雅居樂

AGILE PROPERTY HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 3383)

ANNOUNCEMENT OF 2008 ANNUAL RESULTS

HIGHLIGHT

Financial Focus 2008

Turnover	-9.6% to RMB9,326 million (2007 : RMB10,312 million)
Gross profit	-34.0% to RMB3,436 million (2007 : RMB5,207 million)
Gross profit margin	36.8% (2007 : 50.5%)
Profit attributable to shareholders (including the profit arising from disposal of 30% equity interest in Hainan Clearwater Bay)	+160.0% to RMB5,467 million (2007 : RMB2,103 million)
Net profit margin (including the profit arising from disposal of 30% equity interest in Hainan Clearwater Bay)	58.6% (2007 : 20.4%)
Earnings per share	RMB1.465 (2007 : RMB0.561)
Distributed interim dividend per share	HK27.1 cents (2007 : HK5.5 cents)
Proposed final dividend per share	HK6.4 cents (2007 : HK15.3 cents)
Full year dividend per share in 2008	**+61.1% to HK33.5 cents (2007 : HK20.8 cents)**
Total debt to total assets	28.8% (2007 : 28.0%)
Net debt to shareholders' equity	54.4% (2007 : 60.3%)

Operation Focus 2008

- As at 31 December 2008, the Group's cash in hand was approximately RMB3 billion, representing a sound financial status and a healthy cash flow position.

- The Group has cooperated with Morgan Stanley with stake holdings of 70% and 30% respectively in development of Hainan Clearwater Bay, a large scale resort-style real estate project. The Group has received a total consideration of approximately RMB5.3 billion from Morgan Stanley and has realised a profit of approximately RMB4.1 billion. Phase I of Hainan Clearwater Bay was officially launched for sale on 28 March 2009.

- During the year, the Group had a total of 17 projects on sale in the country and are located in 12 cities, amongst which, 3 were new projects on sale, including Hongxi Huating Panyu, Lishang International Mansion Guangzhou and Agile Garden Nanjing. During the year, the contracted GFA sold was 1.65 million sq.m. and the recognised GFA sold was 1.19 million sq.m.

- Agile Garden Nanjing was launched for sale in April 2008 and was well responded by the market, with total sales amounting to approximately RMB1.2 billion during the year.

- The superior construction quality and master plan enabled Agile Garden Chengdu survived the earthquake disaster in Sichuan Province and received market recognition, with total sales of approximately RMB522 million reported during the year.

- The Group acquired 6 new land sites of approximately 7.66 million sq.m. in cities of Conghua, Zhongshan, Shanghai and Hainan, at an average cost of RMB314 per sq.m. only. As at 31 December 2008, the Group's total outstanding land premium was only RMB456 million and would be fully paid in 2009.

- The Group has 53 projects spanning across 21 cities or districts of China. Total land bank managed by the Group reached 28.71 million sq.m. in GFA, which was sufficient to cope with the development needs for the next 8-10 years. The average land cost was only RMB591 per sq.m.

- As at 31 December 2008, the Group had completed GFA for sale of 903,000 sq.m. (2007: 555,000 sq.m.), representing an increase of 62.7% over the previous year.

RESULTS

The board of directors (the "Board") of Agile Property Holdings Limited ("Agile" or the "Company") is pleased to present the annual results of the Company and its subsidiaries (the "Group") for the year ended 31 December 2008 as follows:

CONSOLIDATED INCOME STATEMENT

		Year ended 31 December	
		2008	2007
	Note	***(RMB'000)***	*(RMB'000)*
Turnover	2	**9,326,292**	10,312,324
Cost of sales		**(5,889,994)**	(5,105,342)
Gross profit		**3,436,298**	5,206,982
Other gains	3	**4,237,956**	140,036
Selling and marketing costs		**(462,539)**	(326,908)
Administrative expenses		**(619,139)**	(381,731)
Other expenses		**(120,433)**	(50,143)
Exchange gain/(losses), net		**64,777**	(70,506)
Operating profit		**6,536,920**	4,517,730
Finance income/(costs)	4	**92,437**	(63,216)
Profit before income tax		**6,629,357**	4,454,514
Income tax expenses	5	**(1,171,919)**	(2,343,729)
Profit for the year		**5,457,438**	2,110,785
Attributable to:			
Shareholders of the Company		**5,466,905**	2,102,824
Minority interests		**(9,467)**	7,961
		5,457,438	2,110,785
Basic and diluted earnings per share for profit attributable to the shareholders of the Company during the year (expressed in RMB per share)	6	**1.465**	0.561
Dividends		**1,093,381**	713,065

CONSOLIDATED BALANCE SHEET

ASSETS	Note	As at 31 December 2008 (RMB'000)	2007 (RMB'000)
Non-current assets			
Property, plant and equipment		**260,813**	127,798
Land use rights		**6,967,202**	5,384,418
Intangible assets		**10,718**	3,152
Prepayment for acquisition of a non-current asset		**92,820**	-
Deferred income tax assets		**54,898**	33,100
		7,386,451	5,548,468
Current assets			
Land use rights		**5,797,924**	3,584,556
Properties under development		**8,252,303**	4,661,599
Completed properties held for sale		**2,203,357**	1,740,137
Prepayments for acquisition of land use rights		**4,558,833**	6,004,034
Prepayments for acquisition of subsidiaries		**-**	2,164,771
Trade and other receivables	7	**1,478,535**	1,056,880
Prepaid taxes		**47,911**	-
Restricted cash		**2,208,171**	1,362,945
Cash and cash equivalents		**3,044,292**	2,582,513
		27,591,326	23,157,435
Total assets		**34,977,777**	28,705,903
EQUITY			
Capital and reserves attributable to the shareholders of the Company			
Share capital and premium		**4,937,054**	5,102,222
Other reserves		**684,062**	684,062
Retained earnings			
- Proposed final dividend		**206,756**	514,058
- Unappropriated retained earnings		**7,088,079**	2,714,555
		12,915,951	9,014,897
Minority interests		**878,675**	18,808
Total equity		**13,794,626**	9,033,705

CONSOLIDATED BALANCE SHEET (Continued)

	Note	As at 31 December 2008	2007
LIABILITIES		***(RMB'000)***	*(RMB'000)*
Non-current liabilities			
Borrowings		**6,559,055**	6,647,311
Deferred income tax liabilities		**1,023,414**	833,298
		7,582,469	7,480,609
Current liabilities			
Borrowings		**3,509,518**	1,375,100
Trade and other payables	8	**7,317,761**	8,428,464
Current income tax liabilities		**2,773,403**	2,388,025
		13,600,682	12,191,589
Total liabilities		**21,183,151**	19,672,198
Total equity and liabilities		**34,977,777**	28,705,903
Net current assets		**13,990,644**	10,965,846
Total assets less current liabilities		**21,377,095**	16,514,314

Notes:

1. Basis of preparation

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

(a) Amendments effective in 2008

The HKAS 39, 'Financial instruments: Recognition and measurement', amendment on reclassification of financial assets permits reclassification of certain financial assets out of the held-for-trading and available-for-sale categories if specified conditions are met. The related amendment to HKFRS 7, 'Financial instruments: Disclosures', introduces disclosure requirements with respect to financial assets reclassified out of the held-for-trading and available-for-sale categories. The amendment is effective prospectively from 1 July 2008. This amendment does not have any impact on the Group's consolidated financial statements, as the Group has not reclassified any financial assets.

(b) Interpretations effective in 2008 but not relevant to the Group's operations

The following interpretations to published standards are mandatory for accounting periods beginning on or after 1 January 2008 but are not relevant to the Group's operations:

- HK(IFRIC) - Int 11, 'HKFRS 2 – Group and treasury share transactions';

- HK(IFRIC) – Int 12, 'Service concession arrangements'; and
- HK(IFRIC) - Int 14, 'HKAS 19 – The limit on a defined benefit asset, minimum funding requirements and their interaction'.

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

The following standards, amendments and interpretations to existing standards have been published and are mandatory for the Group's accounting periods beginning on or after 1 January 2009 or later periods, but the Group has not early adopted them:

- HKFRS 8, 'Operating segments' (effective from 1 January 2009). HKFRS 8 replaces HKAS 14 and aligns segment reporting with the requirements of the US standard SFAS 131, 'Disclosures about segments of an enterprise and related information'. The new standard requires a "management approach", under which segment information is presented on the same basis as that used for internal reporting purposes. The Group will apply HKFRS 8 from 1 January 2009 but it is not expected to result in substantial impact on the Group's accounting policies;

- HKAS 1 (Revised), 'Presentation of financial statements' (effective from 1 January 2009). The revised standard will prohibit the presentation of items of income and expenses (that is, 'non-owner changes in equity') in the statement of changes in equity, requiring 'non-owner changes in equity' to be presented separately from owner changes in equity. All non-owner changes in equity will be required to be shown in a performance statement, but entities can choose whether to present one performance statement (the statement of comprehensive income) or two statements (the consolidated income statement and statement of comprehensive income). Where entities restate or reclassify comparative information, they will be required to present a restated balance sheet as at the beginning comparative period in addition to the current requirement to present balance sheets at the end of the current period and comparative period. The Group will apply HKAS 1 (Revised) from 1 January 2009;

- HKAS 23 (Revised), 'Borrowing costs' (effective from 1 January 2009). The amendment requires an entity to capitalise borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset (one that takes a substantial period of time to get ready for use or sale) as part of the cost of that asset. The option of immediately expensing those borrowing costs will be removed. The Group will apply HKAS 23 (Revised) from 1 January 2009, but it is not expected to result in substantial impact on the Group's accounting policies because the Group is already applying the capitalisation option on the borrowing costs for qualifying assets;

- HKAS 27 (Revised), 'Consolidated and separate financial statements' (effective from 1 July 2009).The revised standard 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. The Group will apply HKAS 27 (Revised) prospectively to transactions with non-controlling interests from 1 January 2010;

- HKFRS 1 (Amendment), 'First time adoption of HKFRS' and HKAS 27 'Consolidated and separate financial statements' (effective from 1 July 2009). The amended standard allows first-time adopters to use a deemed cost of either fair value or the carrying amount under previous accounting practice to measure the initial cost of investments in subsidiaries, jointly controlled entities and associates in the separate financial statements. The amendment also removes the definition of the cost method from HKAS 27 and replaces it with a requirement to present dividends as income in the separate financial statements of the investor. The Company will apply HKAS 27 (Amendment) prospectively from 1 January 2010 and present dividends as income in its separate financial statements;

- HKFRS 3 (Revised), 'Business combinations' (effective from 1 July 2009). The revised standard continues to apply the acquisition method to business combinations, with some significant changes. For example, all payments to purchase a business are to be recorded at fair value at the acquisition date, with contingent payments classified as debt subsequently re-measured through the consolidated income statement. There is a choice on an acquisition by acquisition basis to measure the non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets. All acquisition-related costs should be expensed. The Group will apply HKFRS 3 (Revised) prospectively to all business combinations from 1 January 2010;

- HK(IFRIC) - Int 15, 'Agreements for construction of real estates' (effective from 1 January 2009). HK(IFRIC) - Int 15 clarifies whether HKAS 18, 'Revenue' or HKAS 11, 'Construction contracts' should be applied to particular transactions. It is likely to result in HKAS 18 being applied to a wider range of transactions. HK(IFRIC) - Int 15 is unlikely to impact the Group's financial statements as all revenue transactions are accounted for under HKAS 18 and not HKAS 11;

- HKICPA's improvements to HKFRS published in October 2008

  - HKAS 1 (Amendment), 'Presentation of financial statements' (effective from 1 January 2009). The amendment clarifies that some rather than all financial assets and liabilities classified as held for trading in accordance with HKAS 39, 'Financial instruments: Recognition and measurement' are examples of current assets and liabilities respectively. The Group will apply the HKAS 1 (Amendment) from 1 January 2009. It is not expected to have an impact on the Group's financial statements;

  - HKAS 23 (Amendment), 'Borrowing costs' (effective from 1 January 2009). The definition of borrowing costs has been amended so that interest expense is calculated using the effective interest method defined in HKAS 39 'Financial instruments: Recognition and measurement'. This eliminates the inconsistency of terms between HKAS 39 and HKAS 23. The Group will apply the HKAS 23 (Amendment) prospectively from 1 January 2009 but it is not expected to result in substantial impact on the Group's accounting policies because the Group is already applying the effective interest method;

  - HKAS 36 (Amendment), 'Impairment of assets' (effective from 1 January 2009). Where fair value less costs to sell is calculated on the basis of discounted cash flows, disclosures equivalent to those for value-in-use calculation should be made. The Group will apply the HKAS 36 (Amendment) and provide the required disclosure where applicable for impairment tests from 1 January 2009;

  - HKAS 38 (Amendment), 'Intangible assets' (effective from 1 January 2009). A prepayment may only be recognised in the event that payment has been made in advance of obtaining right of access to goods or receipt of services. The Group will apply the HKAS 38 (Amendment) from 1 January 2009. It is not expected to have a material impact on the Group's financial statements;

  - HKAS 39 (Amendment), 'Financial instruments: Recognition and measurement' (effective from 1 January 2009);

    - When re-measuring the carrying amount of a debt instrument on cessation of fair value hedge accounting, the amendment clarifies that a revised effective interest rate (calculated at the date fair value hedge accounting ceases) are used;

      The Group will apply the HKAS 39 (Amendment) from 1 January 2009. It is not expected to have an impact on the Group's consolidated financial statements.

- HKAS 40 (Amendment), 'Investment property' (and consequential amendments to HKAS 16) (effective from 1 January 2009). Property that is under construction or development for future use as investment property is within the scope of HKAS 40. Where the fair value model is applied, such property is, therefore, measured at fair value. However, where fair value of investment property under construction is not reliably measurable, the property is measured at cost until the earlier of the date construction is completed and the date at which fair value becomes reliably measurable;

- HKFRS 5 (Amendment), 'Non-current assets held for sale and discontinued operations' (and consequential amendment to HKFRS 1, 'First-time adoption') (effective from 1 July 2009). The amendment clarifies that all of a subsidiary's assets and liabilities are classified as held for sale if a partial disposal sale plan results in loss of control, and relevant disclosure should be made for this subsidiary if the definition of a discontinued operation is met. A consequential amendment to HKFRS 1 states that these amendments are applied prospectively from the date of transition to HKFRSs. The Group will apply the HKFRS 5 (Amendment) prospectively to all partial disposals of subsidiaries from 1 January 2010;

- There are a number of minor amendments to HKFRS 7, 'Financial instruments: Disclosures', HKAS 8, 'Accounting policies, changes in accounting estimates and errors', HKAS 10, 'Events after the balance sheet date', HKAS 18, 'Revenue' and HKAS 34, 'Interim financial reporting' which are not addressed above. These amendments are unlikely to have an impact on the Group's financial statements and have therefore not been analysed in detail.

2 Segment information

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

Analysis of turnover by category for the years ended 31 December 2008 and 2007 is as follows:

	2008	**2007**
	(RMB'000)	*(RMB'000)*
Property development	**9,094,026**	10,144,847
Property management	**203,340**	165,301
Hotel operations	**28,926**	2,176
	9,326,292	10,312,324

Segment results and capital expenditure for the years ended 31 December 2008 and 2007 and segment assets and segment liabilities as of 31 December 2008 and 2007 are as follows:

Year ended 31 December 2008

	Property development (RMB'000)	Property management (RMB'000)	Hotel operations (RMB'000)	Elimination (RMB'000)	Group (RMB'000)
Gross segment turnover	9,094,026	222,088	28,926	-	9,345,040
Inter-segment turnover	-	(18,748)	-	-	(18,748)
Turnover	9,094,026	203,340	28,926	-	9,326,292
Segment results	6,561,161	(16,810)	(7,431)	-	6,536,920
Finance income					92,437
Profit before income tax					6,629,357
Income tax expenses					(1,171,919)
Profit for the year					5,457,438
Segment assets	34,821,559	137,486	42,622	(126,699)	34,874,968
Unallocated assets					102,809
Total assets					34,977,777
Segment liabilities	7,211,202	191,960	41,298	(126,699)	7,317,761
Unallocated liabilities					13,865,390
Total liabilities					21,183,151
Capital expenditure	143,639	4,748	27,053	-	175,440
Depreciation	21,226	6,631	1,027	-	28,884
Amortisation of land use rights and intangible assets	217,163	4	1,494	-	218,661

Year ended 31 December 2007

	Property development (RMB'000)	Property management (RMB'000)	Hotel operations (RMB'000)	Elimination (RMB'000)	Group (RMB'000)
Gross segment turnover	10,144,847	187,395	2,176	-	10,334,418
Inter-segment turnover	-	(22,094)	-	-	(22,094)
Turnover	10,144,847	165,301	2,176	-	10,312,324
Segment results	4,523,099	969	(6,338)	-	4,517,730
Finance costs					(63,216)
Profit before income tax					4,454,514
Income tax expenses					(2,343,729)
Profit for the year					2,110,785

Segment assets	28,641,435	116,490	4,155	(89,277)	28,672,803
Unallocated assets					33,100
Total assets					28,705,903
Segment liabilities	8,354,899	152,348	10,494	(89,277)	8,428,464
Unallocated liabilities					11,243,734
Total liabilities					19,672,198
Capital expenditure	53,322	3,287	-	-	56,609
Depreciation	13,002	6,534	-	-	19,536
Amortisation of land use rights and intangible assets	122,221	20	-	-	122,241

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

3 Other gains

	2008	2007
	(RMB'000)	*(RMB'000)*
Gain on partial disposal of a subsidiary (note (a))	**4,144,639**	-
Gain on acquisition of minority interest of subsidiaries	**11,722**	-
Interest income	**44,055**	101,777
Forfeited deposits from customers	**13,893**	7,213
Rental Income	**16,039**	10,439
Miscellaneous	**7,608**	20,607
	4,237,956	140,036

Note (a): On 27 June 2008, the Group entered into a subscription agreement with an independent third party, whereby the independent third party acquired 30% shares of a subsidiary of the Group. As at 31 December 2008, the Group has received the whole consideration of approximately US$733,340,000. This partial disposal of a subsidiary has resulted in a gain of approximately RMB4,144,639,000 to the Group.

4 Finance income/(costs)

	2008	2007
	(RMB'000)	*(RMB'000)*
Interest on senior notes	**(248,186)**	(271,459)
Interest on bank borrowings	**(458,061)**	(250,698)
Amortisation of issue costs of senior notes	**(9,744)**	(8,879)
Less: interest capitalised	**568,865**	265,140
	(147,126)	(265,896)
Exchange gain of senior notes and syndicated loans	**239,563**	202,680
	92,437	(63,216)

5 Income tax expenses

	2008	2007
	(RMB'000)	*(RMB'000)*
Current income tax		
- Hong Kong profits tax	**-**	18
- PRC corporate income tax	**649,061**	837,071
PRC land appreciation tax	**707,771**	1,332,056
Deferred income tax		
- PRC corporate income tax	**(184,913)**	174,584
	1,171,919	2,343,729

PRC land appreciation tax

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

PRC corporate income tax

PRC corporate income tax is provided for on 25% of the profit for the PRC statutory financial reporting purpose, adjusted for those items, which are not assessable or deductible for the PRC corporate income tax purpose.

6 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.

	2008	2007
Profit attributable to shareholders of the Company *(RMB'000)*	**5,466,905**	2,102,824
Weighted average number of ordinary shares in issue *(thousands)*	**3,732,914**	3,745,660
Basic earnings per share *(RMB per share)*	**1.465**	0.561

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 2008 and 2007.

7 Trade and other receivables

	2008	2007
	(RMB'000)	*(RMB'000)*
Trade receivables (note (a))	**881,373**	799,332
Other receivables due from:		
- Related parties	**141**	150
- Third parties	**562,622**	232,613
Prepayments	**34,399**	24,785
	1,478,535	1,056,880

As at 31 December 2008, 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 paid in accordance with the terms of the related sales and purchase agreements. At 31 December 2008 and 2007, the analysis of the ageing of the trade receivables is as follows:

	2008	**2007**
	(RMB'000)	*(RMB'000)*
Within 90 days	**806,503**	782,384
Over 90 days and within 365 days	**74,870**	16,948
	881,373	799,332

8 Trade and other payables

	2008	**2007**
	(RMB'000)	*(RMB'000)*
Trade payables (note (a))	**3,989,419**	3,647,572
Other payables due to:		
- Related parties	**3,727**	4,089
- Third parties	**1,916,202**	4,010,765
Advances from customers	**1,069,533**	440,226
Staff welfare benefit payable	**12,435**	7,765
Accruals	**173,768**	142,780
Other taxes payable	**152,677**	175,267
	7,317,761	8,428,464

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

	2008	**2007**
	(RMB'000)	*(RMB'000)*
Within 90 days	**3,403,381**	3,003,691
Over 90 days and within 180 days	**151,072**	162,411
Over 180 days and within 365 days	**290,569**	317,223
Over 365 days	**144,397**	164,247
	3,989,419	3,647,572

FINAL DIVIDEND

The Board proposed the payment of a final dividend of HK6.4 cents (2007: HK15.3 cents) per share for the year ended 31 December 2008 to shareholders whose names appear on the register of members of the Company on 3 June 2009. The proposed final dividend will be paid on or about 10 June 2009 after the receipt of approval by shareholders of the Company at 2009 annual general meeting of the Company (the "AGM").

An interim dividend of HK27.1 cents (2007: HK5.5 cents) per share had been paid on 10 October 2008. The said interim dividend together with the proposed final dividend added up to a total dividend of HK33.5 cents per share for the full year ended 31 December 2008 (2007: HK20.8 cents).

ANNUAL GENERAL MEETING

The AGM is to be held on Wednesday, 3 June 2009 and the notice of AGM will be published and despatched to the shareholders of the Company within the prescribed time and in such manner as required by the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Friday, 29 May 2009 to Wednesday, 3 June 2009 (both days inclusive) during which period no transfer of shares will be effected. To qualify for the final dividend to be approved at the AGM and the right to attend and vote at the meeting, all transfers accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Hong Kong not later than 4:00p.m. on Wednesday, 27 May 2009.

MANAGEMENT DISCUSSION AND ANALYSIS

Business review

The year 2008 has been full of challenges to China and the rest of the world. Snow storm and the Sichuan earthquake in the first half of the year caused a constraining effect on property demand, while in the second half of the year the global financial market has been overcastted by the global financial tsunami. The credit crunch and the worries over global economic recession hammered every economy in the world. Despite being one of the most robust economies in the world in the past decade, China is not able to immune from creeping impacts of the global trade slowdown. The tightening measures implemented by the Central Government in the first half of the year, followed by the recent global economic downturn, have further weakened the property market. Nonetheless, the Central Government implemented a series of stimulus policies to counteract the financial tsunami, which are expected to strengthen market confidence amid the slowing economy. Moreover, the Central Government recognised the pivotal status of real estate industry to China's economy. This indicates the authorities' intention to support the healthy development of the industry and enable it to facilitate plan aiming to revive the economy.

During the year, the Group adapted proactively to the market changes in order to maintain its competitiveness and strong financial position. The Group revised its business plans, aiming to suit the market demand by adjusting its sales strategies and product mix according to the current economic condition. The Group also further improved the quality of its products so as to gain greater recognition. This effort, together with the abovementioned strategies, has successfully stimulated the sales performance in the second half of the year in a gradual manner.

Overall performance

Affected by the property market slowdown, during the year, the revenue of the Group for the year was RMB9.3 billion (2007: RMB10.3 billion), representing a decrease of 9.6% over last year. The operating profit was RMB6.5 billion (2007: RMB4.5 billion), representing an increase of 44.7% over last year. Profit attributable to shareholders amounted to RMB5.5 billion (2007: RMB2.1 billion), representing a year-on-year increase of about 160%. Basic earnings per share was RMB1.465 (2007: RMB0.561), representing an increase of 161.1%.

Land bank

The Group adheres to its policy of maintaining a high quality land bank at a low cost. As at 31 December 2008, the Group had managed a total land bank of 28.71 million sq.m. of GFA in 21 cities or districts located in Pearl River Delta, Eastern Guangdong, Yangtze River Delta, Western China, Hainan Province and Northeast China. During the year, the Group acquired 6 land sites with a total GFA of approximately 7.66 million sq.m. These newly acquired sites are located in cities of Conghua, Zhongshan, Shanghai and Hainan. The Group believed the land bank owned and managed by the Group is enough to meet its developments needs for the next 8 to 10 years.

Property sales

In 2008, total recognised GFA sold of the Group was approximately 1.19 million sq.m. and the recognised sales revenue was approximately RMB9,094 million, representing a decreases of 15.6% and 10.4% respectively over 2007. Total recognised sales in Zhongshan reached RMB2,680 million, accounting for 29.5% of the total recognised sales and representing a decrease of 38% over 2007. The total recognised GFA sold in Zhongshan was 430,761 sq.m., representing a decrease of 36.9% over 2007. Total recognised sales in Guangzhou, Panyu, Huadu and Conghua reached RMB2,752 million, accounting for 30.3% of the total recognised sales, representing an increase of 0.4% over 2007. Total recognised GFA sold in Guangzhou, Panyu, Huadu and Conghua amounted to 323,648 sq.m., representing a decrease of 19.2% over 2007. Total recognised sales in Foshan, Nanhai and Sanshui amounted to RMB1,114 million, accounting for 12.2% of the total recognised sales, representing a decrease of 39.2% over 2007. Total recognised GFA sold in Foshan, Nanhai and Sanshui amounted to 154,616 sq.m., representing a decrease of 24.9% over 2007.

The following table indicates the recognised GFA sold and recognised sales of each project in 2008:

Project Name	City	Sold and recognized GFA *(sq.m.)*	Sold and recognized Amount *(RMB'000)*
Pearl River Delta			
Agile Garden Guangzhou	Panyu	138,534	1,160,456
Hongxi Huating Panyu	Panyu	35,553	291,248
South Lagoon Guangzhou	Guangzhou	3,769	21,663
Royal Hillside Villa Guangzhou	Guangzhou	46,966	425,228
Lishang International Mansion Guangzhou	Guangzhou	38,705	468,828
Huadu Majestic Garden	Huadu	46,882	312,581
Conghua Agile Binjiang Garden	Conghua	13,239	71,704
La Cite Greenville Zhongshan	Zhongshan	166,921	1,320,522
La Nobleu Zhongshan	Zhongshan	1,217	16,799
Metro Agile Zhongshan	Zhongshan	108,532	570,004
Metropolis Zhongshan	Zhongshan	8,043	39,069
Grand Garden Zhongshan	Zhongshan	448	3,435
Star Palace Zhongshan	Zhongshan	1,094	4,954
The Riverside Zhongshan	Zhongshan	166	1,597
Agile Garden Dachong Zhongshan	Zhongshan	23,655	74,586
The Century Zhongshan	Zhongshan	120,685	649,307
Nanhai Majestic Garden	Nanhai	34,397	185,205
Nanhai Majestic Metropolis	Nanhai	3,263	18,274
Agile Garden Foshan	Foshan	75,096	682,342
Agile Garden Sanshui	Sanshui	41,860	227,848
Subtotal		**909,025**	**6,545,650**
Eastern Guangdong			
Agile Garden Heyuan	Heyuan	73,960	363,998
Agile Egret Lake Huizhou	Huizhou	47,434	449,325
Subtotal		**121,394**	**813,323**
Western China			
Agile Garden Chengdu	Chengdu	52,347	522,306
Yangtze River Delta			
Agile Garden Nanjing	Nanjing	106,547	1,212,747
Grand Total		**1,189,313**	**9,094,026**

Property management

The Group adheres to its mission to provide quality property management services to its prestigious residents. We commit to creating a warm and harmonious community by constantly improving the living environment and our service quality so as to achieve higher customer satisfaction.

In 2008, our property management companies recorded a total property management fee income of RMB203.3 million, representing an increase of 23% over 2007. There were 12,000 home owners added to the Group. As of 31 December 2008, our property management managed a total GFA of approximately 8.6 million sq.m. in Mainland China and provided around-the-clock property management services to over 160,000 residents.

Hotel operation

The Group continued to develop its hotel business in a prudent and cautious manner with an aim to develop a diversified business portfolio and ensure a stable and reliable revenue stream for the Group. In 2008, revenue from our hotel business amounted to RMB28.9 million, representing an increase by 12.3 times over 2007, which was primarily attributable to the revenue generated from Guangzhou Agile Hotel and Foshan Agile Hotel.

Gross profit

Gross profit of the Group decreased 34% to approximately RMB3,436.3 million in 2008 from approximately RMB5,207 million in 2007. The gross margin in 2008 decreased to 36.8% from 50.5% in 2007, which was primarily attributable to a series of price reduction activities in the second half of the year.

Other gains

Other gains of the Group increased 29.3 times to approximately RMB4.2 billion in 2008 from approximately RMB140 million in 2007. The increase was primarily attributable to the profit arising from disposal of 30% equity interest in Hainan Clearwater Bay.

Selling and marketing costs

Selling and marketing costs of the Group increased 41.5% to approximately RMB462.5 million in 2008 from approximately RMB326.9 million in 2007. The increase was primarily attributable to the sizeable promotional campaign for the new properties for sale and to be launched for sale. Considerable resources used for advertising had led to the increase in advertising expenses by 43.8% to approximately RMB385.1 million in 2008 from approximately RMB267.9 million in 2007. In addition, pre-sale of new properties Hongxi Huating Panyu, Lishang International Mansion Guangzhou and Agile Garden Nanjing in 2008 also caused the increase of selling and marketing costs for the year.

Administrative expenses and other expenses

Administrative expenses of the Group increased 62.2% to approximately RMB619.1 million in 2008 from approximately RMB381.7 million in 2007, which was primarily attributable to the increase in staff members, who were recruited to meet the needs of the rapid development of the Group. Consequently, salaries increased substantially 1.2 times to approximately RMB243.1 million in 2008 from approximately RMB112.2 million in 2007. In addition, the Group donated an aggregate of RMB108.7 million in 2008 to charitable organisations for Sichuan earthquake relief and other charities.

Profit attributable to shareholders

Profit attributable to shareholders of the Group of 2008 increased 160% to approximately RMB5.5 billion from approximately RMB2.1 billion in 2007.

Prospect

China's property market may experience uncertainties and volatilities in the short term, which hinder the healthy growth. Nevertheless, we believe that China's property market development is still at its early stage. With the rapid urbanisation underway, the actual housing demand remains huge. In the long term, the market will return to the right track with strong fundamentals.

Under the current circumstances, the Group will maintain a prudent approach to manage its businesses. The Group will implement cost control measures, which include preparing the cost budget before the project development, monitoring closely measures during the construction period and reviewing the result after the development completed in order to maintain a stable profit margin.

China's real estate market is under a period of correction. We believe that capitalising on flexible business strategies, strengthened selling efforts, optimal product mix and prudent financial measures, we can benefit from further industry consolidation and the immense market potential. As one of the leading PRC real estate developers, Agile is all set to overcome the future challenges and will strive to maximise returns for shareholders.

FINANCIAL REVIEW

Group finance

Borrowings

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

As at 31 December 2008, the Group's bank borrowings and senior notes denominated in US$ payable approximately were equivalent to RMB7.4 billion and RMB2.7 billion respectively, and their maturity portfolio is depicted below:

Repayment schedule	**2008** *(RMB million)*	2007 *(RMB million)*
Bank loans		
Within 1 year	**3,510**	1,375
Between 1 and 2 years	**1,553**	1,795
Between 2 and 5 years	**2,333**	2,001
Sub-total	**7,396**	5,171
Senior notes		
Between 2 and 5 years	**2,673**	-
Over 5 years	**-**	2,852
Total	**10,069**	8,023

As at 31 December 2008, the Group's bank borrowings of RMB4.7 billion are secured by the Group's land use right, completed properties held for sale and bank deposits with an aggregate carrying value of RMB2.8 billion. The senior notes are secured by jointly and severally guarantees given from certain subsidiary companies of the Group and pledge their shares. As at 31 December 2008, the net assets of these subsidiary companies were approximately RMB1 billion.

Funds available

As at 31 December 2008, the Group's cash balance was approximately RMB3 billion. Together with the unutilized banking facilities of RMB305 million, the total funds available amounted to approximately RMB3.3 billion. These capital resources and our stable financial position provide a strong support for the Group to explore other good property development opportunities and accelerate its business expansion in China.

Gearing

As at 31 December 2008, the Group's net current assets increased by 27.6% from 2007 to RMB14 billion, and the current ratio increased from 1.9 times in 2007 to 2.0 times in 2008. As at 31 December 2008, the net debt to equity ratio of the Group was 54.4% (2007: 60.3%).

Finance cost

During the year, the Group's total cost of borrowing was RMB716 million, representing an increase of RMB185 million over 2007. The increase was attributable to the bank loan balance of 2008 increased by RMB2,225 million compared with 2007.

Currency

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

	Bank borrowings	**9% Senior notes**	**Cash balances**
Hong Kong dollars	18.2%	-	15.5%
US dollars	-	100%	16.1%
Renminbi	81.8%	-	68.4%
Total	**100%**	**100%**	**100%**

The Group conducts its business almost exclusively in Renminbi. Other than the foreign currency denominated bank deposits, the US dollars senior notes and the dual-currency revolving credit facility, the Group does not have any other material direct exposure to foreign exchange fluctuations. Appreciation in Renminbi would have a positive effect on the value of declaring dividend by the Group, and on paying interest and repayment of the senior notes and the dual-currency revolving credit facility, in Renminbi, when translating into foreign currencies.

However, the Group may be exposed to exchange risk when converting the Hong Kong dollar bank balances into Renminbi.

Contingent liabilities

(a) *Financial guarantee provided in respect of mortgage facilities for property purchasers*

The Group provides buy-back guarantees to banks which granted home mortgage facilities to buyers of the Group's properties in Mainland China. As at 31 December 2008, the outstanding buy-back guarantees amounted to RMB6 billion (2007: RMB6.5 billion).

(b) Dispute in relation to a cooperation framework agreement

On 29 November 2007, the Company and its subsidiaries, Ma Lee International Holdings Limited and Huizhou Bailuhu Tour Enterprise Development Company Limited ("Huizhou Bailuhu"), entered into a framework agreement with Aetos Capital Asia TE II, Ltd., Aetos Capital Asia II, Ltd. and ACA II Co-Investment Fund, LP (collectively "Aetos"), who are independent third parties to the Group, to dispose of 25% of the Group's equity interests in Huizhou Bailuhu to Aetos at a consideration of approximately RMB1.2 billion. In December 2007, the Group has received an amount of US$164,089,000 (equivalent to RMB1.2 billion) from Aetos, being deposit for entering into the framework agreement.

On 10 October 2008, the Group received a notice of termination of the framework agreement issued by Aetos, which also demands the Group to refund the paid deposits together with interests accrued thereon on the ground that the Group could not finalise a sales and purchase agreement in relation to the said disposal of equity interest in Huizhou Bailuhu on 30 June 2008, as stipulated in the framework agreement. In accordance with the liquidated damages terms in the framework agreement, the interest rate of the deposits is 8% per annum for the period from date of receipts of deposits to 30 June 2008 and 20% per annum for the period after 30 June 2008.

The Group considers that Aetos had no grounds for terminating the framework agreement and that Aetos had no right to claim a return of the deposit and interest. In view of the dispute set out above, the mechanism for dispute resolution under the framework agreement was invoked by the Company and the Company has applied arbitration on 24 December 2008. As at the date of approval of these financial statements, the result of the dispute resolution process is not yet available. The deposit received is recorded under trade and other payables and no interests have been provided for in these financial statements. If the Group fails the arbitration, the Group may be required to return the deposits and pay interests to Aetos, of which the amount is subject to dispute resolution.

Return on equity

Return on equity is calculated by dividing the profit attributable to the shareholders of the Company by the equity attributable to the shareholders of the Company for the year ended 31 December 2008. The return on equity for 2008 was 42.3% (including the profit arising from partial disposal of a subsidiary) (2007: 23.3%)

	2008	2007
Profit attributable to shareholders of the Company *(RMB'000)*	**5,466,905**	2,102,824
Equity attributable to shareholders of the Company *(RMB'000)*	**12,915,951**	9,014,897
Return on equity *(%)*	**42.3%**	23.3%

Earnings per share

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

	2008	2007
Profit attributable to shareholders of the Company *(RMB'000)*	**5,466,905**	2,102,824
Weighted average number of ordinary shares in issue *(thousands)*	**3,732,914**	3,745,660
Basic earnings per share *(RMB per share)*	**1.465**	0.561

Diluted earnings per share equals to basic earnings per share as there were no potential dilutive shares in issue as of 31 December 2008 and 2007.

Commitments

As at 31 December 2008, commitments in respect of the property development expenditures of the Group were approximately RMB3.9 billion (2007: RMB2.5 billion). The Group had also committed to paying the land premium on land acquisitions amounting to approximately RMB379.5 million (2007: RMB1.8 billion).

Human resources

The Group is led by an experienced and dedicated management team. The Board of Directors, who have been leading the Group through its rapid growth and expansion since its establishment in 1993, has an average of approximately 16 years of experience in the property development business. Most of the senior executives have been with the Company or its subsidiaries since their establishment. The Group's other senior executives have an average of 11 years of experience in the field. The Group also retains talented people from overseas with professional qualifications to augment its management team. Through the management's leadership, vision and drive, and its consistent effort to implement international best practices, the Group has become China's most capable property developer within a short period of time.

We believe that the quality of the Group's human resources, particularly its senior executives and professional project management staff, are critical to its maintaining strong competitive edge. The Group aims to achieve and exceed international standards of performance excellence by following international best practices in management processes and corporate governance.

As at 31 December 2008, the Group had a total of 8,040 employees, 250 of which were the Group's senior management and 558 were middle management. In terms of geographical location, 8,000 employees were stationed in Mainland China whereas 40 were stationed in Hong Kong and Macau. Total staff costs, including Directors' emoluments, for the year ended 31 December 2008 amounted to RMB446.7 million. (2007: RMB298.8 million).

AUDIT COMMITTEE

The audit committee comprised of all three independent non-executive Directors. The audit committee had reviewed with the management regarding the accounting principles and practices adopted by the Group and discussed internal controls and financial reporting matters including a review of the audited consolidated accounts for the year ended 31 December 2008.

SUFFICIENCY OF PUBLIC FLOAT

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

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted a code of conduct regarding securities transactions of directors (the "Securities Code") on no less exacting the required standard set out in the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") contained in Appendix 10 to the Listing Rules. The Company has made specific enquiry of all Directors regarding any non-compliance with the Securities Code during the year ended 31 December 2008, all Directors confirmed that they have complied with the required standard set out in the Securities Code during the year.

COMPLIANCE WITH THE CODE ON CORPORATE GOVERNANCE PRACTICES

The Board has adopted Corporate Governance Policy (available on www.agile.com.cn) with reference to the principles set out in the Code on Corporate Governance Practices (the "Code") in Appendix 14 of the Listing Rules and has updated regularly so as to maintain a high standard of corporate governance practices. Throughout the financial year ended 31 December 2008, the Company confirmed its full compliance with the Code.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the year ended 31 December 2008, the Company had repurchased from the market a total of 65,828,000 shares at price per share ranging from HK$2.00 to HK$3.74 with a total amount of about HK$188,257,923, in which 55,828,000 shares had been cancelled.

Save as disclosed above, neither the Company nor any of its subsidiaries has purchased or sold or redeemed any of the Company's listed securities during the year ended 31 December 2008.

PUBLICATION OF FINAL RESULTS AND ANNUAL REPORT ON THE WEBSITES OF THE STOCK EXCHANGE AND THE COMPANY

This results announcement is published on the websites of the Stock Exchange (www.hkex.com.hk) and the Company (www.agile.com.cn). The annual report of the Company for the year ended 31 December 2008 containing all the information required by the Listing Rules will be despatched to the Company's shareholders and to be posted on the above websites in due course.

BOARD OF DIRECTORS

As at the date of this announcement, the Board comprises 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 and Mr. Chan Cheuk Nam, who are all executive Directors; and Dr. Cheng Hon Kwan, Mr. Kwong Che Keung, Gordon and Mr. Cheung Wing Yui who are independent non-executive Directors.

By Order of the Board
Agile Property Holdings Limited
CHEN Zhuo Lin
Chairman

Hong Kong, 14 April 2009

Scope of work of PricewaterhouseCoopers
The figures in respect of the preliminary announcement of the Group's results for the year ended 31 December 2008 have been agreed by the Group's auditors, PricewaterhouseCoopers, to the amounts set out in the Group's audited consolidated accounts for the year. The work performed by PricewaterhouseCoopers in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by PricewaterhouseCoopers on the preliminary announcement.