雅居樂

AGILE PROPERTY HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 3383)

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2009

HIGHLIGHT

Financial

- As at 30 June 2009, the Group's cash and cash equivalents are approximately RMB4.9 billion with the net gearing ratio of 22.4%, reflecting solid improvement on its financial and cash flow positions.
- Group's turnover is approximately RMB5.6 billion, representing an increase of 1.4 times over the corresponding period of 2008.
- Gross profit is approximately RMB1.9 billion, representing an increase of 71.6% over the corresponding period of 2008. The gross profit margin is 34.1%.
- Profit attributable to shareholders is approximately RMB706.1 million. After excluding the gain of RMB4,144.6 million on the disposal of 30% equity interest in Hainan Clearwater Bay project recognised in the same period of last year, the profit attributable to shareholders is 144.8% over the same period of last year.
- Earnings per share amounted to RMB0.195.
- Declared an interim dividend of HK5.6 cents per share.

Business Operation

- For the eight months ended 31 August 2009, the Group has launched 3 new projects, namely Hainan Clearwater Bay, Agile Garden Xi'an and Agile Garden Shunde and has achieved remarkable presales from those projects. The contracted sales are approximately RMB3.2 billion, RMB200 million and RMB400 million respectively.
- As at 31 August 2009, the Group had a total of 20 projects on sale. The contracted gross floor area ("GFA") sold is approximately 1.84 million sq.m., achieved approximately 81% of annual sales target in terms of contracted GFA sold.
- During the third quarter of 2009, the Group acquired 5 parcels of land of approximately 1.90 million sq.m. in GFA in the cities of Nanhai, Shenyang, Huadu, Panyu and Zhongshan, at an average land cost of RMB1,334 per sq.m..
- As at 9 September 2009, the Group has land bank of approximately 29.55 million sq.m. in GFA, which is sufficient to meet the development requirement of the Group for the ensuing 8 to 10 years. The total outstanding land premium as at 9 September 2009 is approximately RMB2.1 billion which is scheduled to pay in the coming 18 months.

RESULTS

The board of directors (the "Board") of Agile Property Holdings Limited (the "Company") is pleased to present the unaudited results of the Company and its subsidiaries (the "Group") for the six months ended 30 June 2009 as follows:

CONDENSED CONSOLIDATED INTERIM INCOME STATEMENT

	Note	Six months ended 30 June	
		2009	2008
		(Unaudited)	(Unaudited)
		RMB'000	*RMB'000*
Turnover	2	**5,612,688**	2,343,303
Cost of sales		**(3,697,665)**	(1,227,227)
Gross profit		**1,915,023**	1,116,076
Other gains	3	**33,341**	4,201,898
Selling and marketing costs		**(247,639)**	(170,432)
Administrative expenses		**(326,102)**	(329,609)
Other expenses		**(50,861)**	(103,674)
Exchange gains, net		**576**	63,682
Operating profit		**1,324,338**	4,777,941
Finance (costs)/income	4	**(36,150)**	14,573
Profit before income tax		**1,288,188**	4,792,514
Income tax expenses	5	**(583,570)**	(358,921)
Profit for the period		**704,618**	4,433,593
Attributable to:			
Shareholders of the Company		**706,149**	4,433,125
Minority interests		**(1,531)**	468
		704,618	4,433,593
Basic earnings per share for profit attributable to the shareholders of the Company during the period (expressed in RMB per share)	6	**0.195**	1.184
Dividends		**176,537**	886,625

CONDENSED CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME

	Six months ended 30 June	
	2009	2008
	(Unaudited)	(Unaudited)
	RMB'000	RMB'000
Profit for the period	**704,618**	4,433,593
Other comprehensive income for the period, net of tax	**-**	-
Total comprehensive income for the period	**704,618**	4,433,593
Total comprehensive income attributable to:		
Shareholders of the Company	**706,149**	4,433,125
Minority interests	**(1,531)**	468
	704,618	4,433,593

CONDENSED CONSOLIDATED INTERIM BALANCE SHEET

		As at	
ASSETS	**Note**	**30 June 2009**	31 December 2008
		(Unaudited)	(Audited)
		RMB'000	*RMB'000*
Non-current assets			
Property, plant and equipment		**347,113**	260,813
Land use rights		**7,905,946**	6,967,202
Intangible assets		**10,285**	10,718
Prepayments		**126,820**	92,820
Deferred income tax assets		**66,625**	54,898
		8,456,789	7,386,451
Current assets			
Land use rights		**5,990,674**	5,797,924
Properties under development		**7,816,719**	8,252,303
Completed properties held for sale		**2,080,338**	2,203,357
Prepayments for acquisition of land use rights		**2,792,154**	4,558,833
Trade and other receivables	7	**1,169,355**	1,478,535
Prepaid taxes		**83,612**	47,911
Restricted cash		**1,875,297**	2,208,171
Cash and cash equivalents		**4,912,356**	3,044,292
		26,720,505	27,591,326
Total assets		**35,177,294**	34,977,777

CONDENSED CONSOLIDATED INTERIM BALANCE SHEET (CONTINUED)

	Note	As at 30 June 2009 (Unaudited) *RMB'000*	As at 31 December 2008 (Audited) *RMB'000*
OWNERS' EQUITY			
Capital and reserves attributable to the shareholders of the Company			
Share capital and premium		**4,696,893**	4,937,054
Other reserves		**684,062**	684,062
Retained earnings			
- Proposed dividend		**176,537**	206,756
- Unappropriated retained earnings		**7,621,578**	7,088,079
		13,179,070	12,915,951
Minority interests		**877,144**	878,675
Total equity		**14,056,214**	13,794,626
LIABILITIES			
Non-current liabilities			
Borrowings		**6,169,147**	6,559,055
Deferred income tax liabilities		**844,424**	1,023,414
		7,013,571	7,582,469
Current liabilities			
Borrowings		**2,151,281**	3,509,518
Trade and other payables	8	**9,048,085**	7,317,761
Current income tax liabilities		**2,908,143**	2,773,403
		14,107,509	13,600,682
Total liabilities		**21,121,080**	21,183,151
Total equity and liabilities		**35,177,294**	34,977,777
Net current assets		**12,612,996**	13,990,644
Total assets less current liabilities		**21,069,785**	21,377,095

Notes:

1. Basis of preparation and accounting policies

1.1 Basis of preparation

This condensed consolidated interim financial information for the six months ended 30 June 2009 has been prepared in accordance with Hong Kong Accounting Standard 34 ("HKAS 34") "Interim Financial Reporting". The condensed consolidated interim financial information should be read in conjunction with the annual financial statements for the year ended 31 December 2008, which have been prepared in accordance with Hong Kong Financial Reporting Standards (the "HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants.

1.2 Accounting policies

Except as described below, the accounting policies applied are consistent with those of the annual financial statements for the year ended 31 December 2008, as described in those annual financial statements.

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

(a) The following new standards, amendments to standards and interpretation are mandatory for the first time for the financial year beginning 1 January 2009

- HKAS 1 (revised), 'Presentation of financial statements'. The revised standard prohibits the presentation of items of income and expenses (that is 'non-owner changes in equity') in the statement of changes in equity, requiring 'non-owner changes in equity' to be presented separately from owner changes in equity. All 'non-owner changes in equity' are required to be shown in a performance statement.

  Entities can choose whether to present one performance statement (the statement of comprehensive income) or two statements (the income statement and statement of comprehensive income).

  The Group has elected to present two statements: an income statement and a statement of comprehensive income. This condensed consolidated interim financial information has been prepared in accordance with the revised disclosure requirements.

- HKFRS 8, 'Operating segments'. HKFRS 8 replaces HKAS 14, 'Segment reporting'. It requires a 'management approach' under which segment information is presented on the same basis as that used for internal reporting purposes.

  Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. There is no substantial impact on the Group's accounting policy.

- Amendment to HKFRS 7, 'Financial instruments: disclosures'. The amendment increases the disclosure requirements about fair value measurement and amends the disclosure about liquidity risk. The amendment introduces a three-level hierarchy for fair value measurement disclosures about financial instruments and requires some specific quantitative disclosures for those instruments classified in the lowest level in the hierarchy. These disclosures will help to improve comparability between entities about the effects of fair value measurements. In addition, the amendment clarifies and enhances the existing requirements for the disclosure of liquidity risk primarily requiring a separate liquidity risk analysis for derivative and non-derivative financial liabilities. It also requires a maturity analysis for financial assets where the information is needed to understand the nature and context of liquidity risk. There is no substantial impact on the disclosure of the condensed consolidated interim financial information. The Group will make additional relevant disclosures in its consolidated financial statements for the year ending 31 December 2009.

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

- HKAS 36 (Amendment), 'Impairment of assets'. 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 provide the required disclosure where applicable for impairment tests;

- HKAS 38 (Amendment), 'Intangible assets'. 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. There is no material impact on the Group's consolidated financial statements;

- HKAS 39 (Amendment), 'Financial instruments: Recognition and measurement'

- When remeasuring 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;

  There is no material impact on the Group's consolidated financial statements;

- HKAS 40 (Amendment), 'Investment property' (and consequential amendments to HKAS 16). 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. The amendment does not have an impact on the Group's operations as no investment properties are held by the Group.

- HK(IFRIC) - Int 15, 'Agreements for construction of real estates' . 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 consolidated financial statements as all revenue transactions are accounted for under HKAS 18 and not HKAS 11.

(b) The following new standards, amendments to standards and interpretations are mandatory for the first time for the financial year beginning 1 January 2009, but are not relevant for the Group's current operations

- HKFRS 2 (Amendment), 'Share-based payment'.

- HKAS 32 (Amendment), 'Financial instruments: presentation'.

- HK(IFRIC) 9 (Amendment), 'Reassessment of embedded derivatives' and HKAS 39 (amendment), 'Financial instruments: Recognition and measurement'.

- HK(IFRIC) 13, 'Customer loyalty programmes'.

- HK(IFRIC) 16, 'Hedges of a net investment in a foreign operation'.

2 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 these reports. The Group is organised into three business segments: property development, property management and hotel operations. As the chief operating decision-maker of the Group considers most of the Group's consolidated revenue and results are attributable to the market in the PRC and less than 10% of the Group's consolidated assets are located outside the PRC, geographical segment information is not necessary to be prepared.

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

Turnover between segments are carried out on terms equivalent to those that prevail in arm's length transactions. The revenue from external parties reported to the Board of Directors is measured in a manner consistent with that in the condensed consolidated interim income statement.

Analysis of turnover by the Group's operating segments for the six months ended 30 June 2009 and 2008 is as follows:

	Six months ended 30 June	
	2009	2008
	RMB'000	*RMB'000*
Property development	**5,488,931**	2,239,127
Property management	**105,938**	92,491
Hotel operations	**17,819**	11,685
	5,612,688	2,343,303

Segment results for the six months ended 30 June 2009 and 30 June 2008 are as follows:

Six months ended 30 June 2009

	Property development	**Property management**	**Hotel operations**	**Group**
	RMB'000	***RMB'000***	***RMB'000***	***RMB'000***
Gross segment turnover	5,488,931	125,359	17,819	5,632,109
Inter-segment turnover	-	(19,421)	-	(19,421)
Turnover to external customers	5,488,931	105,938	17,819	5,612,688
Segment results	1,321,194	2,653	491	1,324,338
Finance costs (note 4)				(36,150)
Profit before income tax				1,288,188
Income tax expenses (note 5)				(583,570)
Profit for the period				704,618
Capital expenditure	111,493	1,018	361	112,872
Depreciation	19,981	3,197	1,580	24,758
Amortisation of land use rights and intangible assets	179,990	2	24	180,016

Six months ended 30 June 2008

	Property development *RMB'000*	Property management *RMB'000*	Hotel operations *RMB'000*	Group *RMB'000*
Gross segment turnover	2,239,127	100,765	11,685	2,351,577
Inter-segment turnover	-	(8,274)	-	(8,274)
Turnover to external customers	2,239,127	92,491	11,685	2,343,303
Segment results	4,792,743	(8,241)	(6,561)	4,777,941
Finance income (note 4)				14,573
Profit before income tax				4,792,514
Income tax expenses (note 5)				(358,921)
Profit for the period				4,433,593
Capital expenditure	17,951	3,122	15,419	36,492
Depreciation	8,223	3,323	339	11,885
Amortisation of land use rights and intangible assets	93,994	292	4	94,290

Segment assets and liabilities as at 30 June 2009 are as follows:

	Property development *RMB'000*	Property management *RMB'000*	Hotel operations *RMB'000*	Elimination *RMB'000*	Group *RMB'000*
Segment assets	34,752,930	159,735	256,765	(142,373)	35,027,057
Unallocated assets					150,237
Total assets					35,177,294
Segment liabilities	8,944,901	212,946	32,611	(142,373)	9,048,085
Unallocated liabilities					12,072,995
Total liabilities					21,121,080

Segment assets and liabilities as at 31 December 2008 are as follows:

	Property development *RMB'000*	Property management *RMB'000*	Hotel operations *RMB'000*	Elimination *RMB'000*	Group *RMB'000*
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

Segment assets and liabilities as at 30 June 2009 and 31 December 2008 are reconciled to total assets and liabilities as follows:

	30 June 2009		31 December 2008	
	Assets	**Liabilities**	Assets	Liabilities
	RMB'000	***RMB'000***	*RMB'000*	*RMB'000*
Segment assets/liabilities	**35,027,057**	**9,048,085**	34,874,968	7,317,761
Unallocated:				
Deferred income taxes	**66,625**	**844,424**	54,898	1,023,414
Prepaid income taxes	**83,612**	**-**	47,911	-
Current income taxes	**-**	**2,908,143**	-	2,773,403
Current borrowings	**-**	**2,151,281**	-	3,509,518
Non-current borrowings	**-**	**6,169,147**	-	6,559,055
Total	**35,177,294**	**21,121,080**	34,977,777	21,183,151

In the six months ended 30 June 2008, hotel operations were not identified as a separate segment. However, with the development of hotel business in the second half year of 2008, the chief operating decision-maker has designated hotel operations as a separate segment. In addition, the chief operating decision-maker has considered not to report decoration as a separate segment in 2009 as it does not generate any external revenue. Comparative information of the six months ended 30 June 2008 has been restated for consistency of disclosure of this period.

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

Segment liabilities comprise operating liabilities. Unallocated liabilities comprise items such as taxation and borrowings.

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

3 Other gains

	Six months ended 30 June	
	2009	2008
	RMB'000	*RMB'000*
Gain on partial disposal of a subsidiary (note (a))	**-**	4,144,639
Interest income	**20,096**	42,391
Forfeited deposits from customers	**1,586**	3,776
Rental income	**8,311**	6,765
Miscellaneous	**3,348**	4,327
	33,341	4,201,898

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% equity interests of a subsidiary of the Group at a consideration approximately of US$733,340,000. This partial disposal of a subsidiary resulted in a gain of approximately RMB4,144,639,000 to the Group.

4 Finance (costs)/income

	Six months ended 30 June	
	2009	2008
	RMB'000	*RMB'000*
Exchange gain of senior notes and syndicated loans	**2,939**	233,934
Amortisation of issuance costs of senior notes	**(5,222)**	(4,759)
Interest expenses:		
- bank loans	**(206,884)**	(246,933)
- senior notes	**(122,764)**	(126,633)
Interest capitalised	**295,781**	158,964
	(36,150)	14,573

5 Income tax expenses

	Six months ended 30 June	
	2009	2008
	RMB'000	*RMB'000*
Current income tax		
- PRC corporate income tax	**432,484**	377,032
- PRC land appreciation tax	**341,803**	271,519
Deferred income tax		
- PRC corporate income tax	**(190,717)**	(289,630)
	583,570	358,921

PRC corporate income tax

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

PRC land appreciation tax

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

6 Earnings per share

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

	Six months ended 30 June	
	2009	2008
Profit attributable to shareholders of the Company (RMB'000)	**706,149**	4,433,125
Weighted average number of ordinary shares in issue (thousands)	**3,616,081**	3,745,660
Basic earnings per share (RMB per share)	**0.195**	1.184

No diluted earnings per share is presented as there was no potential dilutive share in issue during the six months ended 30 June 2008 and 2009.

7 Trade and other receivables

	30 June 2009	**31 December 2008**
	RMB'000	*RMB'000*
Trade receivables (note (a))	**428,962**	881,373
Other receivables due from:		
- a related party	**-**	141
- third parties	**706,681**	562,622
Prepayments for construction costs	**33,712**	34,399
	1,169,355	1,478,535

As at 30 June 2009, the fair value of trade and other receivables approximated their carrying amounts.

Note (a): Trade receivables mainly arise from sale of properties. Considerations in respect of properties sold are paid in accordance with the terms of the related sales and purchase agreements. As at 30 June 2009 and 31 December 2008, the ageing analysis of the trade receivables is as follows:

	30 June 2009	31 December 2008
	RMB'000	*RMB'000*
Within 90 days	**330,448**	806,503
Over 90 days and within 365 days	**56,559**	74,870
Over 365 days and within 2 years	**41,955**	-
	428,962	881,373

8 Trade and other payables

	30 June 2009 *RMB'000*	31 December 2008 *RMB'000*
Trade payables (note (a))	**3,498,050**	3,989,419
Other payables due to:		
- related parties	**109,619**	3,727
- third parties	**2,338,828**	1,916,202
Advances from customers	**2,822,879**	1,069,533
Staff welfare benefit payable	**21,260**	12,435
Accruals	**142,150**	173,768
Other taxes payable	**115,299**	152,677
	9,048,085	7,317,761

Note (a): The ageing analysis of trade payables of the Group as at 30 June 2009 and 31 December 2008 is as follows:

	30 June 2009 *RMB'000*	31 December 2008 *RMB'000*
Within 90 days	**2,945,846**	3,403,381
Over 90 days and within 180 days	**181,511**	151,072
Over 180 days and within 365 days	**248,308**	290,569
Over 365 days	**122,385**	144,397
	3,498,050	3,989,419

MANAGEMENT DISCUSSION AND ANALYSIS

Business review

In the first half of 2009, the global economy continued to stagnate, financial markets remained volatile, and many countries were in recession. These countries co-operated to adopt proactive fiscal and monetary policies in order to counter the adverse economic conditions and boost business confidence. China is among the very few countries exhibiting economic rebound and recovery. The Central Government implemented a series of stimulus policies stabilizing both the macro-economy and property market of Mainland China. With the support of the Central Government's initiatives, China's economy has recently shown signs of stabilization. China's property market was also benefited from the macro recovery packages, relaxed policy environment towards the industry and monetary liquidity, and revival was seen – transaction volume increased and prices soared during the second quarter.

Prospects and outlook

In spite of uncertainties in the property market, the Group will continue to consolidate its solid foundation. The Group will further enhance the cost advantages of our products, rationally schedule development and construction plans, and strengthen cost control on construction and investment. The Group will also apply different sales and marketing strategies according to stages of development and characteristics of different projects with an aim to achieve better sales performance. Also, the Group will step up efforts on supervision of cash flows, cost, sales and project progress. The Group will also strive for improving operating profits, capital turnover and fund utilization by proper product positioning, efficient management and corporate strategies in the property market. The Group will be swift to grasp desirable opportunities in land acquisition to enhance profitability and capability in sustainable development.

Overall performance

The turnover of the Group during the review period was RMB5,612.7 million (the corresponding period in 2008: RMB2,343.3 million), representing an increase of 139.5% as compared to the corresponding period in last year. The operating profit was RMB1,324.3 million (the corresponding period in 2008: RMB4,777.9 million), representing an increase of 109.1% after excluding the gain from the disposal of 30% equity interest in Hainan Clearwater Bay project for the corresponding period in 2008. Profit attributable to shareholders amounted to RMB 706.1 million (the corresponding period in 2008: RMB4,433.1 million, representing an increase of 144.8% after excluding the gain from the disposal of 30% equity interest in Hainan Clearwater Bay project for the corresponding period in 2008). Basic earnings per share was RMB0.195 (the corresponding period in 2008: RMB1.184), representing an increase of 153.2% after excluding the gain from the disposal of 30% equity interest in Hainan Clearwater Bay project for the corresponding period in 2008.

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 30 June 2009, the Group had a total land bank of 27.72 million sq.m. in GFA in 21 cities located in Pearl River Delta Region, Eastern Guangdong, Yangtze River Delta Region, Western China, Hainan Province and Northeast China. In the third quarter of 2009, 5 land sites with a total GFA of approximately 1.90 million sq.m. were newly acquired. These newly acquired sites are mainly situated in cities such as Nanhai, Shenyang, Huadu, Panyu and Zhongshan. We believe that the existing land bank is sufficient to meet the development needs of the Group in the coming 8 to 10 years.

Property development and Sales

During the period under review, total recognised GFA sold was approximately 875,899 sq.m. and the corresponding recognised sales was approximately RMB 5,488.9 million, representing an increase of 2.1 times and 1.4 times respectively as compared with the corresponding period in 2008. Total recognised sales in Zhongshan reached RMB1,720.5 million, accounting for 31.4% of the total recognised sales and representing an increase of 1.1 times compared with the corresponding period in last year. The total recognised GFA sold in Zhongshan was 342,285 sq.m., representing an increase of 1.9 times compared with the corresponding period in 2008.

Total recognised sales in Guangzhou reached RMB1,193.5 million, accounting for 21.7% of total recognised sales and representing an increase of 60.6% when compared with that of the corresponding period in last year. The total recognised GFA sold in Guangzhou was 173,925 sq.m., doubled that in the corresponding period in 2008.

Total recognised sales in Foshan, Nanhai and Sanshui amounted to RMB573.2 million, accounting for 10.4% of the total recognised sales and representing an increase of 1.6% over the corresponding period in 2008. The total recognised GFA sold in Foshan, Nanhai and Sanshui was 106,423 sq.m., representing an increase of 71.5% over the corresponding period in 2008.

Total recognised sales in Eastern Guangdong such as Heyuan and Huizhou amounted to RMB681.9 million, accounting for 12.4% of the total recognised sales and representing an increase of 5.1 times over the corresponding period in 2008. The total recognised GFA sold in Eastern Guangdong was 135,044 sq.m., representing an increase of 10.7 times over the corresponding period in 2008.

Total recognised sales in Western China such as Chengdu amounted to RMB315.8 million, accounting for 5.8% of the total recognised sales and representing an increase of 10.6 times over the corresponding period in 2008. The total recognised GFA sold in Chengdu was 39,330 sq.m., representing an increase of 19 times over the corresponding period in 2008.

Total recognised sales in Nanjing amounted to RMB634.2 million and the total recognised GFA sold was 50,515 sq.m..

Total recognised sales in Hainan Clearwater Bay amounted to RMB369.8 million and the total recognised GFA sold was 28,377 sq.m..

During the reporting period, the average selling price of the Group decreased by approximately 22.5% to approximately RMB6,267 from approximately RMB8,081 in the corresponding period in 2008.

The table sets forth the projects expected to be completed in the second half of 2009.

Project Name	**City/District**	**Total GFA (sq.m)**
Pearl River Delta		
Agile Garden Guangzhou	Panyu	72,794
Lishang International Mansion Guangzhou	Guangzhou	7,073
Hongxi Huating Panyu	Panyu	23,289
Agile Binjiang Garden Conghua	Conghua	100,399
La Cite Greenville Zhongshan	Zhongshan	66,784
The Century Zhongshan	Zhongshan	20,663
Agile Garden Dachong Zhongshan	Zhongshan	42,276
Zhongshan Wuguishan Project	Zhongshan	27,803
Nanhai Xiqiao Commercial Project	Nanhai	53,014
Agile Garden Foshan	Foshan	24,481
Agile Garden Sanshui	Sanshui	65,674
Agile Garden Shunde	Shunde	46,940
Subtotal		**551,190**

Eastern Guangdong		
Agile Garden Heyuan	Heyuan	20,582
Agile Egret Lake Huizhou	Huizhou	111,322
Subtotal		**131,904**
Western China		
Agile Garden Chengdu	Chengdu	488,766
Agile Garden Xi'an	Xi'an	139,663
Subtotal		**628,429**
Hainan Province		
Hainan Clearwater Bay	Hainan	182,403
Grand Total		**1,493,926**

The table sets forth the recognised GFA sold and sales of each projects in the period under review.

Project Name	**City/District**	**Recognised GFA sold (sq.m.)**	**Recognised Sales (RMB'000)**
Pearl River Delta			
Agile Garden Guangzhou	Panyu	133,875	941,701
Royal Hillside Villa Guangzhou	Baiyun	762	5,050
Majestic Garden Huadu	Huadu	36,316	233,353
Agile Binjiang Garden Conghua	Conghua	2,739	10,687
Lishang International Mansion Guangzhou	Guangzhou	233	2,721
Metro Agile Zhongshan	Zhongshan	56,579	260,715
The Century Zhongshan	Zhongshan	117,732	515,722
La Cite Greenville Zhongshan	Zhongshan	149,136	888,931
Agile Garden Dachong Zhongshan	Zhongshan	18,838	55,172
Majestic Garden Nanhai	Nanhai	8,807	34,009
Agile Garden Foshan	Foshan	34,281	250,806
Agile Garden Sanshui	Sanshui	63,335	288,375
Subtotal		**622,633**	**3,487,242**
Eastern Guangdong			
Agile Garden Heyuan	Heyuan	52,281	180,907
Agile Egret Lake Huizhou	Huizhou	82,763	501,005
Subtotal		**135,044**	**681,912**

Western China			
Agile Garden Chengdu	Chengdu	39,330	315,775
Yangtze River Delta Region			
Agile Garden Nanjing	Nanjing	50,515	634,225
Hainan Province			
Hainan Clearwater Bay	Hainan	28,377	369,777
Total		**875,899**	**5,488,931**

Property management

The Group provides the residents with safe, civilised, comfortable and excellent property management services. During the period under review, the Group's property management companies recorded property management fee income of RMB105.9 million, representing an increase of 14.5% over the corresponding period in 2008. As at 30 June 2009, the Group's property management companies managed a total GFA of over 9.18 million sq.m. in Mainland China.

Hotel operations

The Group continued to develop its hotel business in a prudent and cautious manner with an aim to developing a diversified business portfolio and creating a stable and reliable revenue stream for the Group. During the period under review, our hotel operations segment recorded a revenue of RMB17.8 million, representing an increase of 52.5% over the corresponding period in 2008, which was primarily attributable to the revenue generated from Guangzhou Agile Hotel and Foshan Agile Hotel.

Gross profit

Gross profit of the Group increased by 71.6% to approximately RMB1,915.0 million for the six months ended 30 June 2009 from approximately RMB1,116.1 million in the corresponding period in 2008. Gross profit margin for the first half of 2009 decreased to 34.1% from 47.6% for the corresponding period in 2008. The decline was due to the pre-sale portion in the end of 2008 were sold at a comparatively lower average selling price and recognised in the period under review.

Other gains

Other gains of the Group decreased by 99.2% to approximately RMB33.3 million for the six months ended 30 June 2009 from approximately RMB4,201.9 million for the corresponding period in 2008. The significant large amount of other gains in the first half of 2008 was due to the profit arising from the disposal of 30% equity interest in Hainan Clearwater Bay project.

Selling and marketing costs

Selling and marketing costs of the Group increased by 45.3% to RMB247.6 million for the six months ended 30 June 2009 from approximately RMB170.4 million for the corresponding period in 2008. The increase was primarily attributable to the sizeable promotional campaign for the sales of new properties such as Agile Egret Lake Huizhou and Hainan Clearwater Bay. Considerable amount of resources used for advertising had led to the increase in advertising expenses by 51.4% to approximately RMB198.9 million for the six months ended 30 June 2009 from approximately RMB131.3 million for the six months ended 30 June 2008.

Administrative expenses

Administrative expenses of the Group decreased by 1.1% to approximately RMB326.1 million for the six months ended 30 June 2009 from approximately RMB329.6 million for the corresponding period in 2008, demonstrating the effective cost control policy on administrative expenses. Accordingly, the salaries and wages decreased by 2.6% to approximately RMB140.3 million for the six months ended 30 June 2009 from approximately RMB144.1 million for the corresponding period in 2008.

Profit attributable to shareholders

Profit attributable to shareholders amounted to RMB706.1 million (the corresponding period in 2008: RMB4,433.1 million), representing a decrease of 84.1%. After excluding the gain from the disposal of 30% equity interest in the Hainan Clearwater Bay project for the corresponding period in 2008, profit attributable to shareholders of the Group for the six months ended 30 June 2009 increased by 144.8% to approximately RMB706.1 million from approximately RMB288.5 million for the same period in 2008.

LIQUIDITY, FINANCIAL AND CAPITAL RESOURCES

Cash position and fund available

The Group's cash and bank deposits (including the restricted cash) amounted to approximately RMB6,787.7 million as at 30 June 2009 (31 December 2008: RMB5,252.5 million).

As at 30 June 2009, the carrying amount of the restricted cash was approximately RMB1,875.3 million (31 December 2008: RMB2,208.2 million).

As at 30 June 2009, the undrawn borrowing facilities amounted to RMB963.8 million.

Borrowings and gearing ratio

As at 30 June 2009, the Group's bank loans and senior notes were RMB5,642.9 million and RMB2,677.5 million (equivalent) respectively. Amongst the bank loans, RMB2,151.3 million were repayable within one year, RMB1,564.6 million were repayable in the second to third year. RMB1,677.0 million were repayable in the third to fifth year and RMB250.0 million were repayable over five years. The senior notes were repayable in the third to fifth year.

The Group's bank borrowings of RMB3,778.0 million as at 30 June 2009 were secured by the Group's land use right, completed properties held for sale and bank deposits with an aggregate carrying value of RMB4,470.0 million. The senior notes were jointly and severally guaranteed by certain subsidiary companies of the Group and by pledge of their shares. The net assets of these subsidiary companies were approximately RMB1,080.4 million as at 30 June 2009.

The gearing ratio is calculated by the net borrowings (total borrowings net of cash and cash equivalent) over the total capital and reserves attributable to equity owners. As at 30 June 2009, the gearing ratio was 22.4% (31 December 2008: 54.4 %)

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

Cost of borrowings

As at 30 June 2009, the Group's total cost of borrowings was RMB334.9 million, representing a decrease of RMB43.4 million over the same period in 2008. The decrease was attributable to bank loans whose average balance for the review period is less than that of the corresponding period of the previous year.

Contingencies

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

The Group has in cooperation with certain financial institutions and arranged mortgage loan facility for its purchasers of property and provided guarantees to secure obligations of such purchasers for repayments. As at 30 June 2009, the outstanding guarantees amounted to RMB8,307.8 million (31 December 2008: RMB6,021.5 million). Such guarantees terminate upon earlier of (i) issuance of the real estate ownership certificate which will generally be available within one year after the Group deliver possession of the relevant property to its purchasers; and (ii) the satisfaction of relevant mortgage loan by purchasers.

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

(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 the deposit for entering into the framework agreement.

On 10 October 2008, the Group received a purported notice of termination of the framework agreement from Aetos, which demanded the Group to refund the paid deposit together with interest accrued thereon on the ground that the Group could not finalise the sales and purchase agreement in relation to the said disposal of equity interests in Huizhou Bailuhu on 30 June 2008, as stipulated in the framework agreement. In accordance with the liquidated damages provisions in the framework agreement, the interest rate on the received deposit is 8% per annum for the period from date of receipt of the deposit to 30 June 2008 and 20% per annum for the period from 1 July 2008 to 90 days after the date of receipt of a termination notice for terminating the framework agreement, and 25% per annum thereafter.

The Group considers that Aetos have no grounds for terminating the framework agreement and that Aetos have 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 arbitration proceedings were commenced by the Company against Aetos on 24 December 2008.

Based on the Ruling and Order for Interim Measure issued by arbitral tribunal on 19 August 2009, the Company was required to put a deposit of US$164,089,000 (equivalent to the deposit paid by Aetos to the Group for entering into the framework agreement) into an escrow account of the Hong Kong International Arbitration Centre within 30 days of the ruling, as a security for Aetos' claim for a return of the deposit in the arbitration.

As at the date of approval of this condensed consolidated interim financial information, the result of the dispute resolution process is not yet known. The deposit received is recorded under other payables and no interests have been provided for in the condensed consolidated interim financial information. Should the Company not succeed in the arbitration, the Company may be required to return the deposit and pay interests to Aetos. In this regard, the amount of the interest will be one of the issues to be resolved in the arbitration.

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 Group. The return on equity for the review period of 2009 was 5.4% (the corresponding period in 2008: 34.3%, including gain on partial disposal of a subsidiary).

Commitments

As at 30 June 2009, commitments in connection with the property development activities amounted to approximately RMB4,436.8 million (31 December 2008: approximately RMB3,895.5 million). The Group had also committed to pay the land premium on land acquisitions amounting to approximately RMB264.5 million (31 December 2008: RMB379.5 million).

Human resources

As at 30 June 2009, the Group had a total of 8,103 employees, among which the Group's senior management accounted to 245 and middle management accounted for 561. By geographical location, there were 8,058 employees in Mainland China and 45 in Hong Kong and Macau. Total staff costs, including directors' remunerations, for the period ended 30 June 2009 amounted to RMB 235.2 million (the corresponding period in 2008: RMB244.9 million).

Prospect

In the first half of 2009, the Group achieved satisfactory results. Looking forward to the second half, we are cautiously optimistic about the short-term market conditions and yet remain confident in the long-term outlook. With a business philosophy of "Stability, Prudence, Sustainability", we will maintain our visionary development strategy, sound financial policy, and efficient business management, hence maximizing returns for our shareholders and investors.

INTERIM DIVIDEND

The Board declared an interim dividend of HK5.6 cents (2008: HK27.1 cents) per share payable in cash on 9 October 2009 to shareholders whose names appear on the Register of Members as at 30 September 2009.

CLOSURE OF REGISTER OF MEMBERS

The register of members will be closed from 28 September 2009 to 30 September 2009, both dates inclusive. In order to qualify for the interim dividend, all transfer forms accompanied by the relevant share certificates must be lodged with the Company's branch registrar in Hong Kong, Tricor Investor Services Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Hong Kong for registration not later than 4:00 p.m. on 25 September 2009.

AUDIT COMMITTEE

The Company's 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 unaudited interim results for the six months ended 30 June 2009.

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 six months ended 30 June 2009, all Directors confirmed that they have complied with the required standard set out in the Securities Code during the period.

COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE PRACTICES

The Company has complied with the code provisions of the Code on Corporate Governance Practices contained in Appendix 14 to the Listing Rules during the six months ended 30 June 2009 except that the chairman was unable to attend the annual general meeting of the Company held on 3 June 2009 due to his sickness.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the six months ended 30 June 2009, the Company had repurchased from the market a total of 93,484,000 shares at price per share ranging from HK$2.46 to HK$5.81 with a total amount of about HK$272,368,000.

Save as disclosed above, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the period ended 30 June 2009.

PUBLICATION OF INFORMATION ON THE WEBSITES OF THE STOCK EXCHANGE AND THE COMPANY

This interim results announcement is published on the websites of the Stock Exchange (www.hkex.com.hk) and the Company (www.agile.com.cn). The interim report of the Company will also be available at the Company's and the Stock Exchange's websites on or about 23 September 2009 and will be despatched to the shareholders of the Company thereafter.

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, 9 September 2009