could have had, or may in the future have, a material impact on the company's financial performance or condition; and (e) the effectiveness of the company's processes relating to financial reporting and Listing Rules compliance.	C	<ul style="list-style-type: none"> Board will also annually review the risks faced by the Company. Internal Audit Department continues to monitor the workflow of each department of the Group and assess the risks, and holds meetings with the audit committee once every six months to report the progress of auditing and the audit report. Should any material fault be found or any material weakness in monitoring be found, the Internal Audit Department will report them to the audit committee immediately. Internal Audit Department will explain the results of monitoring to the Board to ensure that the internal control system is working effectively. The financial reporting of the Company has been prepared in compliance with Listing Rules, Hong Kong Companies Ordinance and Hong Kong Generally Accepted Accounting Standards.

* "C" = complied
"E" = explained

CORPORATE GOVERNANCE REPORT

Recommended Best Practices and Major Contents	C/E*	Compliance Position
<p>C.2.4 Companies should disclose as part of the corporate governance report a narrative statement how they have complied with the code provisions on internal control during the reporting period. The disclosure should also include the following items:</p> <p>(a) the process that a company has applied for identifying, evaluating and managing the significant risks faced by it;</p> <p>(b) any additional information by the board that it is responsible for the company's system of internal control and for reviewing its effectiveness;</p> <p>(c) an acknowledgement by the board that it is responsible for the company's system of internal control and for reviewing its effectiveness;</p> <p>(d) the process that a company has applied in reviewing the effectiveness of internal control; and</p> <p>(e) the process that a company has applied to deal with material internal control aspects of any significant problems disclosed in its annual report and accounts.</p>	<p>C</p>	<ul style="list-style-type: none"> • The Company has complied with this practice. • The Company is committed to a better internal control system. During the year, the Company has appointed BDO Financial Services Limited to provide the following internal control review services: <ul style="list-style-type: none"> — To assess the quality of the Group's internal control system; — To review the financial control, internal control, and risk management system of the Group, and carry out tests; — To assist in the assessment of the Group's operational risks; and — To assess internal weaknesses that are found and subsequent impacts.
<p>C.2.5 Companies should ensure that their disclosure provides meaningful information and do not give a misleading impression.</p>	<p>C</p>	<ul style="list-style-type: none"> • The Company has enacted an "Information Management System" to ensure the correctness, accuracy, and completeness of the information disclosed.
<p>C.2.6 Companies without an internal audit function should review the need for one on an annual basis and should disclose the outcome of such review in the companies' corporate governance reports.</p>	<p>Not Applicable</p>	<ul style="list-style-type: none"> • Since the Company has its own Internal Audit Department, it is not necessary to comply with this practice.

* "C" = complied
"E" = explained

CORPORATE GOVERNANCE REPORT

C.3 Audit committee

Principle

The board should establish formal and transparent arrangements for considering how it will apply the financial reporting and internal control principles and for maintaining an appropriate relationship with the company's auditors.

Code Provisions and Major Contents	C/E*	Compliance Position
<p>C.3.1 Full minutes of audit committee meetings should be kept by a duly appointed secretary of the meeting. Draft and final versions of minutes of the audit committee meetings should be sent to all members of the committee for their comment and records respectively, in both cases within a reasonable time after the meeting.</p>	C	<ul style="list-style-type: none"> Board has established audit committee since November 2005. Audit committee comprises 3 INEDs and is chaired by Mr. Kwong Che Keung, Gordon. Company Secretary is secretary of committee and is responsible for preparing and keeping meeting minutes. First draft of meeting minutes of audit committee is normally distributed to all committee members for their perusal and comment in 7 days after the end of meeting. Having incorporated the comments by committee members (if any), the finalised version will be distributed to them for record-keeping purpose.
<p>C.3.2 A former partner of the company's existing auditing firm shall not act as a member of the committee for a year after he cease to be a partner of the firm; or to have any financial interest in the firm.</p>	C	<ul style="list-style-type: none"> None of the former partners of PricewaterhouseCoopers, who are the external auditors for the accounts of the Company, has been appointed as a member of the audit committee within one year from the date after he has ceased to be a partner of the firm.
<p>C.3.3 The terms of reference of the audit committee should include at least the following duties:</p> <p>(a) to be primarily responsible for making recommendation to the board on the appointment and removal of the external auditors, and to approve the remuneration and terms of engagement of the external auditors;</p> <p>(b) to review and monitor of the external auditors' independence and the effectiveness of the audit process;</p> <p>(c) to develop policy on the engagement of an external auditors to supply non-audit services;</p> <p>(d) to review the financial information of the group; and</p> <p>(e) to monitor the financial reporting system and internal control process of the group.</p>	C	<ul style="list-style-type: none"> Board adopted terms of reference of audit committee on 23 November 2005, which was amended on 14 April 2009. The terms of reference has set out the requirements.

* "C" = complied
"E" = explained

CORPORATE GOVERNANCE REPORT

Code Provisions and Major Contents	C/E*	Compliance Position
C.3.4 The audit committee should make available its terms of reference, explaining its role and the authority delegated by the board.	C	<ul style="list-style-type: none"> The terms of reference amended by the audit committee from time to time have been posted onto the website of the Company.
C.3.5 Where the board disagree with the audit committee's view on the selection, appointment, resignation or dismissal of external auditors, the company should include in the corporate governance report a statement from the audit committee explaining its recommendation and also the reason(s) why the board has a different view.	C	<ul style="list-style-type: none"> Regarding the selection and re-appointment of the external auditors, the Board and the audit committee do not differ in views.
C.3.6 The audit committee should be provided with sufficient resources to discharge its duties.	C	<ul style="list-style-type: none"> Pursuant to the requirements of "Statement of Policy for Corporate Governance", audit committee may seek independent professional opinions when discharging their duties at the fees and expenses of Company.

Recommended Best Practices and Major Contents	C/E*	Compliance Position
C.3.7 The terms of reference of the audit committee should also require the audit committee: (a) to review arrangements by which employees of the company may, in confidence, raise concerns about possible improprieties in financial, internal control or other matters. The audit committee should ensure that proper arrangements are in place for the fair and independent investigation of such matters and for appropriate follow-up action; and (b) to act as the key representative body for overseeing the company's relation with the external auditors.	E	<ul style="list-style-type: none"> Although the matters specified in C.3.7(a) have not been included in the terms of reference of the audit committee, an anti-corruption and integrity governance system is in place in the Company, whereby regulation and appropriate guidance in connection with reporting on anti-corruption and integrity related matters by employees of the Group have been provided for the reporting by and protection of whistleblowers.

* "C" = complied
"E" = explained

CORPORATE GOVERNANCE REPORT

D. Delegation by the board

D.1 Management functions

Principle

The company should have a formal schedule of matters specifically reserved to the board for its decision and those delegated to management.

Code Provisions and Major Contents	C/E*	Compliance Position
D1.1 When the board delegates its management and administration functions to management, it must at the same time give clear directions as to the powers of the management.	C	<ul style="list-style-type: none"> In formulating strategies and management policies, the Board will delegate the management with duties and powers according to their capabilities as well as give them clear guidelines.
D.1.2 The company should formulate the functions reserved to the board and those delegated to management. It should review those arrangements on a periodic basis to ensure that they remain appropriate to the needs of the company.	C	<ul style="list-style-type: none"> Terms of reference of Board have clearly set out division of responsibilities between Board and Presidents and have been posted onto the website of the Company. Presidents are authorised by Board to lead senior management for daily management and operation of Group's businesses following objectives and directions set down by Board and in accordance with policy and procedures for internal controls.

Recommended Best Practices and Major Contents	C/E*	Compliance Position
D.1.3 The company should disclose the division of responsibility between the board and management.	C	<ul style="list-style-type: none"> Terms of reference of Board has clearly set out the division of responsibilities between Board and Presidents and has been posted onto the website of the Company.
D.1.4 Directors should clearly understand delegation arrangements in place. To that end, companies should have formal letters of appointment for directors setting out the key terms and conditions relative to their appointment.	C	<ul style="list-style-type: none"> The Company has entered into service agreements with each executive Director, and appointment letters with INEDs which clearly set out the powers and duties of Directors.

* "C" = complied
"E" = explained

CORPORATE GOVERNANCE REPORT

D.2 Board Committees

Principle

Board committees should be formed with specific written terms of reference which deal clearly with the committees' authority and duties.

Code Provisions and Major Contents	C/E*	Compliance Position
D.2.1 Where board committees are established to deal with matters, the board should prescribe sufficiently clear terms of reference to enable such committees to discharge their functions properly.	C	<ul style="list-style-type: none"> Respective terms of reference of audit, remuneration and nomination committees of the Board have been posted onto the website of the Company.
D.2.2 The terms of reference of board committees should require such committees to report back to the board on their decisions or recommendations.	C	<ul style="list-style-type: none"> The audit, remuneration and nomination committees shall report their decisions and recommendations to the Board respectively in accordance with the requirements of their terms of references.

E. Communications with the shareholders

E.1 Effective communication

Principle

The board should endeavor to maintain an on-going dialogue with shareholders and in particular, make use of annual general meetings to communicate with shareholders and encourage their participation.

Code Provisions and Major Contents	C/E*	Compliance Position
E.1.1 In respect of each substantially separate issue at a general meeting, a separate resolution should be proposed by the chairman.	C	<ul style="list-style-type: none"> The Company has proposed separate resolutions at general meeting on each substantially separate issue for voting by Shareholders.
E.1.2 The chairman of the board should attend the annual general meeting and arrange for chairmen of the audit, remuneration and nomination committees(as appropriate) to answer questions at the annual general meeting . Chairman of the independent board committee (if any) should also be available to answer questions at any general meeting to approve any of the following transactions, namely connected transactions or transactions subject to independent shareholders' approval.	C	<ul style="list-style-type: none"> The chairmen of Board, audit, remuneration and nomination committees, and external auditors have attended 2010 annual general meeting. The briefing on Company's businesses and question and answer session at the meeting to enable the Shareholders have a better picture of Group's strategies and goals.

* "C" = complied
"E" = explained

CORPORATE GOVERNANCE REPORT

Code Provisions and Major Contents	C/E*	Compliance Position
E.1.3 The company should arrange for the notice to shareholders to be sent in the case of annual general meetings at least 20 clear business days before the meeting and to be sent at least 10 clear business days in the case of all other general meetings.	C	<ul style="list-style-type: none"> Notice of 2010 annual general meeting and 2010 extraordinary general meeting have been distributed to Shareholders at least 20 clear business days and 10 clear business days before date of meeting respectively.

E.2 Voting by poll

Principle

The company should ensure that shareholders are familiar with the detailed procedures for conducting a poll.

Code Provision and Major Content	C/E*	Compliance Position
E.2.1 The chairman of a meeting should at the commencement of the meeting ensure that an explanation is provided of the detailed procedures for conducting a poll and then answer any questions from shareholders regarding voting by way of a poll.	C	<ul style="list-style-type: none"> At 2010 annual general meeting, chairman of general meeting announced voting on the resolutions be conducted with one vote for one share, which was expressly stated in the circular to Shareholders dated 30 April 2010, and detailed procedures for conducting a poll was explained to the Shareholders by Company Secretary. Company's branch share registrar in Hong Kong was appointed as scrutineer to monitor and count the votes. Poll results was posted onto websites of the Company and Stock Exchange after 2010 annual general meeting and 2010 extraordinary general meeting.

* "C" = complied
"E" = explained

CORPORATE GOVERNANCE REPORT

Other disclosures

Attendance of Directors and members of Board committees

	Number of attendance/meetings held in 2010			
	The Board	Audit Committee	Nomination Committee	Remuneration Committee
<i>Executive Directors</i>				
Mr. Chen Zhuo Lin (<i>Chairman</i>)	4/4	—	—	—
Mr. Chan Cheuk Yin (<i>Vice-Chairman and Co-President</i>)	2/4	—	—	—
Ms. Luk Sin Fong, Fion (<i>Vice-Chairlady and Co-President</i>)	4/4	—	1/1	1/1
Mr. Chan Cheuk Hung	4/4	—	—	—
Mr. Chan Cheuk Hei	3/4	—	—	—
Mr. Chan Cheuk Nam	4/4	—	—	—
<i>Independent Non-executive Directors</i>				
Dr. Cheng Hon Kwan	4/4	2/2	1/1	1/1
Mr. Kwong Che Keung, Gordon	4/4	2/2	1/1	1/1
Mr. Cheung Wing Yui	3/4	1/2	1/1	1/1

External Auditors

At the 2010 annual general meeting, the Shareholders approved the re-appointment of PricewaterhouseCoopers as the auditors of the Group. For the year ended on 31 December 2010, remuneration paid and payable to PricewaterhouseCoopers in relation to audit and non-audit services are detailed as below:

	2010 RMB	2009 RMB
Fee for audit services	4,950,000	4,200,000
Fee for non-audit services	900,000	900,000

CORPORATE GOVERNANCE REPORT

Relation between Agile and the Shareholders

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

(i) Website of the Company (www.agile.com.cn)

Apart from publishing the annual reports, interim reports, announcements, and circulars to Shareholders on the website of the Company pursuant to Listing Rules, the Company has also posted onto its website the financial highlights, press release, "Statement of Policy for Corporate Governance", and the terms of reference of the Board and its committee, so Shareholders can obtain more corporate information from the website of the Company. Moreover, in order to enable Shareholders to have a better understanding of the latest moves and development of the Group, a "Monthly Newsletter" including the monthly focus of the Group and "Company news" has been added to the Company's website.

(ii) Meeting with investors

The Company is committed to improve its investor relations. During the year, senior management of the Company had conducted road shows and interviews with investment banks, fund managers, and financial analysts. The records of interview are reviewed in the quarterly meetings of the Board to ensure that their views and recommendations can reach the Board.

(iii) Annual General Meetings

Members of the Board actively take part in the annual general meetings in order to have more contacts with the Shareholders. In the general meeting, there is a briefing on the business of the Company by the Chairman and a question and answer session as well as a discussion with Shareholders on the long-term development strategy of the Company. Poll results are posted onto the websites of Company and Stock Exchange after the general meeting.

In order to safeguard the rights of the Company and its Shareholders and creditors, the Company has formulated a "Information Management System" so as to ensure the correctness, accuracy, and completeness of the information disclosed.

REPORT OF THE DIRECTORS

The Board are pleased to present this report of the directors together with the audited financial statements of the Group for the year ended 31 December 2010.

Principal activities

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

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

Subsidiaries

Particulars of the Company's major subsidiaries as at 31 December 2010 are set out in note 44 to the consolidated financial statements.

Results

The results of the Group for the year ended 31 December 2010 are set out on page 136 of this annual report.

Dividends

The Company had distributed an interim dividend of HK6.1 cents per Share (2009: HK5.6 cents) to Shareholders on 4 October 2010. The Board currently proposes the payment of HK23.0 cents per Share of final dividend (2009: HK12.2 cents) to Shareholders whose names appear on the register of members of the Company on Thursday, 19 May 2011. The proposed final dividend will be paid on or about Thursday, 26 May 2011 upon approval by Shareholders at the 2011 AGM.

Together with the paid interim dividend, a total dividend for the year ended 31 December 2010 of the Company was HK29.1 cents (2009: HK17.8 cents).

Share capital

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

Reserves

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

As at 31 December 2010, the distributable reserves of the Company were approximately RMB4.5 billion (2009: RMB6.9 billion).

Investment properties

During the year, the Group has designated certain of its properties as investment properties which were stated at fair value after initial recognition. The fair value gains of the investment properties amounted to RMB3,198 million and has been recognised directly in the consolidated income statement.

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

REPORT OF THE DIRECTORS

Property, plant and equipment

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

Borrowings and interest capitalised

Borrowings repayable on demand or within one year are classified under current liabilities. Details of the long-term borrowings of the Group are set out in note 22 to the consolidated financial statements. Interest and other borrowing costs capitalised by the Group during the year are set out in note 32 to the consolidated financial statements.

Senior notes

The Company's 9% senior notes in an aggregate principal amount of US\$400 million due by 2013 issued in September 2006 ("2006 Notes") were redeemed on 7 June 2010.

The Company issued two different senior notes in November 2009 and April 2010 respectively, (i) 10% senior notes in an aggregate principal amount of US\$300 million due by 2016 ("2009 Notes") and (ii) 8.875% senior notes in an aggregate principal amount of US\$650 million due by 2017 ("2010 Notes"). Proceeds from the issue of 2009 Notes provided capital for the existing and new property projects of the Group, while the proceeds from the issue of 2010 Notes were applied in redeeming outstanding principal of 2006 Notes and for general corporate purposes or transaction-related fees and expenses. Details of 2009 Notes and 2010 Notes are set out in note 22 to the consolidated financial statements.

Donations

Donations made by the Group during the year amounted to RMB155 million (2009: RMB57 million).

Retirement benefit scheme

Details of retirement benefit scheme of the Group are set out in note 30 to the consolidated financial statements.

Five-year financial summary

The financial summary of the Group for the year ended 31 December 2010 and the last 4 financial years is set out on pages 213 to 214 of this annual report.

Biographies of the senior management

Biographical details of the senior management of the Group are set out on pages 90 to 92 of this annual report.

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 *GBS, OBE, JP*
 Mr. Kwong Che Keung, Gordon
 Mr. Cheung Wing Yui

Biographical details of the Directors are set out on pages 88 to 89 of this annual report.

In accordance with Article 87 of the Company's articles of association, Mr. Chan Cheuk Yin, Mr. Chan Cheuk Hei and Mr. Kwong Che Keung, Gordon shall retire from their office by rotation and being eligible, offer themselves for re-election at 2011 AGM. None of the Directors to be re-elected at 2011 AGM 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.

Share options

The Company has adopted a share option scheme (the "Scheme") on 23 November 2005. So far no option has been granted by the Company under the Scheme since its adoption.

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

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

Participants of the Scheme	<p>Eligible participants can be any of the following class of persons or entities:</p> <ol style="list-style-type: none"> 1. any full-time or part-time employees, executives or officers of the Company or any of its subsidiaries; 2. any directors (including non-executive directors and independent non-executive directors) of the Company or any of its subsidiaries; 3. any advisers, consultants, suppliers, customers and agents to the Company or any of its subsidiaries; and 4. such other persons who, in the opinion of the Board, will contribute or have contributed to the Group, the assessment criteria of which are: <ol style="list-style-type: none"> (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.
Total number of Shares available for issue under the Scheme and percentage to the issued share capital as at 31 December 2010	The number of Shares available for issue under the Scheme is 332,200,000 Shares, representing approximately 9.57% of the issued share capital as at 31 December 2010.
Maximum entitlement of each participant	The maximum entitlement for each participant is that the total number of Shares of the Company issued and to be issued upon exercise of the option granted to each participant (including exercised, cancelled 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.
The period within which the share options must be exercised	Commencing on the date of grant and deemed accepted of an option and expiring at 10 years from that date.
The minimum period for which an option must be held before it can be exercised	A grantee may be required to achieve any performance targets as the Board may then specify in the grant before any option granted under the Scheme can be exercised.

REPORT OF THE DIRECTORS

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

Model code for securities transactions by directors

The Company has adopted its own code for securities transactions by directors ("Securities Dealing Code for Directors") on terms no less exacting than those criteria set out in Model Code as the code for Directors in dealing with the securities of the Company. The Company has made specific enquiries on all Directors regarding any non-compliance with the Securities Dealing Code for Directors during the year ended 31 December 2010, and all Directors confirmed that they have complied with the required standard set out in Securities Dealing Code for Directors during the year.

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

As at 31 December 2010, the interests or short positions of the Directors and chief executives of the Company in the Shares, underlying Shares and debentures of the Company and any of its associated corporations (within the meaning of Part XV of SFO) which (i) were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of SFO (including

REPORT OF THE DIRECTORS

interests or short positions which they were taken or deemed to have under such provisions of SFO); or (ii) were recorded in the register required to be kept by the Company under Section 352 of SFO; or (iii) were required by Securities Dealing Code for Directors to be notified to the Company and the Stock Exchange, were as follows:

(1) Long positions in shares of the Company

Name of Director	Number of Shares of the Company held			Total	Approximate percentage to issued share capital
	Personal Interests	Family Interests	Corporate Interests		
Chen Zhuo Lin	Nil	2,180,530,000 <i>(note 1)</i>	12,690,000 <i>(note 2)</i>	2,193,220,000	63.16%
Chan Cheuk Yin	Nil	2,180,530,000 <i>(note 1)</i>	12,000,000 <i>(note 3)</i>	2,192,530,000	63.14%
Luk Sin Fong, Fion	Nil	2,180,530,000 <i>(note 1)</i>	12,690,000 <i>(note 2)</i>	2,193,220,000	63.16%
Chan Cheuk Hung	Nil	2,180,530,000 <i>(note 1)</i>	Nil	2,180,530,000	62.79%
Chan Cheuk Hei	7,000,000 <i>(note 4)</i>	2,180,530,000 <i>(note 1)</i>	Nil	2,187,530,000	62.99%
Chan Cheuk Nam	6,028,000 <i>(note 5)</i>	2,180,530,000 <i>(note 1)</i>	Nil	2,186,558,000	62.96%

Notes:

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

REPORT OF THE DIRECTORS

(2) Long positions in the debentures of the Company

Name of Director	Type of debentures	Personal interests	Approximate percentage to the debentures
Kwong Che Keung, Gordon	8.875% senior notes in an aggregate principal amount of US\$650 million due by 2017	US\$600,000	0.092%

Save as disclosed above, as at 31 December 2010, none of the Directors and chief executives of the Company had any interests or short positions in the Shares, underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of SFO) which (i) were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of SFO (including interests or short positions which they were taken or deemed to have under such provisions of SFO); or (ii) were recorded in the register required to be kept by the Company under Section 352 of SFO; or (iii) were required by Securities Dealing Code for Directors to be notified to the Company and the Stock Exchange.

Substantial shareholders' interests and short positions

So far as is known to the Directors or chief executives of the Company, as at 31 December 2010, the interests or short positions of substantial Shareholders (other than Directors or the chief executives of the Company) in the Shares or underlying Shares of the Company which (i) would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of SFO or (ii) were recorded in the register required to be kept by the Company under Section 336 of SFO were as follows:

Name of Shareholder	Number of Shares of the Company held				Approximate percentage to issued share capital
	Personal interests	Trustee interests	Spouse's interests	Total	
Top Coast	Nil	2,180,530,000	Nil	2,180,530,000	62.79%
Zheng Huiqiong	Nil	Nil	2,192,530,000 <i>(note 1)</i>	2,192,530,000	63.14%
Lu Liqing	Nil	Nil	2,180,530,000 <i>(note 2)</i>	2,180,530,000	62.79%
Lu Yanping	7,000,000 <i>(note 3)</i>	Nil	2,180,530,000 <i>(note 4)</i>	2,187,530,000	62.99%
Chan Siu Na	6,028,000 <i>(note 5)</i>	Nil	2,180,530,000 <i>(note 6)</i>	2,186,558,000	62.96%

REPORT OF THE DIRECTORS

Notes:

1. Ms. Zheng Huiqiong is the spouse of Mr. Chan Cheuk Yin, Director, and the Shares were deemed to be the interests of Ms. Zheng Huiqiong.
2. Ms. Lu Liqing is the spouse of Mr. Chan Cheuk Hung, Director, and the Shares were deemed to be the interests of Ms. Lu Liqing.
3. Jointly held by Ms. Lu Yanping and her spouse Mr. Chan Cheuk Hei (Director).
4. Ms. Lu Yanping is the spouse of Mr. Chan Cheuk Hei, Director, and the Shares were deemed to be the interests of Ms. Lu Yanping.
5. Jointly held by Ms. Chan Siu Na and her spouse Mr. Chan Cheuk Nam (Director).
6. Ms. Chan Siu Na is the spouse of Mr. Chan Cheuk Nam, Director, and the Shares were deemed to be the interests of Ms. Chan Siu Na.
7. All interests in the above Shares were long positions.

Save as disclosed above, as at 31 December 2010, none of the substantial Shareholders (other than Directors or chief executives of the Company) had informed to the Company that they had any interests or short positions in the Shares which (i) would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of SFO or (ii) were recorded in the register required to be kept by the Company under Section 336 of SFO.

Interests of any other persons

Save as disclosed above, as at 31 December 2010, none of any other persons had informed to the Company that they had any interests and short positions in the Shares which (i) would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of SFO or (ii) were recorded in the register required to be kept by the Company under Section 336 of SFO.

Directors' interests in competing business

For the year ended 31 December 2010 and up to the date of this annual report, Directors were considered to have interests in the following businesses to be disclosed as required pursuant to Rule 8.10 of the Listing Rules, being businesses which competed or were likely to compete, either directly or indirectly, with the businesses of the Group, other than those businesses in which (i) the Group was interested and (ii) the Directors' only interests were as directors appointed to represent the interests of the Group.

REPORT OF THE DIRECTORS

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

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

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

In order to minimise the number of transactions of the Group with Executive Directors, the Group entered into a sale and purchase agreement with Zhongshan Agile on 29 December 2008 ("Agile Hotel Agreement") to acquire Agile Hotel in Sanxiang County, Zhongshan, Guangdong Province China ("Zhongshan Agile Hotel") (including the basement of a complex and floors up to 6/F with a total GFA of approximately 17,854 sq.m.), and the Company intends to enter into a supplemental agreement with Executive Directors to amend Agile Hotel Agreement. The acquisition is expected to be completed in second quarter of 2011.

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

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

Directors' interests in contracts

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

REPORT OF THE DIRECTORS

Major customers and suppliers

For the year ended 31 December 2010, the five largest customers of the Group accounted for less than 30% of sales of the Group for the year, and the five largest suppliers of the Group accounted for less than 30% of purchases of the Group for the year.

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

Connected transactions

During the year, there was no connected transactions of the Group that need to be disclosed pursuant to Chapter 14A of the Listing Rules.

Management contracts

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

Purchase, sale or redemption of listed securities

For the year ended 31 December 2010, the Company repurchased from the market a total 102,786,000 Shares at an average price of HK\$8.82 per Share for a total consideration of HK\$906,458,220, excluding the related expenses on Shares repurchased. 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 was charged against the share premium account of the Company. Repurchases of Shares were made by the Board for enhancing the long-term interest of the Shareholders. Particulars of the repurchases of Shares were as follows:

Month of repurchase	Total number of Shares repurchased	Repurchase price per Share		Consideration (HK\$)
		Highest (HK\$)	Lowest (HK\$)	
January 2010	18,280,000	10.80	9.38	178,875,300.00
February 2010	2,340,000	9.50	9.30	21,902,440.00
April 2010	40,182,000	9.19	8.37	352,641,720.00
May 2010	41,984,000	9.00	7.68	353,038,760.00
	<u>102,786,000</u>			906,458,220.00
			Expenses on Shares repurchased	<u>3,432,652.58</u>
				<u>909,890,872.58</u>

REPORT OF THE DIRECTORS

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

Save as disclosed above, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the year ended 31 December 2010.

Specific performance by the controlling shareholders

1. As disclosed in the Company's announcement dated 27 June 2007, the Company as the borrower, has obtained a US\$200,000,000 dual-currency revolving credit facility for a term of 36 months from 27 June 2007 from a syndicate of banks under the respective several guarantees given by the subsidiaries of the Company. The loan obtained under the credit facility was fully repaid in June 2010.
2. As disclosed in the Company's announcement dated 4 December 2009, the Company as the borrower, has obtained a term loan facility of US\$150,000,000 for a term of 36 months from 4 December 2009 from The Hongkong and Shanghai Banking Corporation Limited ("Hongkong Bank Facility") as the lender, agent and security trustee, under the respective several guarantee given by the subsidiaries of the Company, and US\$67,700,000 of which was repaid to The Hongkong and Shanghai Banking Corporation Limited on 21 September 2010 before the due date. The balance of US\$82,300,000 shall be repaid on the due date.
3. As disclosed in the Company's announcement dated 25 January 2010, the Company as the borrower, has obtained a term loan facility of US\$125,000,000 for a term of 36 months from 25 January 2010 from Bank of America Securities Asia Limited ("Bank of America Facility") as the facility agent and security agent, under the respective several guarantees given by the subsidiaries of the Company.
4. As disclosed in the Company's announcement dated 29 June 2010, the Company as the borrower, has obtained a term loan facility of HK\$800,000,000 for a term of 24 months from 29 June 2010 from The Bank of East Asia, Limited ("East Asia Facility") as the lender, under the respective several guarantees given by the subsidiaries of the Company.
5. As disclosed in the Company's announcement dated 8 September 2010, the Company as the borrower, has obtained a term loan facility of HK\$1,592,500,000 for a term of 36 months from 8 September 2010 from Standard Chartered Bank (Hong Kong) Limited, Hang Seng Bank Limited, Bank of China Limited (Macau branch) and Banco Tai Fung (as the lenders) and Standard Chartered Bank (Hong Kong) Limited as the facility agent and security agent ("Club Facility"), under the respective several guarantees given by the subsidiaries of the Company.
6. As disclosed in the Company's announcement dated 17 January 2011, the Company as the borrower, has obtained a term loan facility of HK\$1,550,000,000 for a term of 12 months from 17 January 2011 from Standard Chartered Bank (Hong Kong) Limited ("Standard Chartered Facility") as the lender, under the respective several guarantees given by the subsidiaries of the Company. The loan obtained under Standard Chartered Facility shall be due and repayable by 31 December 2011.

REPORT OF THE DIRECTORS

In connection with Hongkong Bank Facility, Bank of America Facility and East Asia Facility, it will be an event of default if (i) Mr. Chen Zhuo Lin, Mr. Chan Cheuk Yin, Ms. Luk Sin Fong, Fion, Mr. Chan Cheuk Hung, Mr. Chan Cheuk Hei and Mr. Chan Cheuk Nam (collectively the "Controlling Shareholders") collectively, directly or indirectly, do not or cease to own at least 50% of the Shares or shareholdings of 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 relevant agreements may be terminated by the agents, facility agents or lenders (as they are respectively defined), and the relevant loans shall be due immediately and repayable.

In connection with Club Facility, it will be an event of default if (i) the Controlling Shareholders collectively, directly or indirectly, do not or cease to own more than 50% of the total issued Share capital of the Company; and/or (ii) the Controlling Shareholders do not or cease to be entitled to exercise management control of the Company; and/or (iii) Mr. Chen Zhuo Lin is not or ceases to be the Chairman of the Board. In case of an occurrence of an event of default, the facility agreement may be terminated by the facility agent, if directed by the majority lenders (as defined in the facility agreement), the loan may become immediately due and repayable; and/or the facility agent may exercise or direct the security agent to exercise its rights, remedies, powers or discretions under the finance documents as defined in the facility agreement.

In connection with Standard Chartered Facility, it will be an event of default if (i) the Controlling Shareholders collectively, directly or indirectly, do not or cease to own more than 50% of the total issued Share capital of the Company; and/or (ii) the Controlling Shareholders do not or cease to be entitled to exercise management control of the Company; and/or (iii) Mr. Chen Zhuo Lin is not or ceases to be the Chairman of the Board. In case of an occurrence of an event of default, the lender may issue a notice to the Company to (a) cancel the loan of undertaking; (b) declare that all or part of the loan, together with accrued interest and all the other monies accrued or outstanding under the finance documents immediately due and repayable; (c) declare that all or part of the loan shall be immediately repayable; and/or (d) exercise its rights, remedies, powers or discretions under the finance documents as defined in the finance documents.

Pre-emptive rights

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

Corporate governance

The principal corporate governance practices adopted by the Company are set out in Corporate Governance Report on page 93 of this annual report.

Public float

Based on the information that is publicly available to the Company and to the knowledge of the Directors, they confirm that the Company has maintained the public float as required by the Listing Rules for the year ended 31 December 2010.

REPORT OF THE DIRECTORS

Audit committee

The Audit Committee had reviewed the audited consolidated financial statements of the Group for the year ended 31 December 2010, and reviewed with the management of the Group regarding the accounting principles and practices adopted by the Group, and discussed with them the internal controls and financial reporting matters.

Auditors

The consolidated financial statements of the Group for the year ended 31 December 2010 were audited by PricewaterhouseCoopers (the "Auditors"), the auditors of the Company. The tenure of the Auditors will expire at 2011 AGM and they are willing to continue to offer themselves for re-appointment. A resolution for the re-appointment of the Auditors and authorisation of the Board to determine their remuneration will be proposed at 2011 AGM.

On behalf of the Board

Chen Zhuo Lin
Chairman

Hong Kong, 16 March 2011

FINANCIAL SECTION

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INDEPENDENT AUDITOR'S REPORT

PRICEWATERHOUSECOOPERS 

羅兵咸永道會計師事務所

PricewaterhouseCoopers
22/F, Prince's Building
Central, Hong Kong

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 132 to 212, which comprise the consolidated and company balance sheets as at 31 December 2010, 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 Consolidated Financial Statements

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

Auditor's Responsibility

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

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

INDEPENDENT AUDITOR'S REPORT *(Continued)*

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

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

Opinion

In our opinion, the consolidated financial statements give a true and fair view of the state of affairs of the Company and of the Group as at 31 December 2010 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, 16 March 2011

CONSOLIDATED BALANCE SHEET

(All amounts in RMB thousands unless otherwise stated)

	Note	As at 31 December		As at 1 January
		2010	2009 Restated (note 2.1(a))	2009 Restated (note 2.1(a))
ASSETS				
Non-current assets				
Property, plant and equipment	6	2,253,235	1,868,698	260,813
Land use rights	7	2,283,309	2,191,417	471,011
Properties under development	14	5,674,988	6,673,588	6,496,191
Intangible assets	8	12,017	9,506	10,718
Investment properties	9	4,997,900	—	—
Prepayments for acquisition of properties	10	92,820	126,820	92,820
Other non-current asset	11	1,653,979	2,040,000	—
Deferred income tax assets	23	70,346	48,356	54,898
		17,038,594	12,958,385	7,386,451
Current assets				
Properties under development	14	25,626,102	12,612,286	13,131,972
Completed properties held for sale	15	3,376,142	2,483,975	3,121,612
Prepayments for acquisition of land use rights	16	10,140,836	8,584,925	4,558,833
Trade and other receivables	17	2,911,666	1,290,724	1,478,535
Prepaid taxes		104,368	120,196	47,911
Restricted cash	18	4,198,962	1,755,536	2,208,171
Cash and cash equivalents	19	6,481,663	4,372,155	3,044,292
		52,839,739	31,219,797	27,591,326
Total assets		69,878,333	44,178,182	34,977,777
EQUITY				
Capital and reserves attributable to the shareholders of the Company				
Share capital and premium	20	3,795,047	4,597,107	4,937,054
Other reserves	21	783,320	699,773	684,062
Retained earnings				
— Proposed final dividend		675,874	383,008	206,756
— Unappropriated retained earnings		13,426,841	8,381,867	7,088,079
		18,681,082	14,061,755	12,915,951
Non-controlling interests		1,654,077	1,011,424	878,675
Total equity		20,335,159	15,073,179	13,794,626

CONSOLIDATED BALANCE SHEET (Continued)

(All amounts in RMB thousands unless otherwise stated)

	Note	As at 31 December		As at 1 January
		2010	2009 Restated (note 2.1(a))	2009 Restated (note 2.1(a))
LIABILITIES				
Non-current liabilities				
Borrowings	22	15,495,769	9,851,434	6,559,055
Deferred income tax liabilities	23	2,047,587	1,008,863	1,023,414
		17,543,356	10,860,297	7,582,469
Current liabilities				
Borrowings	22	5,262,251	2,228,830	3,509,518
Trade and other payables	24	21,980,007	12,536,175	7,317,761
Current income tax liabilities	25	4,757,560	3,479,701	2,773,403
		31,999,818	18,244,706	13,600,682
Total liabilities		49,543,174	29,105,003	21,183,151
Total equity and liabilities		69,878,333	44,178,182	34,977,777
Net current assets		20,839,921	12,975,091	13,990,644
Total assets less current liabilities		37,878,515	25,933,476	21,377,095

Chen Zhuo Lin
Director

Luk Sin Fong, Fion
Director

The notes on pages 140 to 212 are an integral part of these consolidated financial statements.

BALANCE SHEET

(All amounts in RMB thousands unless otherwise stated)

	Note	As at 31 December	
		2010	2009
ASSETS			
Non-current assets			
Investments in subsidiaries	44	448,520	448,520
Current assets			
Amounts due from subsidiaries	17	17,154,609	16,562,174
Other receivables and prepayments	17	1,365	1,192
Restricted cash	18	2,450,399	477,974
Cash and cash equivalents	19	51,480	624,363
		19,657,853	17,665,703
Total assets		20,106,373	18,114,223
EQUITY			
Capital and reserves attributable to the Company's shareholders			
Share capital and premium	20	3,795,047	4,597,107
Other reserves	21	427,512	427,512
Retained earnings	34		
— Proposed final dividend		675,874	383,008
— Unappropriated retained earnings		4,295	1,892,490
Total equity		4,902,728	7,300,117

BALANCE SHEET (Continued)

(All amounts in RMB thousands unless otherwise stated)

	Note	As at 31 December	
		2010	2009
LIABILITIES			
Non-current liabilities			
Borrowings	22	9,476,257	5,635,434
Current liabilities			
Borrowings	22	1,984,248	1,210,790
Amounts due to subsidiaries	24	3,000,638	3,112,216
Other payables and accruals	24	742,502	855,666
		5,727,388	5,178,672
Total liabilities		15,203,645	10,814,106
Total equity and liabilities		20,106,373	18,114,223
Net current assets		13,930,465	12,487,031
Total assets less current liabilities		14,378,985	12,935,551

Chen Zhuo Lin
 Director

Luk Sin Fong, Fion
 Director

The notes on pages 140 to 212 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	
		2010	2009
Turnover	5	20,520,192	13,330,783
Cost of sales		(11,131,277)	(8,376,704)
Gross profit		9,388,915	4,954,079
Fair value gains on investment properties	9	3,198,208	—
Other gains	26	113,656	244,435
Selling and marketing costs		(694,639)	(537,179)
Administrative expenses		(718,340)	(611,793)
Other expenses	27	(397,612)	(326,545)
Exchange losses, net	28	(125,327)	(2,235)
Operating profit		10,764,861	3,720,762
Finance income/(costs), net	32	269,217	(57,682)
Profit before income tax		11,034,078	3,663,080
Income tax expenses	33	(4,615,482)	(1,661,129)
Profit for the year		6,418,596	2,001,951
Attributable to:			
Shareholders of the Company		5,975,707	1,865,160
Non-controlling interests		442,889	136,791
		6,418,596	2,001,951
Basic and diluted earnings per share for profit attributable to the shareholders of the Company during the year (expressed in Renminbi per share)	35	1.707	0.518
Dividends	36	850,059	556,675

The notes on pages 140 to 212 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	
	2010	2009
Profit for the year	6,418,596	2,001,951
Other comprehensive income for the year, net of tax	—	—
Total comprehensive income for the year	6,418,596	2,001,951
Total comprehensive income attributable to:		
— Shareholders of the Company	5,975,707	1,865,160
— Non-controlling interests	442,889	136,791
	6,418,596	2,001,951

The notes on pages 140 to 212 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				Non-controlling interests	Total equity
	Share capital and premium (note 20)	Other reserves (note 21)	Retained earnings	Total		
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 20(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 non-controlling interests of a subsidiary	—	—	—	—	(4,042)	(4,042)
Transfer to statutory reserve and enterprise expansion funds	—	15,711	(15,711)	—	—	—
Dividends (note 36)	—	—	(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
Balance at 1 January 2010	4,597,107	699,773	8,764,875	14,061,755	1,011,424	15,073,179
Repurchase of shares of the Company (note 20(a))	(802,060)	—	—	(802,060)	—	(802,060)
Profit for the year	—	—	5,975,707	5,975,707	442,889	6,418,596
Other comprehensive income	—	—	—	—	—	—
Acquisition of subsidiaries (note 38)	—	—	—	—	199,764	199,764
Transfer to statutory reserve and enterprise expansion funds	—	83,547	(83,547)	—	—	—
Dividends (note 36)	—	—	(554,320)	(554,320)	—	(554,320)
Balance at 31 December 2010	3,795,047	783,320	14,102,715	18,681,082	1,654,077	20,335,159

The notes on pages 140 to 212 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOW

(All amounts in RMB thousands unless otherwise stated)

	Year ended 31 December		
	Note	2010	2009
Cash (used in)/generated from operating activities			
Cash generated from operations	37	835,781	4,572,033
Interest paid		(1,164,601)	(608,853)
PRC corporate income tax paid		(1,204,807)	(800,321)
PRC land appreciation tax paid		(1,100,254)	(234,804)
Net cash (used in)/generated from operating activities		(2,633,881)	2,928,055
Investing activities			
Repayments of deposits and settlement for a cancelled equity disposal transaction		—	(1,383,976)
Acquisitions of non-controlling interests in subsidiaries		—	(9,600)
Payments of construction cost of investment properties		(68,037)	—
Return from/(payment for) a jointly development project		386,021	(2,040,000)
Purchase of property, plant and equipment		(674,280)	(353,524)
Purchase of intangible assets		(6,068)	(1,775)
Interest received		84,722	53,949
Repayments of cash advances from related parties to the Group		—	141
Net cash used in investing activities		(277,642)	(3,734,785)
Financing activities			
Repurchase of shares of the Company		(802,060)	(339,947)
Proceeds from issuance of senior notes		4,436,965	1,998,490
Senior notes issuance cost		(93,155)	(49,857)
Redemption of 2006 Senior Notes		(2,731,320)	—
Redemption cost of 2006 Senior Notes		(184,872)	—
Proceeds from bank and other borrowings		7,713,256	4,931,038
Repayments of bank borrowings		(2,475,419)	(4,884,009)
Cash advances from related parties to the Group		—	859,478
Repayments of cash advances to related parties		(477,554)	—
Dividends paid to shareholders of the Company		(232,898)	(379,409)
Net cash generated from financing activities		5,152,943	2,135,784
Increase in cash and cash equivalents		2,241,420	1,329,054
Cash and cash equivalents at beginning of year		4,372,155	3,044,292
Exchange losses on cash and cash equivalents		(131,912)	(1,191)
Cash and cash equivalents at end of the year	19	6,481,663	4,372,155

The notes on pages 140 to 212 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 of the Company on 16 March 2011.

2 Summary of significant accounting policies

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

2.1 Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with Hong Kong Financial Reporting Standards (the "HKFRS"). The consolidated financial statements have been prepared under the historical cost convention, as modified by the investment properties at fair value through profit or loss.

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) Change in accounting policy for land use rights relating to properties developed for sale

Land use rights relating to properties developed for sale meet the definition of both leasehold land under HKAS 17 "Leases" and inventories under HKAS 2 "Inventories". During the year, the Group changed its accounting policy for land use rights relating to properties developed for sale.

In previous years, upfront payments to obtain land use rights on which properties will be developed for sale were regarded as upfront operating lease payments and were initially recognised as a separate current or non-current asset item on the balance sheet. They were subsequently amortised on a straight line basis over the lease period in accordance with HKAS 17. The amortisation during the period of construction of the properties was capitalised as the cost of properties under development. The amortisation during the period before the commencement and after the completion of the construction of the properties was expensed in the consolidated income statement. The unamortised upfront payments were recognised as cost of sales when the relevant properties are sold upon completion of the relevant properties.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

(All amounts in RMB thousands unless otherwise stated)

2 Summary of significant accounting policies *(Continued)*

2.1 Basis of preparation *(Continued)*

(a) Change in accounting policy for land use rights relating to properties developed for sale *(Continued)*

Subsequent to the change in accounting policy in 2010, land use rights relating to properties developed for sale are regarded as part of the inventories and are no longer amortised. They are included in properties under development or completed properties held for sale, which are measured at the lower of cost and net realisable value, depending on the development status in accordance with HKAS 2. Management believes that the new classification of land use rights relating to properties developed for sale results in a more relevant presentation of the financial position of the Group, and of its performance for the year, reflecting the management's intention on the use of the asset. The new accounting policy also results in a presentation consistent with the industry practices.

The change in accounting policy has no material impact to the profit of the Group in current year or in the prior years. Accordingly, no retrospective adjustment has been made to the consolidated income statement of the Group for prior years. The only retrospective adjustments made were to include the land use rights relating to properties developed for sale into the respective balances of properties under development and completed properties held for sale and the reclassification made to the consolidated balance sheet of the Group as at 1 January 2009 and 31 December 2009 are as follows:

As at 1 January 2009

	As previously reported	Reclassification	Restated
Non-current assets			
Land use rights	6,967,202	(6,496,191)	471,011
Properties under development	—	6,496,191	6,496,191
Current assets			
Land use rights under development	5,797,924	(5,797,924)	—
Properties under development	8,252,303	4,879,669	13,131,972
Completed properties held for sale	2,203,357	918,255	3,121,612

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(All amounts in RMB thousands unless otherwise stated)

2 Summary of significant accounting policies (Continued)

2.1 Basis of preparation (Continued)

(a) Change in accounting policy for land use rights relating to properties developed for sale (Continued)

As at 31 December 2009

	As previously reported	Reclassification	Restated
Non-current assets			
Land use rights	8,865,005	(6,673,588)	2,191,417
Properties under development	—	6,673,588	6,673,588
Current assets			
Land use rights under development	5,597,873	(5,597,873)	—
Properties under development	7,759,404	4,852,882	12,612,286
Completed properties held for sale	1,738,984	744,991	2,483,975

(b) New and amended standards and interpretations adopted by the Group

The following new standards and amendments and interpretations to standards are mandatory for the first time for the financial year beginning 1 January 2010.

- HKFRS 3 (revised), 'Business combinations', and consequential amendments to HKAS 27, 'Consolidated and separate financial statements', HKAS 28, 'Investments in associates', and HKAS 31, 'Interests in joint ventures', are effective prospectively to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1 July 2009.

The revised standard continues to apply the acquisition method to business combinations but with some significant changes compared with HKFRS 3. For example, all payments to purchase a business are recorded at fair value at the acquisition date, with contingent payments classified as debt subsequently re-measured through the statement of comprehensive income. There is a choice on an acquisition-by-acquisition basis to measure the non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets. All acquisition-related costs are expensed. There is no material impact on the Group's consolidated financial statements as there is no business combination during the year ended 31 December 2010.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

(All amounts in RMB thousands unless otherwise stated)

2 Summary of significant accounting policies *(Continued)*

2.1 Basis of preparation *(Continued)*

(b) New and amended standards and interpretations adopted by the Group *(Continued)*

- HKAS 27 (revised) requires the effects of all transactions with non-controlling interests to be recorded in equity if there is no change in control and these transactions will no longer result in goodwill or gains and losses. The standard also specifies the accounting when control is lost. Any remaining interest in the entity is re-measured to fair value, and a gain or loss is recognised in profit or loss. HKAS 27 (revised) has no impact on the current period, as none of the non-controlling interests have a deficit balance; there have been no transactions whereby an interest in an entity is retained after the loss of control of that entity, and there have been no transactions with non-controlling interests.
- HKAS 17 (amendment), 'Leases', deletes specific guidance regarding classification of leases of land, so as to eliminate inconsistency with the general guidance on lease classification. As a result, leases of land should be classified as either finance or operating lease using the general principles of HKAS 17, i.e. whether the lease transfers substantially all the risks and rewards incidental to ownership of an asset to the lessee. Prior to the amendment, land interest which title is not expected to pass to the Group by the end of the lease term was classified as operating lease under "land use rights", and amortised over the lease term.

HKAS 17 (amendment) has been applied retrospectively for annual periods beginning 1 January 2010 in accordance with the effective date and transitional provisions of the amendment. The Group has reassessed the classification of unexpired land use rights as at 1 January 2010 on the basis of information existing at the inception of those leases, and considered the leasehold land in the PRC remained as operating lease. As a result of the reassessment, the Group has not reclassified any leasehold land from operating lease to finance lease.

- HK Int-5 — The Hong Kong Institute of Certified Public Accountants (the "HKICPA") issued on 29 November 2010 HK Interpretation 5 "Presentation of Financial Statements — Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause". This Interpretation, as a clarification of an existing standard, is effective immediately. According to the Interpretation, the classification of a term loan in accordance with paragraph 69(d) of HKAS 1 shall depend on whether or not the borrower has an unconditional right to defer payment for at least twelve months after the reporting period. Consequently, amounts repayable under a loan agreement which includes a clause that gives the lender the unconditional right to call the loan at any time shall be classified by the borrower as current in its balance sheet. This Interpretation did not have a material impact on the Group's consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

(All amounts in RMB thousands unless otherwise stated)

2 Summary of significant accounting policies *(Continued)*

2.1 Basis of preparation *(Continued)*

- (c) **New and amended standards, and interpretations mandatory for the first time for the financial year beginning 1 January 2010 but not currently relevant to the Group (although they may affect the accounting for future transactions and events)**

HK(IFRIC) 17	Distribution of non-cash assets to owners
HK(IFRIC) 18	Transfers of assets from customers
HK(IFRIC) 9	'Reassessment of embedded derivatives' and HKAS 39, 'Financial instruments: Recognition and measurement'
HK(IFRIC) 16	Hedges of a net investment in a foreign operation
HKAS 38 (Amendment)	Intangible assets
HKAS 1 (Amendment)	Presentation of financial statements
HKAS 36 (Amendment)	Impairment of assets
HKFRS 2 (Amendments)	Group cash-settled share-based payment transactions
HKFRS 5 (Amendment)	Non-current assets held for sale and discontinued operations

The adoption of the above new and amended standards and interpretations did not have any material impact on the consolidated financial statements except for disclosure and has not led to any changes in the accounting policies except disclosed elsewhere.

- (d) **New and amended standards, and interpretations issued but not effective for the financial year beginning 1 January 2010 and not early adopted by the Group**

		Effective for annual periods beginning on or after
HKFRS 9	Financial instruments	1 January 2013
HKAS 24 (Revised)	Related party disclosures	1 January 2011
HKAS 32 (Amendment)	Classification of rights issues	1 February 2010
HKFRSs (Amendments)	Third improvements to HKFRSs (2010)	1 January 2011
HK (IFRIC)-Int 19	Extinguishing financial liabilities with equity instruments	1 July 2010
Amendments to HK (IFRIC)-Int 14	Prepayments of a minimum funding requirement	1 January 2011
Amendments to HKAS 12	Income taxes	1 January 2012
Amendments to HKFRS 7	Financial instruments: Disclosures on derecognition	1 January 2013
Additions to HKFRS 9 dealing with financial liabilities	Financial instruments: Classification and measurement for financial liability accounting	1 January 2013

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

(All amounts in RMB thousands unless otherwise stated)

2 Summary of significant accounting policies *(Continued)*

2.2 Consolidation

(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 Group uses the acquisition method of accounting to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the Group recognises any 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.

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

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If this is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in the consolidated income statement.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

(All amounts in RMB thousands unless otherwise stated)

2 Summary of significant accounting policies *(Continued)*

2.2 Consolidation *(Continued)*

(b) Transactions with non-controlling interests

The Group treats transactions with non-controlling interests as transactions with equity owners of the Group. For purchases from non-controlling interests, the difference between any consideration paid and the relevant share of the carrying value of net assets of the subsidiary acquired is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

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

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

(c) Joint ventures

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

2.3 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 Board of Directors of the Company that makes strategic decisions.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

(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 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, except when deferred in equity as qualifying cash flow hedges and qualifying net investment hedges.

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

(c) Group companies

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

(All amounts in RMB thousands unless otherwise stated)

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 financial period in which they are incurred.

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

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

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

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).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

(All amounts in RMB thousands unless otherwise stated)

2 Summary of significant accounting policies *(Continued)*

2.8 Impairment of investments in subsidiaries, jointly controlled entities 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).

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

An investor is required to recognise dividends received from a subsidiary and jointly controlled entity in its separate financial statements as income. The receipt of a dividend from a subsidiary or jointly controlled entity may be an internal indicator that the related investment could be impaired. The investor is, therefore, required to test the related investment for impairment where a dividend is received and:

- there is evidence available that the carrying amount of the investment exceeds the carrying amount in the consolidated financial statements of the investee's net assets including associated goodwill; or
- the dividend exceeds the total comprehensive income of the subsidiary or jointly controlled entity in the period that the dividend is declared.

2.9 Investment property

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the Group, is classified as investment property. Investment property comprises land held under operating leases. Land held under operating leases are classified and accounted for as investment property when the rest of the definition of investment property is met.

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

(All amounts in RMB thousands unless otherwise stated)

2 Summary of significant accounting policies *(Continued)*

2.9 Investment property *(Continued)*

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

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

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

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

(All amounts in RMB thousands unless otherwise stated)

2 Summary of significant accounting policies *(Continued)*

2.10 Financial assets

2.10.1 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 2.15 and 2.16).

2.10.2 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.

2.11 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.

2.12 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;

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

(All amounts in RMB thousands unless otherwise stated)

2 Summary of significant accounting policies *(Continued)*

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

- It becomes probable that the borrower will enter bankruptcy or other financial reorganisation;
- The disappearance of an active market for that financial asset because of financial difficulties; or
- Observable data indicating that there is a measurable decrease in the estimated future cash flows from a portfolio of financial assets since the initial recognition of those assets, although the decrease cannot yet be identified with the individual financial assets in the portfolio, including:
 - (i) adverse changes in the payment status of borrowers in the portfolio;
 - (ii) national or local economic conditions that correlate with defaults on the assets in the portfolio.

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.

2.13 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 cost of land use rights, construction costs, 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 an operating cycle from the balance sheet date.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

(All amounts in RMB thousands unless otherwise stated)

2 Summary of significant accounting policies *(Continued)*

2.14 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.

2.15 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.

2.16 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.

2.17 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.

2.18 Trade and other payables

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

(All amounts in RMB thousands unless otherwise stated)

2 Summary of significant accounting policies *(Continued)*

2.19 Borrowings

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

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

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

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.

2.20 Current and deferred income tax

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

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company, its subsidiaries and jointly controlled entities 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 *(Continued)*

(All amounts in RMB thousands unless otherwise stated)

2 Summary of significant accounting policies *(Continued)*

2.20 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.

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

2.21 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

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

(All amounts in RMB thousands unless otherwise stated)

2 Summary of significant accounting policies *(Continued)*

2.21 Employee benefits *(Continued)*

(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.

2.22 Provisions

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

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

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

2.23 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 when specific criteria have been met for each of the Group's activities as described below. 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

(All amounts in RMB thousands unless otherwise stated)

2 Summary of significant accounting policies *(Continued)*

2.23 Revenue recognition *(Continued)*

(ii) Property management

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

(iii) Hotel operations

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

(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.

(v) Rental income

Rental income from properties leasing under operating lease is recognised on a straight-line basis over the lease terms.

2.24 Leases

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

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

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

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

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

(iii) The Group is the lessor

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

(All amounts in RMB thousands unless otherwise stated)

2 Summary of significant accounting policies *(Continued)*

2.25 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/directors.

2.26 Insurance contracts

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

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

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

3 Financial risk management

3.1 Financial risk factor

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

(i) Currency risk

The Group's businesses are principally conducted in RMB, except that certain receipts of proceeds from sales of properties, fees of property management services, senior notes, bank borrowings and syndicated loans are in other foreign currencies. As at 31 December 2010, 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 2010.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(All amounts in RMB thousands unless otherwise stated)

3 Financial risk management (Continued)

3.1 Financial risk factor (Continued)

(i) Currency risk (Continued)

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

	Group		Company	
	2010	2009	2010	2009
Monetary assets				
— HK\$	800,083	1,186,028	21,276	614,985
— US\$	2,480,616	490,846	2,480,603	487,352
	3,280,699	1,676,874	2,501,879	1,102,337
Monetary liabilities				
— HK\$	2,007,808	1,210,790	2,007,808	1,210,790
— US\$	9,547,137	5,730,214	9,547,137	5,730,214
	11,554,945	6,941,004	11,554,945	6,941,004

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 net effect in the profit for the year is as follows:

	Group		Company	
	2010	2009	2010	2009
HK\$				
— Increase in profit for the year	60,386	1,239	99,326	29,791
US\$				
— Increase in profit for the year	353,326	261,969	353,327	262,143

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(All amounts in RMB thousands unless otherwise stated)

3 Financial risk management (Continued)

3.1 Financial risk factor (Continued)

(i) Currency risk (Continued)

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

	Group		Company	
	2010	2009	2010	2009
HK\$				
— Decrease in profit for the year	(60,386)	(1,239)	(99,326)	(29,791)
US\$				
— Decrease in profit for the year	(353,326)	(261,969)	(353,327)	(262,143)

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

As at 31 December 2010 and 2009, if interest rates on borrowings had been 1% higher or lower with all other variables held constant, post-tax profit for the years ended 31 December 2010 and 2009 would have been RMB45,153,000 and RMB20,623,000 lower or higher respectively, mainly as a result of higher or lower interest expense on floating rate borrowings.

(iii) Credit risk

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

(All amounts in RMB thousands unless otherwise stated)

3 Financial risk management *(Continued)*

3.1 Financial risk factor *(Continued)*

(iii) Credit risk *(Continued)*

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

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

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

No 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.

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(All amounts in RMB thousands unless otherwise stated)

3 Financial risk management (Continued)

3.1 Financial risk factor (Continued)

(iv) Liquidity risk (Continued)

The 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 2010				
Bank borrowings	5,658,717	2,985,510	1,413,322	—
Senior notes	580,728	580,728	1,742,184	6,787,389
Syndicated loans	149,586	149,996	2,396,725	1,083,646
Other borrowings	—	2,551,500	—	—
Trade and other payable excluding advances and deposits from customers	9,646,258	—	—	—
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 payable excluding advances and deposits from customers	6,765,616	—	—	—

3.2 Capital risk management

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(All amounts in RMB thousands unless otherwise stated)

3 Financial risk management (Continued)

3.2 Capital risk management (Continued)

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

	2010	2009
Total borrowings (note 22)	20,758,020	12,080,264
Less: Cash and cash equivalents (note 19)	(6,481,663)	(4,372,155)
Restricted cash (note 18)	(4,198,962)	(1,755,536)
Net borrowings	10,077,395	5,952,573
Total equity	20,335,159	15,073,179
Gearing ratio	49.6%	39.5%

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

(All amounts in RMB thousands unless otherwise stated)

4 Critical accounting estimates and judgements

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

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

(a) Current and deferred income tax

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

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

As at 31 December 2010, the deferred income tax assets, deferred income tax liabilities and PRC corporate income tax payable amounted to RMB70,346,000, RMB2,047,587,000 and RMB31,606,000, 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 land cost, borrowing costs and all property development expenditures.

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

As at 31 December 2010, the land appreciation tax payable amounted to RMB4,700,928,000.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

(All amounts in RMB thousands unless otherwise stated)

4 Critical accounting estimates and judgements *(Continued)*

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

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

As at 31 December 2010, no impairment was provided for properties under development or completed properties held for sale.

(d) Estimated fair value of investment properties

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

- (i) current prices in an active market for properties of different nature, condition or location (or subject to different lease or other contracts), adjusted to reflect those differences, by reference to independent valuations; and
- (ii) recent prices of similar properties in less active markets, with adjustments to reflect any changes in economic conditions since the date of the transactions that occurred at those prices, by reference to independent valuations.

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

The Group assesses the fair value of its investment properties based on valuations determined by independent and professional qualified valuers. As at 31 December 2010, the fair value of the investment properties amounted to RMB4,997,900,000.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

(All amounts in RMB thousands unless otherwise stated)

5 Segment information

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

According to the Group's development strategy the Group has determined to designate certain properties held for development as properties held for long-term rental yields or capital appreciation. To reflect this change in the Group's strategy, the Board of the Directors of the Company started to designate business segment of property investment as a new segment in the consolidated financial statements.

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

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

Analysis of sales by the Group's business segments for the years ended 31 December 2010 and 2009 is as follows:

	2010	2009
Property development	20,196,817	13,058,458
Property management	257,349	232,504
Hotel operations	49,551	39,821
Property investment	16,475	—
	20,520,192	13,330,783

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(All amounts in RMB thousands unless otherwise stated)

5 Segment information (Continued)

Segment results and capital expenditure for the years ended 31 December 2010 and 2009 are as follows:

Year ended 31 December 2010

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(All amounts in RMB thousands unless otherwise stated)

5 Segment information (Continued)

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

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

Year ended 31 December 2009

	Property development	Property management	Hotel operations	Elimination	Group
Gross segment sales	13,058,458	274,841	39,821	—	13,373,120
Inter-segment sales	—	(42,337)	—	—	(42,337)
Sales to external customers	13,058,458	232,504	39,821	—	13,330,783
Segment results	3,719,587	16,018	(14,843)	—	3,720,762
Finance costs, net (note 32)					(57,682)
Profit before income tax					3,663,080
Income tax expenses (note 33)					(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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

(All amounts in RMB thousands unless otherwise stated)

5 Segment information *(Continued)*

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

	Assets	Liabilities
Segment assets/liabilities	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

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, investment properties, receivables and cash balances. Unallocated assets comprise deferred tax assets and prepaid taxes.

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

Capital expenditure comprises additions to property, plant and equipment, investment properties and intangible assets, including additions resulting from acquisitions through business combinations.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(All amounts in RMB thousands unless otherwise stated)

6 Property, plant and equipment — Group

	Buildings	Motor vehicles	Office equipment	Machinery	Construction in progress	Total
At 1 January 2009						
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
Year ended 31 December 2009						
Opening net book amount	154,018	59,391	36,101	11,303	—	260,813
Transfer from properties under development	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
Year ended 31 December 2010						
Opening net book amount	261,027	59,189	30,864	12,108	1,505,510	1,868,698
Additions	68,024	20,520	14,774	4,989	347,186	455,493
Disposals	(15,249)	(2,488)	(5,674)	(265)	—	(23,676)
Depreciation	(14,045)	(20,371)	(10,224)	(2,640)	—	(47,280)
Closing net book amount	299,757	56,850	29,740	14,192	1,852,696	2,253,235
At 31 December 2010						
Cost	337,718	145,536	64,403	35,824	1,852,696	2,436,177
Accumulated depreciation	(37,961)	(88,686)	(34,663)	(21,632)	—	(182,942)
Net book amount	299,757	56,850	29,740	14,192	1,852,696	2,253,235

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(All amounts in RMB thousands unless otherwise stated)

6 Property, plant and equipment — Group (Continued)

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

	2010	2009
Cost of sales	12,228	10,243
Selling and marketing costs	3,708	2,736
Administrative expenses	31,344	31,605
	47,280	44,584

7 Land use rights — Group

Land use rights are relating to property, plant and equipment outside Hong Kong, held on leases of over 50 years:

	2010	2009
Opening net book amount	14,462,878	12,765,126
Effect of change in accounting policy (note 2.1(a))	(12,271,461)	(12,294,115)
Opening net book amount, as restated	2,191,417	471,011
Additions	175,034	1,779,122
Amortisation		
— Capitalised in construction in process	(43,035)	(43,035)
— Recognised as expenses (note 29)	(40,107)	(15,681)
Closing net book amount	2,283,309	2,191,417

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

As at 31 December 2010, land use rights of RMB1,359,135,000 (2009: RMB1,716,806,000) were pledged as collateral for the Group's borrowings (note 22(d)).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

(All amounts in RMB thousands unless otherwise stated)

8 Intangible assets — Group

Intangible assets mainly comprised acquired computer software licenses:

	2010	2009
Opening net book amount	9,506	10,718
Additions	6,068	1,775
Amortisation (note 29)	(3,557)	(2,987)
Closing net book amount	12,017	9,506
Cost	22,590	16,522
Accumulated amortisation	(10,573)	(7,016)
Net book amount	12,017	9,506

9 Investment properties — Group

	2010
Opening net book amount	—
Reclassification of properties under development and completed properties held for sale to investment properties	1,731,655
Additions	68,037
Fair value gains on investment properties	3,198,208
Closing net book amount	4,997,900

In 2010, certain properties under development and completed properties held for sale were classified as investment properties as management confirmed its intention to hold these properties for long-term rental yields or capital appreciation.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

(All amounts in RMB thousands unless otherwise stated)

9 Investment properties — Group *(Continued)*

- (a) The investment properties are located in the PRC and are held on lease of between 10 to 50 years.
- (b) Amounts recognised in the consolidated income statement for investment properties:

	2010
Rental income	16,475
Direct operating expenses arising from investment properties that generate rental income	(13,180)
Direct operating expenses that did not generate rental income	—
	3,295

- (c) Valuation basis

The fair values of the Group's investment properties as at 31 December 2010 were assessed by Vigers Appraisal & Consulting Limited, an independent qualified valuer. Valuations were based on either: (i) direct comparison approach assuming sale of each of these properties in its existing state with the benefit of vacant possession by making reference to comparable sales transactions as available in the relevant market; or (ii) residual method of valuation which is common in valuing development sites by establishing the market value of the properties on an "as-if" completed basis with appropriate deduction on construction costs, professional fees and interest payments to be incurred as well as developer's profits; or (iii) capitalisation of net rental income derived from the existing tenancies with allowance for the reversionary income potential of the properties, using discount rates that reflect current market assessments of the uncertainty in the amount and timing of the cash flows. The resultant figures are adjusted back to present values to reflect the existing state of the properties on 31 December 2010.

- (d) Investment properties pledged as security

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

- (e) Leasing arrangements

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

(All amounts in RMB thousands unless otherwise stated)

10 Prepayments for acquisition of properties

The ending balance represents prepayments for acquisition of a hotel building from a related party of the Group (note 42(c)(i)). The acquisition has not yet been completed as at 31 December 2010.

11 Other non-current asset

In December 2009, the Group and certain PRC real estate developers have jointly bid a tract of land in Guangzhou. In April 2010, Guangzhou Li He Property Development Company Limited ("Li He"), the project company principally engaged in development of this project, has been set up and thereafter is undertaking a reorganisation of its shareholding structure. As at 31 December 2010, the restructuring of Li He is in progress. Each of the Group and other four parties ("Five Shareholders") agreed to evenly hold 20% equity interests in Li He, however, the article of associate is yet to be finalised. As at 31 December 2010, the Group has contributed amounts of approximately RMB1,653,979,000 (2009: RMB2,040,000,000) to Li He to finance its payments of the land premium.

12 Interests in jointly controlled entities

In August 2010, the Group and three PRC real estate developers (collectively referred to as the "JV Parties") jointly established Tianjin Jinnan Xincheng Real Estate Development Company Limited ("Tianjin Jinnan") and Tianjin He An Investment Company Limited ("He An", an investment holding company) to develop a real estate project in Tianjin. Each of JV Parties evenly held 25% equity interest in Tianjin Jinnan. As at 31 December 2010, the Group has contributed capital of RMB916,825,000 to Tianjin Jinnan.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

(All amounts in RMB thousands unless otherwise stated)

12 Interests in jointly controlled entities *(Continued)*

The Group's interests in jointly controlled entities are accounted for by proportionate consolidation. The following amounts represent the Group's share of the assets and liabilities, and results of the project. They are included in the consolidated balance sheet and income statement:

	2010
Non-current assets	
Properties under development	1,826,009
Deferred income tax assets	8,654
	1,834,663
Current assets	
Trade and other receivables	1,289
Cash and cash equivalents	49,403
	50,692
Total assets	1,885,355
Non-current liabilities	
Borrowings	934,619
Net assets	950,736
Share capital	977,500
Accumulated loss	(26,764)
Total equity	950,736
Expenses	
Administrative expenses	(799)
Finance costs	(34,619)
Loss before income tax	(35,418)
Income tax credit	8,654
Loss after income tax	(26,764)
Proportionate interests in jointly controlled entities' capital commitments	—
Proportionate liabilities in jointly controlled entities' contingency	—

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(All amounts in RMB thousands unless otherwise stated)

13 Financial instruments by category

Group

Assets as per consolidated balance sheet	Loans and receivables
At 31 December 2010	
Trade and other receivables from third parties and related parties, excluding prepayments	2,885,631
Restricted cash	4,198,962
Cash and cash equivalents	6,481,663
Total	13,566,256
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
Liabilities as per consolidated balance sheet	Other financial liabilities
At 31 December 2010	
Borrowings	20,758,020
Trade and other payables excluding advances and deposits from customers	9,646,258
Total	30,404,278
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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(All amounts in RMB thousands unless otherwise stated)

13 Financial instruments by category (Continued)

Company

Assets as per balance sheet	Loans and receivables
At 31 December 2010	
Receivables from subsidiaries and third parties	17,155,907
Restricted cash	2,450,399
Cash and cash equivalents	51,480
Total	19,657,786
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
Liabilities as per balance sheet	Other financial liabilities
At 31 December 2010	
Borrowings	11,460,505
Amounts due to subsidiaries	3,000,638
Other payables and accruals	742,502
Total	15,203,645
At 31 December 2009	
Borrowings	6,846,224
Amounts due to subsidiaries	3,112,216
Other payable due to a third party and accruals	855,666
Total	10,814,106

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(All amounts in RMB thousands unless otherwise stated)

14 Properties under development — Group

	2010	2009 (Restated)
Properties under development expected to be completed:		
— Within an operating cycle included under current assets	25,626,102	12,612,286
— Beyond an operating cycle included under non-current assets	5,674,988	6,673,588
	31,301,090	19,285,874
Properties under development comprise:		
— Construction costs and capitalised expenditures	10,530,295	7,194,801
— Interests capitalised	1,024,416	564,603
— Land use rights	19,746,379	11,526,470
	31,301,090	19,285,874

All properties under development are located in the PRC.

The capitalisation rate of borrowings is 6.94% for the year ended 31 December 2010 (2009: 7.18%).

As at 31 December 2010 and 2009, land use rights included in the properties under developments with net book value of RMB5,335,327,000 (2009: RMB3,536,187,000) were pledged as collateral for the Group's borrowings (note 22(d)).

15 Completed properties held for sale — Group

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

As at 31 December 2010, completed properties held for sale of approximately RMB88,662,000 (2009: RMB35,064,000) were pledged as collateral for the Group's bank borrowings (note 22(d)).

16 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 properties under development in the balance sheet when the Group obtains contractual usage rights of the land.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(All amounts in RMB thousands unless otherwise stated)

17 Trade and other receivables

	Group		Company	
	2010	2009	2010	2009
Trade receivables (note (a))	1,512,143	527,077	—	—
Other receivables due from:				
— Subsidiaries	—	—	17,154,609	16,562,174
— Third parties	1,373,488	725,084	1,298	1,039
Prepayments	26,035	38,563	67	153
	2,911,666	1,290,724	17,155,974	16,563,366

As at 31 December 2010, the fair value of trade and other receivables approximated their carrying amounts.

Note:

- (a) Trade receivables mainly arose from sale of properties. Considerations in respect of properties sold are settled in accordance with the terms of the related sales and purchase agreements or mortgage agreements with the banks. As at 31 December 2010 and 2009, the ageing analysis of the trade receivables is as follows:

	Group	
	2010	2009
Within 90 days	1,359,138	474,711
Over 90 days and within 365 days	153,005	52,366
	1,512,143	527,077

As at 31 December 2010, trade receivables of RMB70,155,000 (2009: RMB27,258,000) were past due but not impaired. These accounts are related to a number of customers who did not have a recent history of default. The ageing analysis of these trade receivables is as follows:

	Group	
	2010	2009
Over 90 days and within 365 days	70,155	27,258

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(All amounts in RMB thousands unless otherwise stated)

18 Restricted cash

	Group		Company	
	2010	2009	2010	2009
Guarantee deposits for mortgage loans (note (a))	358,028	48,114	—	—
Guarantee deposits for construction of pre-sold properties (note (b))	1,294,947	1,149,553	—	—
Deposits for accident compensation (note (c))	95,588	79,895	—	—
Collateral for borrowings (note (d))	2,450,399	477,974	2,450,399	477,974
	4,198,962	1,755,536	2,450,399	477,974
Denominated in RMB (note (e))	1,748,563	1,277,562	—	—
Denominated in other currencies	2,450,399	477,974	2,450,399	477,974
	4,198,962	1,755,536	2,450,399	477,974

Notes:

- (a) Amounts represent cash deposited in certain banks as guarantee deposits for the mortgage loan facilities granted by the banks to the purchasers of the Group's properties.
- (b) In accordance with relevant documents issued by local State-Owned Land and Resource Bureau, certain property development companies of the Group are required to place certain amount of proceeds from pre-sales of properties at designated bank accounts as guarantee deposits for constructions of related properties. The deposits can only be used for settlements of payables of construction materials or construction fee of the relevant property projects when approval from local State-Owned Land and Resource Bureau is obtained. The remaining balance of guarantee deposits will be released upon completion of construction of related pre-sold properties or issuance of the real estate ownership certificate, whichever is earlier.
- (c) In accordance with regulation issued by 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 bank borrowings of RMB2,432,499,000 (note 22(d)). Such security will be released after the repayment of the relevant borrowings.
- (e) The conversion of RMB denominated balances into foreign currencies and the remittance of such foreign currencies denominated bank balances and cash out of the PRC are subject to relevant rules and regulation of foreign exchange control promulgated by the PRC government.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(All amounts in RMB thousands unless otherwise stated)

19 Cash and cash equivalents

	Group		Company	
	2010	2009	2010	2009
Cash and cash equivalents comprise the following:				
— Cash at bank and in hand	6,470,051	4,245,924	39,868	498,132
— Short-term bank deposits	11,612	126,231	11,612	126,231
	6,481,663	4,372,155	51,480	624,363
Denominated in RMB (note (a))	5,651,363	3,173,255	—	—
Denominated in other currencies	830,300	1,198,900	51,480	624,363
	6,481,663	4,372,155	51,480	624,363

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(All amounts in RMB thousands unless otherwise stated)

20 Share capital and premium

	Number of ordinary shares	Nominal value of ordinary shares HK\$'000	Equivalent nominal value of ordinary shares RMB'000	Share premium RMB'000	Total RMB'000
Authorised					
At 31 December 2009 and 2010	10,000,000,000	1,000,000			
Movements were:					
Issued and fully paid					
At 1 January 2009	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
Repurchase of shares of the Company (note (a))	(102,786,000)	(10,279)	(9,044)	(793,016)	(802,060)
At 31 December 2010	3,472,722,000	347,272	365,121	3,429,926	3,795,047

Note:

- (a) During the year ended 31 December 2010, the Company has acquired 102,786,000 (2009: 104,324,000) of its own shares through purchases on the Stock Exchange. The total consideration of HK\$909,891,000, equivalent to RMB802,060,000 (2009: RMB339,947,000), paid for repurchases of shares has been deducted from share capital and premium.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(All amounts in RMB thousands unless otherwise stated)

21 Other reserves

Group

	Merger reserve (note (a))	Statutory reserve and enterprise expansion fund (note (b))	Total
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
Balance at 1 January 2010	442,395	257,378	699,773
Transfer from retained earnings	—	83,547	83,547
Balance at 31 December 2010	442,395	340,925	783,320

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

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

Company

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(All amounts in RMB thousands unless otherwise stated)

22 Borrowings

	Group		Company	
	2010	2009	2010	2009
Borrowings included in non-current liabilities:				
Senior notes (note (a))				
— Senior notes issued in 2006 (“2006 Senior Notes”) (note (a)(i))	—	2,681,517	—	2,681,517
— Senior notes issued in 2009 (“2009 Senior Notes”) (note (a)(ii))	1,900,290	1,949,946	1,900,290	1,949,946
— Senior notes issued in 2010 (“2010 Senior Notes”) (note (a)(iii))	4,219,819	—	4,219,819	—
Long-term syndicated loans				
— secured (note (b))	905,000	350,000	—	—
— unsecured (note (c))	2,146,650	—	2,146,650	—
Bank borrowings				
— secured (note (d))	5,159,260	4,381,040	—	—
— unsecured (note (e))	2,291,498	1,506,971	1,209,498	1,003,971
Other borrowings — secured (note (f))	2,151,255	—	—	—
Less: current portion of long-term borrowings				
— secured (note (d))	(2,500,423)	(525,370)	—	—
— unsecured	(777,580)	(492,670)	—	—
	15,495,769	9,851,434	9,476,257	5,635,434
Borrowings included in current liabilities:				
Short-term bank borrowings — secured (note (d))	1,984,248	—	1,984,248	—
Short-term syndicated loans — unsecured	—	1,210,790	—	1,210,790
Current portion of long-term borrowings	3,278,003	1,018,040	—	—
	5,262,251	2,228,830	1,984,248	1,210,790
Total borrowings	20,758,020	12,080,264	11,460,505	6,846,224

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(All amounts in RMB thousands unless otherwise stated)

22 Borrowings (Continued)

Notes:

(a) Senior notes

The senior notes are jointly guaranteed by certain subsidiaries of the Group and are secured by pledges of the shares of these subsidiaries. The net assets of these subsidiaries are approximately RMB9,606,185,000 as at 31 December 2010 (2009: RMB5,201,208,000).

(i) 2006 Senior Notes

Movements of the 2006 Senior Notes are set out as follows:

	2010	2009
Carrying amount as at 1 January	2,681,517	2,673,385
Amortisation of issuance costs	49,763	10,692
Exchange loss/(gain)	40	(2,560)
Redemption	(2,731,320)	—
Carrying amount as at 31 December	—	2,681,517

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

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

(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 will mature on 14 November 2016. The Company, at its option, can redeem all or a portion of the senior notes at any time prior to the maturity date at the redemption prices plus accrued and unpaid interest up to the redemption date.

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

	2010	2009
Carrying amount as at 1 January/date of issuance	1,949,946	1,948,633
Amortisation of issuance costs	11,994	1,283
Exchange (gain)/loss	(61,650)	30
Carrying amount at 31 December	1,900,290	1,949,946

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(All amounts in RMB thousands unless otherwise stated)

22 Borrowings (Continued)

Notes: (Continued)

(a) Senior notes (Continued)

(iii) 2010 Senior Notes

On 28 April 2010, the Company issued 8.875% senior notes with an aggregated nominal value of US\$650,000,000 (equivalent to approximately RMB4,436,965,000) at face value. The net proceeds, after deducting the issuance costs, amounted to US\$636,600,000 (equivalent to RMB4,343,810,000). The 2010 Senior Notes mature in April 2017. The Company, at its option, can redeem all or a portion of the 2010 Senior Notes at any time prior to the maturity date at the redemption prices plus accrued and unpaid interest up to the redemption date.

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

	2010
Norminal value of senior notes issued on 28 April	4,436,965
Issuance costs	(93,155)
Fair value at the date of issuance	4,343,810
Amortisation of issuance costs	8,222
Exchange gain	(132,213)
Carrying amount at 31 December	4,219,819

(b) A group company has entered into a bank loan agreement with a group of banks pursuant to which a loan facility of RMB1,000,000,000 has been granted to the group company which will be expired on 3 January 2019. The facility is secured by certain properties of the group company. As at 31 December 2010, the carrying value of the loans drawn down by the group company amounted to RMB905,000,000 (2009: RMB350,000,000).

(c) The Company has entered into a bank loan agreement with a group of banks pursuant to which a loan facility of US\$125,000,000 has been granted to the Company which will be expired on 25 January 2013. The facility is jointly guaranteed by certain subsidiaries of the Group and is guaranteed by pledges of the shares of these subsidiaries. As at 31 December 2010, the carrying value of the loans drawn down by the Company amounted to US\$123,333,000 (equivalent to RMB816,420,000).

The Company has entered into another bank loan agreement with a group of banks on 16 September 2010, pursuant to which the Company has been granted a facility of HK\$1,592,500,000 expiring on 7 September 2013. The facility is jointly guaranteed by certain subsidiaries of the Group. As at 31 December 2010, the carrying value of the loans drawn down by the Company amounted to HK\$1,564,189,000 (equivalent to approximately RMB1,330,230,000).

(d) As at 31 December 2010, the Group's bank borrowings of RMB4,711,009,000 (2009: RMB3,923,040,000) are secured by its land use rights and properties (note 7, note 9, note 14 and note 15) and the Group's bank borrowings of RMB2,432,499,000 (2009: RMB458,000,000) are secured by its bank deposits (note 18(d)).

(e) As at 31 December 2010, the Company's unsecured bank borrowings of RMB1,209,498,000 (2009: RMB1,003,971,000) are jointly guaranteed by certain subsidiaries of the Group.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

(All amounts in RMB thousands unless otherwise stated)

22 Borrowings *(Continued)*

Notes: *(Continued)*

- (f) Other borrowings — secured

In 2010, the Group has entered into two arrangements with a financial institution to raise funds totaling RMB2,151,255,000 in two particular property development projects.

- (i) Fund raised by a jointly controlled entity in Tianjin (note 12)

In August 2010, JV Parties, Tianjin Jinnan and a financial institution (the “Trustee I”) entered into a fund arrangement, pursuant to which Trustee I raised a trust fund totaling RMB3,600,000,000 and injected the fund to Tianjin Jinnan. The fund bears interest at a fixed interest rate and will mature on 13 March 2012. During the period of the fund, 98.16% shares of Tianjin Jinnan are held by Trustee I as security. JV Parties jointly provide guarantee on the repayment of the fund to the Trustee I and the Group’s share of the guarantee amounted to RMB900,000,000 (note 42(b)). Upon the maturity of the fund, Trustee I has a call option to acquire 16% shares in Tianjin Jinnan at a pre-agreed consideration.

This fund arrangement is a compound financial instrument comprised of a liability component and an embedded financial derivative as follows:

- The liability component represent the present value of the contractually determined stream of future cash flows discounted at the prevailing market interest rate at the time applicable to instruments of comparable credit status and providing substantially the same cash flows, on the same terms, but without the call option. The interest charged for the period is calculated by applying the relevant effective interest rate to the liability since the trust establishment date.

The liability component is classified as a non-current liability.

- The call option has been accounted for as a separate derivative at fair value. The portion attributable to the Group is immaterial as at the grant date and as at 31 December 2010.

The movements of the Group’s portion of liability for the period from the grant date of the fund to 31 December 2010 are set out below:

	2010
At 14 September	900,000
Interest charged during the period	34,619
At 31 December	934,619

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(All amounts in RMB thousands unless otherwise stated)

22 Borrowings (Continued)

Notes: (Continued)

(f) Other borrowings — secured (Continued)

(ii) Fund raised by a subsidiary in Guangzhou

In 2010, a subsidiary of the Company who is principally engaged in development of a real estate project in Guangzhou (“Guangzhou Project Company”) and a financial institution (the “Trustee II”) entered into a fund arrangement, pursuant to which Trustee II will raise a trust fund totaling RMB1,500,000,000 and inject the fund to Guangzhou Project Company. The fund bears a fixed interest rate and will mature in November 2012. During the period of the fund, 33% shares of Guangzhou Project Company are held by Trustee II as security and land use right of Guangzhou Project Company of RMB4,419,212,000 are pledged to Trustee II.

As at 31 December 2010, the Group has received the funds totaling RMB1,200,000,000. The movements of the liability for the year are set out below:

	2010
At 17 November	1,200,000
Interest charged during the period	16,636
At 31 December	1,216,636

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 2010	502,291	3,365,966	5,507,403	6,120,109
At 31 December 2009	418,000	3,798,000	3,685,488	1,949,946
Borrowings included in current liabilities:				
At 31 December 2010	2,490,648	2,771,603	—	—
At 31 December 2009	1,359,160	869,670	—	—

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(All amounts in RMB thousands unless otherwise stated)

22 Borrowings (Continued)

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

As of 31 December 2010

	Bank borrowings	Senior notes	Syndicated loans	Other borrowings	Total
Between 1 and 2 years	2,781,319	—	—	2,151,255	4,932,574
Between 2 and 5 years	1,391,436	—	2,146,650	—	3,538,086
Over 5 years	—	6,120,109	905,000	—	7,025,109
	4,172,755	6,120,109	3,051,650	2,151,255	15,495,769

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 (Continued)

(All amounts in RMB thousands unless otherwise stated)

22 Borrowings (Continued)

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

	2010		2009	
	RMB'000	Effective interest rate	RMB'000	Effective interest rate
2006 Senior notes — US\$	—	—	2,681,517	9.51%
2009 Senior notes — US\$	1,900,290	11.02%	1,949,946	11.02%
2010 Senior notes — US\$	4,219,819	9.29%	—	—
Syndicated loans — RMB	905,000	6.53%	350,000	6.35%
Syndicated loans — HK\$	1,330,230	3.47%	1,210,790	1.67%
Syndicated loans — US\$	816,420	4.76%	—	—
Bank borrowings — HK\$	677,578	3.51%	—	—
Bank borrowings — US\$	2,516,168	3.88%	1,003,971	5.18%
Bank borrowings and other borrowings — RMB	8,392,515	7.46%	4,884,040	6.45%
	20,758,020		12,080,264	

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

	2010		2009	
	Carrying amount	Fair value	Carrying amount	Fair value
Bank borrowings (note (i))	4,172,755	4,172,755	4,869,971	4,869,971
2006 Senior notes (note (ii))	—	—	2,681,517	2,774,848
2009 Senior notes (note (ii))	1,900,290	2,206,787	1,949,946	2,073,972
2010 Senior notes (note (ii))	4,219,819	4,379,604	—	—
Syndicated loans (note (i))	3,051,650	3,051,650	350,000	350,000
Other borrowings (note (iii))	2,151,255	2,151,255	—	—
	15,495,769	15,962,051	9,851,434	10,068,791

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

(All amounts in RMB thousands unless otherwise stated)

22 Borrowings *(Continued)*

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 2010, the last dealing date of 2010.
- (iii) The fair values of other borrowings approximate their carrying amounts as there is no material change in the market interest rate from the borrowing dates to 31 December 2010.

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

The Group has the following undrawn borrowing facilities:

	2010	2009
Floating rate — expiring beyond one year	1,715,675	1,345,550

23 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 2010, the Group did not have such offset amount (2009: nil) and the amounts shown in the consolidated balance sheets are as follows:

	2010	2009
Deferred income tax assets to be recovered within 12 months	70,346	48,356
Deferred income tax liabilities to be payable after more than 12 months	(2,047,587)	(1,008,863)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(All amounts in RMB thousands unless otherwise stated)

23 Deferred income tax — Group (Continued)

The movements in deferred tax assets/(liabilities) during the years ended 31 December 2009 and 2010 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 rights over the tax bases	Deferred tax liabilities — excess of fair value of investments over the tax bases	Net
At 1 January 2009	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)
Reclassification	—	—	66,401	(66,401)	—
Credited/(charged) to the consolidated income statement	21,990	(239,172)	—	(799,552)	(1,016,734)
At 31 December 2010	70,346	(894,804)	(286,830)	(865,953)	(1,977,241)

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 RMB5,349,000, RMB5,925,000, RMB33,082,000, RMB48,998,000, and RMB188,030,000, will expire in 2011, 2012, 2013, 2014 and 2015, 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 (Continued)

(All amounts in RMB thousands unless otherwise stated)

24 Trade and other payables

	Group		Company	
	2010	2009	2010	2009
Trade payables (note (a))	6,604,515	4,126,202	—	—
Other payables due to:				
— Subsidiaries	—	—	3,000,638	3,112,216
— Related parties (note 42(c))	710,417	863,205	570,676	713,205
— Third parties (note (b))	1,702,943	1,367,239	61,856	11,613
Advances and deposits from customers	12,333,749	5,770,559	—	—
Staff welfare benefit payable	29,005	31,582	—	—
Accruals	352,502	239,267	109,970	130,848
Other taxes payable	246,876	138,121	—	—
	21,980,007	12,536,175	3,743,140	3,967,882

Notes:

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

	Group	
	2010	2009
Within 90 days	5,643,242	3,448,199
Over 90 days and within 180 days	243,484	213,731
Over 180 days and within 365 days	553,945	314,849
Over 365 days	163,844	149,423
	6,604,515	4,126,202

- (b) A local government appointed the Group to carry out a project of land clearance and primary infrastructure construction for the local government. The government shall make progress payments to the Group, which are 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 2010, the project was in progress. The advances received from the government after net off the relevant construction cost incurred, which amounted to approximately RMB602,622,000 (2009: RMB686,993,000), was recognised as other payables.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(All amounts in RMB thousands unless otherwise stated)

25 Current income tax liabilities — Group

Current income tax liabilities are analysed as follows:

	2010	2009
Income tax payables		
— PRC corporate income tax payable	31,606	163,793
— PRC land appreciation tax payable	4,700,928	3,315,908
— PRC withholding tax payable	25,026	—
	4,757,560	3,479,701

26 Other gains

	2010	2009
Income in relation to a cancellation of a land acquisition agreement	—	138,000
Interest income of bank deposits	84,722	53,949
Forfeited deposits from customers	8,241	2,357
Rental income	8,994	20,286
Miscellaneous	11,699	29,843
	113,656	244,435

27 Other expenses

	2010	2009
Settlement of dispute	—	263,541
Early redemption premium of 2006 Senior Notes (note 22(a)(i))	184,872	—
Charitable donations	155,280	56,708
Miscellaneous	57,460	6,296
	397,612	326,545

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(All amounts in RMB thousands unless otherwise stated)

28 Exchange losses, net

Amount mainly represents the gain or loss of translation of financial assets and liabilities, which are denominated in foreign currency, into RMB at the prevailing period-end exchange rate. It does not include the exchange gain or loss of translation of borrowings which are included in the finance income/(costs), net (note 32).

29 Expenses by nature

	2010	2009
Employee benefit expense — including directors' emoluments (note 30)	540,559	413,805
Auditors' remuneration	5,200	5,200
Advertising costs	516,261	448,244
Depreciation (note 6)	47,280	44,584
Amortisation of intangible assets (note 8)	3,557	2,987
Amortisation of land use rights relating to property, plant and equipment (note 7)	40,107	15,681
Amortisation of land use rights relating to properties developed for sale	—	116,754
Cost of properties sold	9,638,967	7,384,795
Business taxes and other levies on sales of properties (note (a))	1,033,236	653,138
Commission fee	56,734	42,634

Note:

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

30 Employee benefit expense — including directors' emoluments

	2010	2009
Wages and salaries	486,537	366,197
Pension costs — statutory pension (note (a))	19,996	15,508
Staff welfare	7,441	7,048
Medical benefits	3,982	5,566
Other allowances and benefits	22,603	19,486
	540,559	413,805

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 RMB19,996,000 (2009: RMB15,508,000).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(All amounts in RMB thousands unless otherwise stated)

31 Directors' and senior management's emoluments

(a) Directors' emoluments

The emoluments of directors of the Company for the year ended 31 December 2010 are set out below:

	Fees	Salary	Contribution to pension scheme	Total
Mr. Chen Zhuo Lin	—	3,861	10	3,871
Mr. Chan Cheuk Yin	—	3,304	10	3,314
Ms. Luk Sin Fong, Fion	—	3,304	10	3,314
Mr. Chan Cheuk Hung	—	2,745	10	2,755
Mr. Chan Cheuk Hei	—	2,745	10	2,755
Mr. Chan Cheuk Nam	—	2,745	10	2,755
Dr. Cheng Hon Kwan (*)	277	—	—	277
Mr. Kwong Che Keung, Gordon (*)	277	—	—	277
Mr. Cheung Wing Yui (*)	277	—	—	277
	831	18,704	60	19,595

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
Dr. Cheng Hon Kwan (*)	254	—	—	254
Mr. Kwong Che Keung, Gordon (*)	254	—	—	254
Mr. Cheung Wing Yui (*)	254	—	—	254
	762	18,880	66	19,708

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

(All amounts in RMB thousands unless otherwise stated)

31 Directors' and senior management's emoluments *(Continued)*

(b) Five highest paid individuals

During the year ended 31 December 2010, none of the five highest paid individuals in the Group is director of the Company (2009: five). The aggregate amounts of emoluments of the five highest paid individuals for the years ended 31 December 2010 and 2009 are set out below:

	2010	2009
Salaries and bonuses	27,555	16,164

The emoluments fell within the following brands:

	Number of individuals	
	2010	2009
Emoluments brands		
RMB2,500,001 – RMB3,000,000	—	2
RMB3,000,001 – RMB3,500,000	—	2
RMB3,500,001 – RMB4,000,000	—	1
RMB5,000,001 – RMB5,500,000	4	—
RMB6,000,001 – RMB6,500,000	1	—

- (c) During the years ended 31 December 2010 and 2009, 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(All amounts in RMB thousands unless otherwise stated)

32 Finance income/(costs), net

	2010	2009
Interest expenses:		
— bank loans	(599,982)	(380,295)
— senior notes	(643,735)	(271,947)
— other borrowings	(51,255)	—
Less: interest capitalised	1,203,736	588,926
	(91,236)	(63,316)
Exchange gain from borrowings	360,453	5,634
	269,217	(57,682)

33 Income tax expenses

	2010	2009
Current income tax		
— PRC corporate income tax	1,088,448	677,402
— PRC land appreciation tax	2,485,274	991,736
— Withholding tax on profit to be distributed from PRC subsidiaries	25,026	—
Deferred income tax		
— PRC corporate income tax	1,016,734	(8,009)
	4,615,482	1,661,129

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(All amounts in RMB thousands unless otherwise stated)

33 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:

	2010	2009
Profit before PRC corporate income tax	11,034,078	3,663,080
Tax calculated at tax rates applicable to profits in the respective entities of the Group	2,707,965	820,082
Effect of		
— Income not subject to corporate income tax (note (a))	(78,668)	(4,744)
— Expense not deductible for corporate income tax (note (b))	80,311	86,183
— PRC land appreciation tax deductible for calculation of income tax purposes	(604,426)	(232,128)
PRC corporate income tax	2,105,182	669,393
Withholding tax on profit to be distributed from PRC subsidiaries	25,026	—
PRC land appreciation tax	2,485,274	991,736
	4,615,482	1,661,129

Notes:

- (a) Income not subject to income tax for the years ended 31 December 2010 and 2009 mainly comprises the bank interest income of the Company.
- (b) Expense not deductible for income tax for the years ended 31 December 2010 and 2009 mainly comprises donations made to non-official public welfare institutions and expenses of the Company.

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

(All amounts in RMB thousands unless otherwise stated)

33 Income tax expenses *(Continued)*

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 Economic Zone is gradually increased from 15% to 25% in a transitional period of five years starting from 1 January 2008.

PRC withholding income tax

According to the new CIT Law, starting from 1 January 2008, a withholding tax of 10% will be levied on the immediate holding companies outside the PRC when their PRC subsidiaries declare dividend out of profits earned after 1 January 2008. A lower 5% withholding tax rate may be applied when the immediate holding companies of the PRC subsidiaries are established in Hong Kong according to the tax treaty arrangements between the PRC and Hong Kong.

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

(All amounts in RMB thousands unless otherwise stated)

34 Retained earnings of the Company

	2010	2009
As at 1 January	2,275,498	2,891,814
Loss for the year	(1,041,009)	(236,907)
Dividends	(554,320)	(379,409)
As at 31 December	680,169	2,275,498
Representing		
— Proposed final dividend	675,874	383,008
— Unappropriated retained earnings	4,295	1,892,490

35 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.

	2010	2009
Profit attributable to shareholders of the Company (RMB'000)	5,975,707	1,865,160
Weighted average number of ordinary shares in issue (thousands)	3,501,544	3,600,775
Basic earnings per share (RMB per share)	1.707	0.518

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 2010 and 2009.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

(All amounts in RMB thousands unless otherwise stated)

36 Dividends

	2010	2009
Interim dividend of HK\$0.061(2009: HK\$0.056) per share (note (a))	174,185	176,540
Proposed final dividend of HK\$0.230 (2009: HK\$0.122) per ordinary share (note (b))	675,874	380,135
	850,059	556,675

Notes:

- (a) An interim dividend in respect of six months ended 30 June 2010 of HK\$0.061 per ordinary share totaling HK\$211,836,000 (equivalent to RMB174,185,000) was declared at the board meeting on 20 August 2010.
- (b) A final dividend in respect of 2009 of HK\$0.122 per share totaling HK\$433,696,000 (equivalent to RMB380,135,000) was declared at the Annual General Meeting on 3 June 2010.

A final dividend in respect of 2010 of HK\$0.230 per share totaling HK\$798,726,000 (equivalent to RMB675,874,000) is to be approved by the shareholders at the Annual General Meeting to be held on 19 May 2011. These financial statements do not reflect this dividend payable.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(All amounts in RMB thousands unless otherwise stated)

37 Cash generated from operations

	2010	2009
Net profit	6,418,596	2,001,951
Adjustments for:		
Taxation (note 33)	4,615,482	1,661,129
Interest income (note 26)	(84,722)	(53,949)
Finance (income)/costs, net (note 32)	(269,217)	57,682
Depreciation (note 6)	47,280	44,584
Amortisation of intangible assets (note 8)	3,557	2,987
Loss of disposal of property, plant and equipment	23,676	1,501
Net exchange losses	131,912	2,235
Loss on acquisition of non-controlling interests of subsidiaries	—	1,958
Early redemption premium of 2006 Senior Notes (note 22(a)(i))	184,872	—
Fair value gains on investment properties	(3,198,208)	—
Settlement of dispute	—	263,541
Changes in working capital:		
Property under development and completed properties held for sales	(13,327,430)	(1,242,788)
Prepayments for acquisition of land use rights	(1,555,911)	(4,026,092)
Restricted cash	(459,178)	452,635
Trade and other receivables	(1,620,942)	187,811
Trade and other payables	9,926,014	5,216,848
Cash generated from operations	835,781	4,572,033

Non-cash transaction

The major non-cash transaction is transfer of certain properties under development and completed properties held for sales to investment properties of approximately RMB1,731,655,000 (note 9).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

(All amounts in RMB thousands unless otherwise stated)

38 Acquisition of subsidiaries

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

There was no income contributed to the Group by these subsidiaries during the period from 18 May 2010 to 31 December 2010 as they have not yet started property development activities. These subsidiaries did not operate any business prior to the acquisition and made certain prepayments for pieces of lands. The Group did not take over any management of these subsidiaries as its plan is to acquire the land use rights for redevelopment. Therefore, the management considered that these transactions were acquisitions of assets in substance and as a result the difference between the cash consideration and the net assets acquired was recognised as adjustments to the carrying amounts of the prepayments for land use rights.

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

Cash and cash equivalents	9,445
Prepayments for land use rights	696,185
Other payables	(39,750)
Net assets	665,880
Non-controlling interests	(199,764)
Net assets acquired	466,116

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(All amounts in RMB thousands unless otherwise stated)

39 Financial guarantee — Group

	2010	2009
Guarantee in respect of mortgage facilities for certain purchasers (note (a))	13,092,013	11,234,244
Guarantee in respect of borrowing to Li He (note (b) and 42(b))	1,024,578	—
	14,116,591	11,234,244

Notes:

- (a) The Group has in cooperation with certain financial institutions arranged mortgage loan facility for its purchasers of property and provided guarantees to secure obligations of such purchasers for repayments. As at 31 December 2010, the outstanding guarantees amounted to RMB13,092,013,000 (2009: RMB11,234,244,000). 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.

- (b) The Five Shareholders have jointly provided a guarantee in respect of a loan facility to Li He amounting to RMB5,123,000,000, representing the Group's share of the guarantee (note 11).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

(All amounts in RMB thousands unless otherwise stated)

40 Commitments — Group

(a) Operating leases commitments

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

	2010	2009
Property, plant and equipment:		
— Not later than one year	16,959	5,152
— Later than one year and not later than five years	47,469	2,049
	64,428	7,201
Lease of areas adjacent to the property development projects:		
— Not later than one year	400	400
— Later than one year and not later than five years	1,600	1,600
— Later than five years	35,300	35,700
	37,300	37,700

(b) Other commitments

	2010	2009
Contracted but not provided for		
— Property development activities	15,617,440	12,629,678
— Acquisition of land use rights and other assets	4,731,624	4,619,803
	20,349,064	17,249,481

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(All amounts in RMB thousands unless otherwise stated)

41 Future minimum rental payments receivable — Group

At 31 December 2010, the Group had future aggregate minimum lease rental receivables under non-cancellable operating leases as follows:

	2010
Not later than one year	6,260
Later than one year and not later than five years	52,019
Over five years	115,078
	173,357

42 Related party transactions

(a) Name and relationship with related parties

Name	Relationship
Top Coast Investment Limited	The ultimate holding company of the Group
The Founding Shareholders, including Mr. Chen Zhuo Lin, Mr. Chan Cheuk Yin, Ms. Luk Sin Fong, Fion, Mr. Chan Cheuk Hung, Mr. Chan Cheuk Hei, and Mr. Chan Cheuk Nam	The Founding Shareholders are also the directors of the Company
中山長江高爾夫球場 Zhongshan Changjiang Golf Course (note (i))	Controlled by the Founding Shareholders
中山市雅居樂酒店有限公司 Zhongshan Agile Hotel Co., Ltd (note (i))	Controlled by the Founding Shareholders
中山雅居樂長江酒店有限公司 Zhongshan Agile Changjiang Hotel Co., Ltd (note (i))	Controlled by the Founding Shareholders
廣州利合房地產開發有限公司 Guangzhou Li He Property Development Co., Ltd (note (i))	A project company established by the Group and other real estate companies from a jointly development project in Guangzhou
天津津南新城房地產開發有限公司 Tianjin Jinnan Xincheng Real Estate Development Co., Ltd (note (i))	Jointly controlled by the Group
天津和安投資有限公司 Tianjin He An Investment Co., Ltd (note (i))	Jointly controlled by the Group

Note:

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(All amounts in RMB thousands unless otherwise stated)

42 Related party transactions (Continued)

(b) Transactions with related parties

During the years ended 31 December 2010 and 2009, the Group had the following significant transactions with related parties, which are carried out in the normal course of the Group's business:

	2010	2009
Restaurant and hotel service fee charged by Zhongshan Agile Hotel Company Limited (note (i))	609	546
Golf facilities service fee charged by Zhongshan Changjiang Golf Course (note (i))	846	374
Restaurant and hotel service fee charged by Zhongshan Agile Changjiang Hotel Company Limited (note (i))	5,733	4,429
Acquisition of property from Mr. Chen Zhuo Lin and Ms. Luk Sin Fong, Fion	34,000	—
Providing guarantee for borrowings of related parties		
— Li He (note 39)	1,024,578	—
— Tianjin Jinnan (note 22(f)(i))	900,000	—
Key management compensation		
— Salaries and other short-term employee benefits	18,704	18,880
— Retirement scheme contributions	60	66
	18,764	18,946

Note:

- (i) Restaurant and hotel service fees and golf facilities service fees were charged in accordance with the terms of the underlying agreements which, in the opinion of the directors, were determined with reference to the market price at the prescribed year. In the opinion of the directors of the Company, the above related party transactions were carried out in the normal course of business and at terms mutually negotiated between the Group and the respective related parties.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(All amounts in RMB thousands unless otherwise stated)

42 Related party transactions (Continued)

(c) Balances with related parties

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

	2010	2009
Due from related parties		
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 (iii))	—	34,000
	92,820	126,820
Due to related parties		
— Zhongshan Changjiang Golf Course (note (iii))	139,741	150,000
— Top Coast Investment Limited (note (ii))	570,676	713,205
	710,417	863,205

Notes:

- (i) Amount due from Zhongshan Agile Hotel Company Limited represents prepayments for the acquisition of a hotel building (note 10).
- (ii) Amount due to Top Coast Investment Limited comprise of dividend payable amounting to RMB324,766,000 (2009: Nil) and cash advances amounting to RMB245,910,000 (2009: 713,205,000), which are unsecured, interest-free and repayable on demand.
- (iii) Other amounts due from/to related parties, which are cash advances in nature, are unsecured, interest-free and repayable on demand.

43 Ultimate holding company

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(All amounts in RMB thousands unless otherwise stated)

44 Investments in subsidiaries — Company

Amount represents investment in Eastern Supreme Group Limited, which is 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				
雅居樂地產置業有限公司 (前稱中山市雅居樂地產置業有限公司)	PRC/wholly foreign owned enterprise	RMB50,000,000	100%	Management consultants/PRC
Agile Property Land Co., Ltd. (note i) (Formerly named Zhangshan Agile Property Land Co., Ltd)				
中山雅居樂雍景園房地產有限公司 Zhongshan Agile Majestic Garden Real Estate Co., Ltd. (note i)	PRC/wholly foreign owned enterprise	HK\$700,000,000	100%	Property development/ PRC
廣州番禺雅居樂房地產開發有限公司 Guangzhou Panyu Agile Realty Development Co., Ltd. (note i)	PRC/wholly foreign owned enterprise	RMB202,790,700	100%	Property development/ PRC
廣州花都雅居樂房地產開發有限公司 Guangzhou Huadu Agile Realty Development Co., Ltd. (note i)	PRC/wholly foreign owned enterprise	RMB380,000,000	100%	Property development/ PRC
佛山市南海區雅居樂房地產有限公司 Foshan Nanhai Agile Real Estate Development Co., Ltd. (note i)	PRC/wholly foreign owned enterprise	RMB84,178,700	100%	Property development/ PRC
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	RMB123,000,000	100%	Property development/ PRC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(All amounts in RMB thousands unless otherwise stated)

44 Investments in subsidiaries — Company (Continued)

Name	Place of incorporation and legal status	Nominal value of issued and fully paid share capital/ paid-in capital	Percentage of attributable equity interest	Principal activities/ place of operation
廣州雅居樂房地產開發有限公司 Guangzhou Agile Real Estate Development Co., Ltd. (note i)	PRC/wholly foreign owned enterprise	US\$14,480,000	100%	Property development/ PRC
佛山市雅居樂房地產有限公司 Foshan Agile real Estate Development Co., Ltd. (note i)	PRC/wholly foreign owned enterprise	US\$37,500,000	100%	Property development/ PRC
雅居樂物業管理服務有限公司 (前稱中山市雅居樂物業管理服務有限公司) Agile Property Management Services Co., Ltd. (note i) (Formerly named Zhongshan Agile Property Land Co., Ltd)	PRC/wholly foreign owned enterprise	RMB50,000,000	100%	Property management/ PRC
南京雅居樂房地產開發有限公司 Nanjing Agile Real Estate Development Co., Ltd. (note i)	PRC/wholly foreign owned enterprise	US\$118,900,000	100%	Property development/ PRC
河源市雅居樂房地產開發有限公司 Heyuan Agile Real Estate Development Co., Ltd. (note i)	PRC/wholly foreign owned enterprise	HK\$270,000,000	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\$570,000,000	100%	Property development/ PRC
四川雅居樂房地產開發有限公司 Sichuan Agile Real Estate Development Co., Ltd. (note i)	PRC/wholly foreign owned enterprise	HK\$780,000,000	100%	Property development/ PRC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(All amounts in RMB thousands unless otherwise stated)

44 Investments in subsidiaries — Company (Continued)

Name	Place of incorporation and legal status	Nominal value of issued and fully paid share capital/ paid-in capital	Percentage of attributable equity interest	Principal activities/ place of operation
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\$200,000,000	100%	Property development/ PRC
惠州白鷺湖旅遊實業開發有限公司 Huizhou Egret Lake Tour Enterprise Development Co., Ltd (note i)	PRC/wholly foreign owned enterprise	HK\$200,000,000	100%	Property development/ PRC
陝西吳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
上海靜安城投重慶市置業有限公司 Shanghai Jingan Chengtuo Chongqing Land Co., Ltd. (note i)	PRC/wholly foreign owned enterprise	HK\$300,000,000	100%	Property development/ PRC
上海雅恒房地產開發有限公司 (前稱上海金昌房地產開發有限公司) Shanghai Yaheng Real Estate Development Co., Ltd. (Formerly named Shanghai Jinchang Real Estate Development Co., Ltd) (note i)	PRC/wholly foreign owned enterprise	RMB810,000,000	100%	Property development/ PRC
廣州雅居樂酒店有限公司 Guangzhou Agile Hotel Co., Ltd. (note i)	PRC/wholly foreign owned enterprise	HK\$7,000,000	100%	Hotel operation/PRC
佛山市雅居樂酒店有限公司 Foshan Agile Hotel Co., Ltd. (note i)	PRC/wholly foreign owned enterprise	HK\$10,000,000	100%	Hotel operation/PRC
廣州雅恒房地產開發有限公司 Guangzhou Yaheng Real Estate Development Co., Ltd.	PRC/limited liability company	US\$99,900,000	100%	Property development/ PRC

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

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

FIVE-YEAR FINANCIAL SUMMARY

Consolidated Assets, Equity and Liabilities

	31 December 2010 RMB'000	31 December 2009 RMB'000	31 December 2008 RMB'000	31 December 2007 RMB'000	31 December 2006 RMB'000
ASSETS					
Non-current assets	17,038,594	12,958,385	7,386,451	5,548,468	3,494,482
Current assets	52,839,739	31,219,797	27,591,326	23,157,435	13,989,270
Total assets	69,878,333	44,178,182	34,977,777	28,705,903	17,483,752
EQUITY AND LIABILITIES					
Total equity	20,335,159	15,073,179	13,794,626	9,033,705	7,384,190
Non-current liabilities	17,543,356	10,860,297	7,582,469	7,480,609	5,287,914
Current Liabilities	31,999,818	18,244,706	13,600,682	12,191,589	4,811,648
Total liabilities	49,543,174	29,105,003	21,183,151	19,672,198	10,099,562
Total equity and liabilities	69,878,333	44,178,182	34,977,777	28,705,903	17,483,752

* In 2010, the Group changed its accounting policies for land use rights which are held for development and subsequent sale (note 2.1(a)).

FIVE-YEAR FINANCIAL SUMMARY (Continued)

Consolidated Income Statement

	2010 RMB'000	2009 RMB'000	2008 RMB'000	2007 RMB'000	2006 RMB'000
Turnover	20,520,192	13,330,783	9,326,292	10,312,324	6,675,156
Cost of sales	(11,131,277)	(8,376,704)	(5,889,994)	(5,105,342)	(3,818,204)
Gross profit	9,388,915	4,954,079	3,436,298	5,206,982	2,856,952
Fair value gains on investment properties	3,198,208	—	—	—	—
Other gains, net	113,656	244,435	4,237,956	140,036	124,862
Selling and marketing costs	(694,639)	(537,179)	(462,539)	(326,908)	(217,479)
Administrative expenses	(718,340)	(611,793)	(619,139)	(381,731)	(206,667)
Other expenses	(397,612)	(326,545)	(120,433)	(50,143)	(9,195)
Exchange (losses)/gain, net	(125,327)	(2,235)	64,777	(70,506)	(76,073)
Operating profit	10,764,861	3,720,762	6,536,920	4,517,730	2,472,400
Finance (costs)/income, net	269,217	(57,682)	92,437	(63,216)	(48,474)
Profit before income tax	11,034,078	3,663,080	6,629,357	4,454,514	2,423,926
Income tax expenses	(4,615,482)	(1,661,129)	(1,171,919)	(2,343,729)	(1,173,418)
Profit for the year	6,418,596	2,001,951	5,457,438	2,110,785	1,250,508
Attributable to:					
Shareholders of the Company	5,975,707	1,865,160	5,466,905	2,102,824	1,242,488
Non-controlling interests	442,889	136,791	(9,467)	7,961	8,020
	6,418,596	2,001,951	5,457,438	2,110,785	1,250,508
Basic and diluted earnings per share for profit attributable to the shareholders of the Company during the year (expressed in RMB per share)	1.707	0.518	1.465	0.561	0.355
Dividends	850,059	556,675	1,089,494	713,065	436,756

* 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

Board Committees

Audit Committee

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

Remuneration Committee

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

Nomination Committee

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

Company Secretary

Ms. Wai Ching Sum

Authorised Representatives

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

Auditors

PricewaterhouseCoopers

Legal Advisors

as to Hong Kong law:

Sidley Austin Brown & Wood
lu, Lai & Li

as to PRC law:

Jingtian & Gongcheng

as to BVI and Cayman Islands law:

Conyers Dill & Pearman

as to the US law:

Sidley Austin Brown & Wood

Principal Bankers

Bank of China Limited
Industrial and Commercial Bank of China Limited
China Construction Bank Corporation
Agriculture Bank of China Limited
The Bank of East Asia, Limited
The Hongkong and Shanghai Banking Corporation Limited
Bank of America Merrill Lynch
Hang Seng Bank Limited
Standard Chartered Bank (Hong Kong) Limited

CORPORATE INFORMATION AND INFORMATION FOR SHAREHOLDERS

Registered Office

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

Principal Place of Office in the PRC

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

Place of Office in Hong Kong

20th Floor
238 Nathan Road
Kowloon
Hong Kong

Principal Share Registrar and Transfer Office

Butterfield Fulcrum Group (Cayman) Limited
Butterfield House
68 Fort Street
P.O. Box 609
Grand Cayman KY1-1107
Cayman Islands

Branch Share Registrar and Transfer Office in Hong Kong

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

Investor Relations

Capital Market Department

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

Website

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

CORPORATE INFORMATION AND INFORMATION FOR SHAREHOLDERS

Listing Information

Share Listing

The Company's ordinary shares are listed on the Main Board of Stock Exchange (Stock Code: 3383) since 15 December 2005. The Shares has been included as a constituent stock of Morgan Stanley Capital International China Index, Hang Seng Composite Index, Hang Seng Composite Size Index and Hang Seng Mainland 100.

Board Lot

2,000 shares

Senior Notes Listing

The Company has issued the following senior notes, both of which are listed on The Singapore Exchange Securities Trading Limited:

- 10% senior notes in an aggregate principal amount of US\$300 million due by 2016
- 8.875% senior notes in an aggregate principal amount of US\$650 million due by 2017

Price History

2010	Price per Share	
	Highest (HK\$)	Lowest (HK\$)
January	11.82	9.50
February	10.30	9.44
March	11.20	9.73
April	11.02	8.46
May	8.91	7.88
June	9.00	7.47
July	10.20	8.10
August	10.50	8.73
September	9.78	8.80
October	10.72	8.92
November	12.66	10.38
December	11.92	10.72

As at 31 December 2010

Market capitalisation: HK\$39.728 billion
 Number of issued shares: 3,472,722,000 Shares
 Closing price: HK\$11.44 per share

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 this 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 share registrar and transfer office 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, 16 May 2011 to Thursday, 19 May 2011, both dates inclusive, during which period, no transfer of shares will be registered. 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 share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Hong Kong for registration not later than 4:00 pm on Friday, 13 May 2011. Subject to the Shareholders' approval of the proposed final dividend at the 2011 AGM, dividend warrants will be despatched on or about Thursday, 26 May 2011 to the Shareholders whose names appear on Agile's register of members on Thursday, 19 May 2011.

Annual General Meeting

The 2011 AGM will be held on Thursday, 19 May 2011. Notice of 2011 AGM which has been set out in the relevant circular and will be sent together with this annual report to the Shareholders. Notice of 2011 AGM and the proxy form are also available on the websites of Agile and Stock Exchange.

Financial Calendar

2010 annual general meeting	3 June 2010
Announcement of interim results	20 August 2010
Announcement of annual results	16 March 2011
2011 AGM	19 May 2011

Dividends

Interim dividend	HK6.1 cents per share
Payment date of interim dividend	4 October 2010
Proposed final dividend	HK23.0 cents per share
Closure of register of members	16 May 2011 to 19 May 2011 (both dates inclusive)
Ex-entitlement date for final dividend	13 May 2011
Record date for final dividend	19 May 2011
Payment date for final dividend	on or about 26 May 2011

GLOSSARY

Agile or Company	Agile Property Holdings Limited, a company incorporated in the Cayman Islands with limited liability and the Shares of which are listed on the Main Board of the Stock Exchange
ASP	average selling price
2011 AGM	annual general meeting of the Company to be held on 19 May 2011
Board	board of Directors of the Company
BVI	British Virgin Islands
Chen's Family Trust	a family trust established by Top Coast as trustee and the beneficiaries of which are the Founding Shareholders
China or PRC	The People's Republic of China. For the purpose of this annual report, excluding Hong Kong, Macau Special Administrative Region of the PRC and Taiwan region
CG Code	Code on Corporate Governance Practices as set out in Appendix 14 to the Listing Rules
Directors	directors of the Company for the time being
Founding Shareholders	Chen Zhuo Lin, Chan Cheuk Yin, Luk Sin Fong, Fion, Chan Cheuk Hung, Chan Cheuk Hei and Chan Cheuk Nam, who are the executive Directors
GBS	Gold Bauhinia Star
GDP	gross domestic product
GFA	gross floor area
Group or Agile Group	the Company and its subsidiaries
HIBOR	Hong Kong Interbank Offered Rate
HK\$/HKD	Hong Kong dollar(s), the lawful currency of Hong Kong
HKAS	Hong Kong Accounting Standard
HKFRS(s)	Hong Kong Financial Reporting Standards

GLOSSARY

Hong Kong	Hong Kong Special Administrative Region of PRC
Hong Kong Companies Ordinance	Companies Ordinance (Chapter 32 of the Laws of Hong Kong)
INED(s)	Independent Non-executive Director(s) of the Company
JP	Justice of the Peace
LIBOR	London Interbank Offered Rate
Listing Rules	The Rules Governing the Listing of Securities on the Stock Exchange
Model Code	Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 of the Listing Rules
OBE	Officer of British Empire
RMB	Renminbi, the lawful currency of PRC
SFO	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
Share(s)	ordinary share(s) of HK\$0.10 each in the share capital of the Company (or of such other nominal amount as shall result from a sub-division, consolidation, reclassification or reconstruction of the share capital of the Company from time to time)
Shareholder(s)	holder(s) of Shares
Stock Exchange	The Stock Exchange of Hong Kong Limited
Takeovers Code	The Codes on Takeovers and Mergers and Share Repurchases
Top Coast	Top Coast Investment Limited, a company incorporated in BVI with limited liability on 17 May 2005, being the trustee of Chen's Family Trust
US	United States of America
US\$/USD	United States dollar(s), the lawful currency of the United States of America
%	per cent



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