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 2011

HIGHLIGHTS

Financial Highlights

	For the six months ended 30 June		
	2011	**2010**	**Change**
Turnover *(RMB million)*	**11,716**	7,081	+65.5%
Gross profit *(RMB million)*	**6,145**	3,602	+70.6%
Gross profit margin	**52.4%**	50.9%	+1.5 percentage points
Net profit (excluding after-tax fair value gains on investment properties) *(RMB million)*	**2,577**	1,302	+97.9%
Net profit margin (excluding after-tax fair value gains on investment properties)	**22.0%**	18.4%	+3.6 percentage points
Interim dividend per share *(HK cents)*	**10.8**	6.1	+77.0%

Operation Highlights

- As at 17 August 2011, the Group had 70 projects in 26 different cities and districts in China. The land bank reaches a total GFA of approximately 32.13 million sq.m., which is sufficient to cope with the development needs of the Group in the next 8 to 10 years. The average land cost is approximately RMB1,307 per sq.m. only. In addition, completed GFA held for sale was approximately 641,532 sq.m..

- During the review period, the Group successfully acquired a number of pieces of land situated in Sanshui, Xi'an and Hainan by way of auction and tender. The total GFA of those lands is approximately 609,588 sq.m.. As at 30 June 2011, the Group's outstanding land premium payable was RMB208 million and is expected to be fully paid by 2012.

- During the review period, the Group had a total of 33 projects on sale in 17 different cities and districts in China, including 1 newly-launched project; the Group's contracted sales was approximately RMB15,700 million, representing an increase of 50% when compared with the corresponding period of last year; contracted GFA sold was approximately 1.42 million sq.m., representing an increase of 38% when compared with the corresponding period of last year; contracted average selling price was approximately RMB11,040 per sq.m., representing an increase of 8% when compared with the corresponding period of last year.

- During the review period, the Group obtained offshore bank loans of HK$1,550 million and US$100 million from several well-known banks and successfully issued US$500 million of 4% convertible bonds due by 2016. In July, the Group has also entered into a facility agreement of HK$2,350 million with several banks in offshore.

- As at 30 June 2011, the total cash and bank deposits of the Group were approximately RMB7,638 million, undrawn borrowing facilities was approximately RMB1,927 million, available credit limit granted by banks was approximately RMB22,400 million.

- The sound financial position and development prospect of the Group are well recognised by rating agencies. In April, Moody's Investors Service, Inc. raised the credit rating on the Group and its bonds to "Ba2" with a "Stable" outlook, one of the best in the industry.

CHAIRMAN'S STATEMENT

Dear Shareholders,

Results and dividends

For the six months ended 30 June 2011, the turnover and gross profit of Agile Property Holdings Limited ("Agile" or the "Company") and its subsidiaries (together the "Group") was approximately RMB11,716 million and RMB6,145 million respectively, representing an increase of 65.5% and 70.6% respectively when compared with the corresponding period of last year. Net profit for the period excluding after-tax fair value gains on investment properties was RMB2,577 million, and the net profit margin excluding after-tax fair value gains on investment properties was 22%, representing an increase of 97.9% and 3.6 percentage points respectively when compared with the corresponding period of last year.

After the balance between the Group's business development needs and investments return for shareholders, the board of directors of the Company (the "Board") has declared an interim dividend of HK10.8 cents per share for 2011, representing an increase of 77.0% when compared with the corresponding period of last year.

Market and business review

In the first half of 2011, the property market was affected to a certain degree by factors including the Central Government's control measures of the property market and the tightening monetary policies in Mainland China.

Nevertheless, the Group believes that these control measures, which mainly aim to address the surging property prices and speculative activities in some cities, will remain stringent in the foreseeable future. These control measures will inevitably have an impact on the property market, but they will contribute to the healthy development of the property market in the long run.

Upholding the operation philosophy of "Stability, Prudence, Sustainability" and possessing strengths such as the professional experience of 19 years in property development, well-qualified management team, stable and long-term business partners, excellent brand name, strongly competitive products, sound financial base and ample and superior land bank, the Group kept a close watch on market development, seized opportunities that arose to achieve satisfactory results in the first half of the year.

Effective implementation of geographic diversification brought excellent sales results

During the review period, the Group had 33 projects on sale that are located in 17 different cities and districts, including the newly-launched project Agile Linghui Huadu. During the review period, the Group recorded contracted sales of approximately RMB15,700 million and contracted gross floor area ("GFA") sold of approximately 1.42 million sq.m., representing a growth of approximately 50% and 38% respectively when compared with the corresponding period of last year. Contracted average selling price reached approximately RMB11,040 per sq.m., up 8% when compared with the corresponding period of last year. In particular, the sales of projects outside Guangdong Province accounted for approximately 40.4% of the Group's total contracted sales, witnessing the results of effective implementation of its geographic diversification strategy.

During the review period, all projects on sale of the Group have achieved good sales results, among which Hainan Clearwater Bay recorded contracted sales of approximately RMB4,600 million. Agile Cambridgeshire Guangzhou ranked the top best selling individual property in Guangzhou in the first half of the 2011 with contracted sales of approximately RMB2,600 million. La Cité Greenville Zhongshan recorded contracted sales of approximately RMB1,100 million. Contracted sales of Agile Royal Mount Zhongshan was approximately RMB700 million, while that of Agile Garden Chengdu was approximately RMB800 million. In addition, our newly-launched project Agile Linghui Huadu has witnessed brisk sales since its opening in early June, with contracted sales of approximately RMB500 million.

A diversified portfolio to generate steady revenue

Currently, the Group has 3 hotels in operation and 8 other hotels that are either under construction or in the planning stages, among which Shanghai Marriott Hotel City Centre is expected to commence its business in the second half of this year.

As for property investment, the Group has a total of 5 major projects under construction, including shopping centres and office buildings. Among these projects, Agile International Plaza Shanghai and Hainan Clearwater Bay International Brand Outlet are expected to open in the second half of this year. In addition, Xiqiao Metropolis Plaza soft opened in July is expected to generate ongoing revenue for the Group.

The Group will continue to push forward the development of hotel and property investment businesses in a prudent manner, so as to build up a diversified business portfolio to generate steady revenue streams in the future as well as to diversify operational risks.

Strategic replenishment of land bank for sustainable development

The Group has been replenishing its land bank strategically while maintaining a sound financial position. The Group targets mainly the cities where the brand name of Agile has been established successfully and in the cities with enormous development potential to support its geographic diversification strategy.

During the review period, the Group has acquired prime land lots in a number of districts including Sanshui, Xi'an and Ding'an County of Hainan Province by way of auction and tender. The total GFA of the newly acquired land was 609,588 sq.m..

As at 17 August 2011, the Group had 70 projects in 26 different cities and districts in China and a land bank with a total GFA of approximately 32.13 million sq.m., the average land cost is approximately RMB1,307 per sq.m. only. Such land bank is sufficient to cope with the development needs of the Group in the next 8 to 10 years.

As at 30 June 2011, the Group's completed GFA held for sale was approximately 641,532 sq.m. and that under development was approximately 7.63 million sq.m..

Consistent prudent financial strategy with optimum financing channels

During the review period, the Group successfully received offshore financing of bank loans of HK$1,550 million and US$100 million from several well-known banks and successfully issued US$500 million of 4% convertible bonds maturing in 2016. In July, the Group has also entered into a facility agreement of HK$2,350 million with several banks in offshore.

As at 30 June 2011, the Group's total cash and bank deposits was approximately RMB7,638 million; undrawn borrowing facilities was approximately RMB1,927 million; and the available credit limit granted by banks was approximately RMB22,400 million.

The sound financial position and development prospect of the Group are widely recognised by rating agencies. In April, Moody's Investors Service, Inc. raised the credit rating on the Group and its bonds to "Ba2" with a "Stable" outlook, one of the best in the industry.

The Group believes that by multi-channel financing, it can further improve its financial structure and strengthen its working capital, and to maintain its focus on improving its performance in property sales and development and help the Group to seize various development opportunities in a timely manner to achieve better return for shareholders.

Multi-channel investor relations

During the review period, the Group conducted 9 roadshows in such locations as Hong Kong, Shanghai, Beijing, Singapore, the United Kingdom and the United States. The Group also attended 16 investor summits or seminars held by well-known investment banks or securities dealers, and held 116 meetings with investors. The main purpose of these activities is to keep the investors informed of the operating performance, development strategies and business updates of the Group to achieve interaction and communication.

The Group believes that effective investor relations management plays a positive role in promoting investors' understanding of the Group's businesses and recognition of the Group's development direction, and thereby consolidating and expanding investor relations and basis, and building and maintaining a long-lasting, stable and favourable relation with various intermediary institutions in the capital market, and beneficial for the Group's access to new financing sources and a reduction in its financing costs.

A responsible corporate citizen

Always adhering to the belief of "Benefiting from the Society, Giving back to the Society", the Group takes a proactive approach in fulfilling the responsibility and obligation as a corporate citizen.

During the review period, the Group donated RMB5 million and RMB2 million to the communities in the earthquake-stricken area in Yingjiang and Tengchong, Yunnan Province respectively and contributed RMB20 million to launch the "Agile Qinghai Educational and Bursary Fund". 12 of the 16 schools which the Group sponsored following Sichuan earthquake have been put into use, while the main structures of the other 4 schools have been completed. In July, the Group donated RMB50 million to Zhongshan Charity Association for the purpose of infrastructure upgrade in Zhongshan.

In addition, the Group gave full support to "30-Hour Famine" of World Vision as the Chief Sponsor in Hong Kong and Macau for the second consecutive year and encouraged its employees to take an active part in the activity. Regarding environmental protection, the Group participated in the "Lai See Recycling Program" initiated by the Greeners Action, a Hong Kong environmental protection organisation, and set up collection points in Hong Kong and various cities across China to collect Lai See envelops intended to be discarded from our staff, property owners and the public.

Awards and honours

During the review period, the Group received a number of awards including "The Asset Corporate Gold Award" presented by The Asset Magazine for 2 consecutive years and "Private Enterprise with Largest Market Capitalisation" award given by Yazhou Zhoukan. In addition, the Group was also listed among certain well-known ranking lists including the "Top 100 Hong Kong Listed Companies", which was co-organised by QQ.com and Quamnet.com; 6th of "Top 50 Chinese Real Estate Listed Companies" released by the National Institute of Property and Finance of Sohu and Beta Strategy Research Center jointly; 8th of "2011 TOP 10 Hong Kong Listed PRC Real Estate Enterprises of Comprehensive Strength" released by China Real Estate Top 10 Research Team; 9th of "Top Chinese Real Estate Listed Companies in Comprehensive Strength" released by China Real Estate Research Association, China Real Estate Association and China Real Estate Appraisal Centre jointly; being included for 10 consecutive years in the "Guangdong Real Estate Credit Top 20" released by the Guangdong branches of four major national banks (Industrial and Commercial Bank of China Limited, Agricultural Bank of China Limited, Bank of China Limited and China Construction Bank Corporation) in conjunction with authoritative media agencies including People's Daily and Xinhua News Agency. The Group was also awarded the "Famous Trademark of China" by the Trademark Office of the State Administration for Industry and Commerce. These awards and honours reflect that the Group's solid overall strength and excellent corporate governance are highly appreciated by all circles at home and abroad.

The Group's efforts in respect of corporate social responsibility have been recognised and affirmed as well. During the review period, the Group received a number of awards and honours, including "China Charity Awards – the Most Caring Enterprise", "Corporate Social Responsibility Award", "Eco-Business Awards – Eco-Construction Award (Greater China)" and "Guangdong Real Estate Corporate Social Responsibility Model Enterprise Award".

Development strategy and prospect

In the second half of 2011, the global financial and economic situation is expected to remain volatile. The control policies of the Central Government on the property market will continue for some time, which are expected to have a significant impact on the prices and transaction volume in the property market across Mainland China. In response to this development, the Group will adjust its marketing strategies, price positioning and development plans depending on the market conditions in different cities. With its quality products, excellent after-sale services and customer-oriented property management, as well as its improving dynamic cost control system, the Group is confident that it can cope with different situations. We are optimistic about the long-term development of the market which is expected to be driven by the long-term continuous growth of China's economy and continuously strong demand.

In the second half of the year, the Group intends to launch a number of new projects in succession, including Agile Seven Mile Sea Guangzhou (formerly known as Panyu Shilou Town Project), Gorgeous Days Panyu (formerly known as Panyu Southern District Qingxin Road Project) and Agile Yubinfu Zengcheng (formerly known as Zengcheng Project) in Guangzhou; Imperial Palace Nanhai and Agile Jardin Lecong (formerly known as Shunde Lecong Project) in Foshan, Agile Baron Hill Zhongshan (formerly known as Zhangjiabian Project Zhongshan) and Shenyang Puhe New City Project. New phases will also be launched by stages for existing projects. With the introduction of new projects, new products and new phases successively and the Group's commitment to stepping up sales efforts, it is believed that the Group will lay a solid foundation for development in the second half of the year.

In respect of operation management, the Group will continue to focus on increasing operation efficiency, enhancing the internal monitoring system and lifting the standard of corporate governance, with a view to increasing the Group's strength, vitality and innovation in the ever-changing external environment. Meanwhile, the Group will also strengthen cost control and further consolidate the financial base to cope with market challenges. In respect of products, the Group will continue to develop an increasing number of high quality, innovative and humanised products. Meanwhile, the Group will also provide top and high-end residential properties with appreciation potential to better meet the need of the market and improve the competitiveness of our brand.

In respect of the operating strategy, the Group will continue to focus on large-scale comprehensive residential properties, supplemented by hotel operation and property investment businesses. The Group will also actively explore the feasibility of further developing tourism property, with a view to expanding income sources and diversifying risks.

Acknowledgement

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

CHEN Zhuo Lin
Chairman

Hong Kong, 18 August 2011

RESULTS

Unaudited interim results for the six months ended 30 June 2011:

CONDENSED CONSOLIDATED INTERIM INCOME STATEMENT

		Six months ended 30 June	
		2011	2010
		Unaudited	Unaudited
	Note	***(RMB'000)***	*(RMB'000)*
Turnover	3	**11,716,238**	7,080,544
Cost of sales		**(5,571,457)**	(3,478,171)
Gross profit		**6,144,781**	3,602,373
Fair value gains on investment properties	8	**46,981**	3,089,945
Other income	4	**89,275**	54,261
Selling and marketing costs		**(328,880)**	(252,343)
Administrative expenses		**(405,773)**	(349,319)
Other expenses		**(58,838)**	(292,717)
Exchange losses, net		**(92,071)**	(27,398)
Operating profit		**5,395,475**	5,824,802
Fair value gains on embedded financial derivatives		**96,012**	-
Share of post-tax profit of an associate		**133,345**	-
Finance income/(costs), net	5	**311,425**	(13,612)
Profit before income tax		**5,936,257**	5,811,190
Income tax expenses	6	**(3,324,181)**	(2,192,099)
Profit for the period		**2,612,076**	3,619,091
Attributable to:			
- Shareholders of the Company		**2,091,616**	3,447,415
- Non-controlling interests		**520,460**	171,676
		2,612,076	3,619,091
Earnings per share for profit attributable to the shareholders of the Company during the period (expressed in RMB per share)			
- Basic	7	**0.602**	0.985
- Diluted	7	**0.562**	0.985
Dividends		**308,784**	186,458

CONDENSED CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME

	Six months ended 30 June	
	2011	2010
	Unaudited	Unaudited
	(RMB'000)	*(RMB'000)*
Profit for the period	**2,612,076**	3,619,091
Other comprehensive income for the period, net of tax	**-**	-
Total comprehensive income for the period	**2,612,076**	3,619,091
Total comprehensive income attributable to:		
- Shareholders of the Company	**2,091,616**	3,447,415
- Non-controlling interests	**520,460**	171,676
	2,612,076	3,619,091

CONDENSED CONSOLIDATED INTERIM BALANCE SHEET

	Note	As at 30 June 2011 Unaudited (RMB'000)	As at 31 December 2010 Audited (RMB'000)
ASSETS			
Non-current assets			
Property, plant and equipment		**2,880,865**	2,253,235
Land use rights		**2,554,634**	2,283,309
Properties under development		**6,858,183**	5,674,988
Intangible assets		**13,734**	12,017
Investment properties		**5,111,100**	4,997,900
Prepayments for acquisition of properties		**-**	92,820
Interest in an associate		**217,169**	-
Other non-current asset		**-**	1,653,979
Deferred income tax assets		**567,902**	70,346
		18,203,587	17,038,594
Current assets			
Properties under development		**29,774,964**	25,626,102
Completed properties held for sale		**2,647,008**	3,376,142
Prepayments for acquisition of land use rights		**12,230,032**	10,140,836
Trade and other receivables	9	**4,395,537**	2,911,666
Prepaid taxes		**138,669**	104,368
Restricted cash		**2,608,892**	4,198,962
Cash and cash equivalents		**5,028,682**	6,481,663
		56,823,784	52,839,739
Total assets		**75,027,371**	69,878,333
EQUITY			
Capital and reserves attributable to the shareholders of the Company			
Share capital and premium		**3,795,047**	3,795,047
Other reserves		**890,606**	783,320
Retained earnings			
- Proposed dividend		**308,784**	675,874
- Unappropriated retained earnings		**15,110,207**	13,426,841
		20,104,644	18,681,082
Non-controlling interests		**1,907,593**	1,654,077
Total equity		**22,012,237**	20,335,159

CONDENSED CONSOLIDATED INTERIM BALANCE SHEET (Continued)

	Note	As at 30 June 2011 Unaudited (RMB'000)	As at 31 December 2010 Audited (RMB'000)
LIABILITIES			
Non-current liabilities			
Borrowings		**12,769,924**	15,495,769
Convertible Bonds - debt component		**2,177,922**	-
Convertible Bonds - embedded financial derivatives		**941,407**	-
Deferred income tax liabilities		**1,876,520**	2,047,587
		17,765,773	17,543,356
Current liabilities			
Borrowings		**5,945,946**	5,262,251
Trade and other payables	10	**9,383,989**	9,646,258
Advances from customers		**13,221,044**	12,333,749
Current income tax liabilities		**6,698,382**	4,757,560
		35,249,361	31,999,818
Total liabilities		**53,015,134**	49,543,174
Total equity and liabilities		**75,027,371**	69,878,333
Net current assets		**21,574,423**	20,839,921
Total assets less current liabilities		**39,778,010**	37,878,515

Notes:

1 Basis of preparation

This interim financial information for the six months ended 30 June 2011 has been prepared in accordance with Hong Kong Accounting Standard 34 ("HKAS 34") "Interim Financial Reporting". The interim financial information should be read in conjunction with the annual financial statements for the year ended 31 December 2010, which have been prepared in accordance with Hong Kong Financial Reporting Standards (the "HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA").

2 Accounting policies

Except as described below, the accounting policies applied are consistent with those of the annual consolidated financial statements of the Group for the year ended 31 December 2010, as described in those annual consolidated financial statements.

(a) Income taxes

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

(b) Convertible Bonds

The Company issued United States dollars ("USD") denominated convertible bonds (the "Convertible Bonds") which can be converted to ordinary shares of the Company and redeemed under certain circumstances.

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

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

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

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

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

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

(c) Associates

Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting and are initially recognised at cost. The Group's investment in associates includes goodwill identified on acquisition, net of any accumulated impairment loss.

The Group's share of its associates' post-acquisition profits or losses is recognised in the consolidated income statement, and its share of its associates' post-acquisition movements in other comprehensive income is recognised in other comprehensive income. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

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

(d) The following revised standards and amendments to existing standards are effective for the financial year beginning 1 January 2011 and relevant to the Group's operation

- HKAS 24 (Revised), "Related Party Disclosures" is effective for annual period beginning on or after January 2011. It clarifies and simplifies the definition of a related party, and introduces an exemption from all of the disclosure requirements of HKAS 24 for transactions among government related entities and the government. This has no significant impact on the Group's financial statements.

- HKAS 34 (Amendment), "Interim financial reporting" is effective for annual periods beginning on or after 1 January 2011. It emphasises the existing disclosure principles in HKAS 34 and adds further guidance to illustrate how to apply these principles. Greater emphasis has been placed on the disclosure principles for significant events and transactions. Additional requirements cover disclosure of changes to fair value measurement (if significant), and the need to update relevant information from the most recent annual report. The change in accounting policy only results in additional disclosures.

(e) The following new amendments and interpretations to existing standards are effective in 2011 but not relevant to the Group's operations

- HKAS 32 (Amendment), "Classification of rights issues" is effective for annual periods beginning on or after 1 February 2010. This is not currently applicable to the Group, as it has not made any rights issue.

- HK(IFRIC)-Int 14 (Amendment), "Prepayments of a minimum funding requirement" is effective for annual periods beginning on or after 1 January 2011. This is not currently relevant to the Group, as it does not have a minimum funding requirement.

- HK(IFRIC)-Int 19, "Extinguishing financial liabilities with equity instruments" is effective for annual periods beginning on or after 1 July 2010. This is not currently applicable to the Group, as it has no extinguishment of financial liabilities replaced with equity instruments currently.

- HKFRS 1 (Amendment), "Limited exemption from comparative HKFRS 7 disclosures for first-time adopters" is effective for annual periods beginning on or after 1 July 2010. This is not relevant to the Group as it is existing HKFRSs preparer.

- Third improvements to HKFRSs (2010) were issued in May 2010 by the HKICPA, except for amendment to HKAS 34 "Interim financial reporting" as disclosed in note 2(d), all are not currently relevant to the Group. All improvements are effective for annual periods beginning on or after 1 January 2011.

3 Segment information

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

The Group is organised into four business segments: property development, property management, hotel operations and property investment. The associate and joint ventures of the Group are principally engaged in property development and are included in the project development segment. As the Board of Directors of the Company considers most of the Group's consolidated revenue and results are attributable to the market in the PRC and less than 10% of the Group's consolidated assets are located outside the PRC, geographical segment information is not necessary to be prepared.

The Board of Directors of the Company assesses the performance of the operating segments based on a measure of segment results. Fair value gains on embedded financial derivatives and net finance income/costs are not included in the result of each operating segment.

Segment results for the six months ended 30 June 2011 and 2010 are as follows:

Six months ended 30 June 2011

	Property development *(RMB'000)*	Property management *(RMB'000)*	Hotel operations *(RMB'000)*	Property investment *(RMB'000)*	Group *(RMB'000)*
Gross segment sales	11,505,069	203,539	46,886	8,374	11,763,868
Inter-segment sales	-	(47,630)	-	-	(47,630)
Sales to external customers	11,505,069	155,909	46,886	8,374	11,716,238
Segment results	5,458,077	(14,099)	34,864	49,978	5,528,820
Fair value gains on embedded financial derivatives					96,012
Finance income, net					311,425
Profit before income tax					5,936,257
Income tax expenses					(3,324,181)
Profit for the period					2,612,076
Capital expenditure	485,106	2,396	490,303	66,219	1,044,024
Depreciation	19,709	2,358	7,786	-	29,853
Amortisation of land use rights and intangible assets	23,225	5	21,095	-	44,325
Share of post-tax profit of an associate	133,345	-	-	-	133,345
Fair value gains on investment properties	-	-	-	46,981	46,981

Six months ended 30 June 2010

	Property development (RMB'000)	Property management (RMB'000)	Hotel operations (RMB'000)	Property investment (RMB'000)	Group (RMB'000)
Gross segment sales	6,921,969	161,815	24,309	-	7,108,093
Inter-segment sales	-	(27,549)	-	-	(27,549)
Sales to external customers	6,921,969	134,266	24,309	-	7,080,544
Segment results	2,727,236	15,154	(7,533)	3,089,945	5,824,802
Finance costs, net					(13,612)
Profit before income tax					5,811,190
Income tax expenses					(2,192,099)
Profit for the period					3,619,091
Capital expenditure	101,111	1,624	169,479	-	272,214
Depreciation	17,333	2,583	1,539	-	21,455
Amortisation of land use rights and intangible assets	21,554	12	21,541	-	43,107
Fair value gains on investment properties	-	-	-	3,089,945	3,089,945

Segment assets and liabilities as at 30 June 2011 are as follows:

	Property development (RMB'000)	Property management (RMB'000)	Hotel operations (RMB'000)	Property investment (RMB'000)	Elimination (RMB'000)	Group (RMB'000)
Segment assets	64,708,734	345,400	4,527,556	5,111,100	(371,990)	74,320,800
Unallocated assets						706,571
Total assets						75,027,371
Segment liabilities	19,178,735	377,667	2,871,769	548,852	(371,990)	22,605,033
Unallocated liabilities						30,410,101
Total liabilities						53,015,134

Segment assets and liabilities as at 31 December 2010 are as follows:

	Property development (RMB'000)	Property management (RMB'000)	Hotel operations (RMB'000)	Property investment (RMB'000)	Elimination (RMB'000)	Group (RMB'000)
Segment assets	60,840,025	255,483	3,946,093	5,000,219	(338,201)	69,703,619
Unallocated assets						174,714
Total assets						69,878,333
Segment liabilities	19,292,155	277,682	2,316,178	432,193	(338,201)	21,980,007
Unallocated liabilities						27,563,167
Total liabilities						49,543,174

Segment assets and liabilities as at 30 June 2011 and 31 December 2010 are reconciled to total assets and liabilities as follows:

	30 June 2011		31 December 2010	
	Assets (RMB'000)	**Liabilities (RMB'000)**	Assets (RMB'000)	Liabilities (RMB'000)
Segment assets/liabilities	**74,320,800**	**22,605,033**	69,703,619	21,980,007
Unallocated:				
Deferred income taxes	**567,902**	**1,876,520**	70,346	2,047,587
Prepaid taxes	**138,669**	**-**	104,368	-
Current income taxes	**-**	**6,698,382**	-	4,757,560
Current borrowings	**-**	**5,945,946**	-	5,262,251
Non-current borrowings	**-**	**12,769,924**	-	15,495,769
Convertible Bonds - debt component	**-**	**2,177,922**	-	-
Convertible Bonds - embedded financial derivatives	**-**	**941,407**	-	-
Total	**75,027,371**	**53,015,134**	69,878,333	49,543,174

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

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

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

Segment liabilities comprise operating liabilities. Unallocated liabilities comprise taxation, borrowings and Convertible Bonds.

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

4 Other income

	Six months ended 30 June	
	2011	2010
	(RMB'000)	*(RMB'000)*
Interest income of bank deposits	**76,534**	30,531
Forfeited deposits from customers	**2,436**	4,795
Rental income	**-**	8,994
Miscellaneous	**10,305**	9,941
	89,275	54,261

5 Finance income/(costs), net

	Six months ended 30 June	
	2011	2010
	(RMB'000)	*(RMB'000)*
Interest expenses:		
- Bank loans	**(369,672)**	(247,761)
- Senior notes	**(299,457)**	(331,210)
- Other borrowings	**(138,078)**	-
- Convertible Bonds	**(49,652)**	-
Exchange gains from borrowings and Convertible Bonds	**311,425**	60,036
Less: interest capitalised	**856,859**	505,323
	311,425	(13,612)

6 Income tax expenses

	Six months ended 30 June	
	2011	2010
	(RMB'000)	*(RMB'000)*
Current income tax		
- PRC corporate income tax	**1,645,511**	712,590
- PRC land appreciation tax	**2,131,652**	903,479
- Withholding income tax	**215,641**	-
Deferred income tax		
- PRC corporate income tax	**(668,623)**	576,030
	3,324,181	2,192,099

PRC corporate income tax

PRC corporate income tax is provided for on 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 land use rights and expenditures directly related to property development activities.

PRC withholding income tax

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

7 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 period.

	Six months ended 30 June	
	2011	2010
Profit attributable to shareholders of the Company *(RMB'000)*	**2,091,616**	3,447,415
Weighted average number of ordinary shares in issue *(thousands)*	**3,472,722**	3,501,544
Basic earnings per share *(RMB per share)*	**0.602**	0.985

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

	Six months ended 30 June	
	2011	2010
Profit attributable to shareholders of the Company *(RMB'000)*	**2,091,616**	3,447,415
Interest expenses charged to the income statement for the period (RMB'000)	**-**	-
Fair value gains on embedded financial derivatives *(RMB'000)*	**(96,012)**	-
Profit used to determine diluted earnings per share *(RMB'000)*	**1,995,604**	3,447,415
Weighted average number of ordinary shares in issue *(thousands)*	**3,472,722**	3,501,544
Assumed conversion of Convertible Bonds *(thousands)*	**76,263**	-
Weighted average number of ordinary shares for diluted earnings per share *(thousands)*	**3,548,985**	-
Diluted earnings per share *(RMB per share)*	**0.562**	0.985

8 Investment properties

	Six months ended 30 June	
	2011	2010
	(RMB'000)	*(RMB'000)*
Opening net book amount	**4,997,900**	-
Additions	**66,219**	-
Reclassification of property under development and completed properties held for sale to investment properties	**-**	1,731,655
Fair value gains on investment properties	**46,981**	3,089,945
Closing net book amount	**5,111,100**	4,821,600

9 Trade and other receivables

	30 June 2011	31 December 2010
	(RMB'000)	*(RMB'000)*
Trade receivables (note (a))	**985,057**	1,512,143
Other receivables		
- Third parties	**734,977**	486,081
- An associate	**1,522,104**	-
Prepaid business taxes and other taxes	**509,839**	329,964
Deposits for acquisition of land use rights	**505,920**	557,443
Prepayments	**137,640**	26,035
	4,395,537	2,911,666

As at 30 June 2011, 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 or mortgage agreements with the banks. As at 30 June 2011 and 31 December 2010, the ageing analysis of the trade receivables is as follows:

	30 June 2011	31 December 2010
	(RMB'000)	*(RMB'000)*
Within 90 days	**722,759**	1,359,138
Over 90 days and within 365 days	**262,298**	153,005
	985,057	1,512,143

As at 30 June 2011, trade receivables of RMB233,901,000 (31 December 2010: RMB70,155,000) were past due but not impaired. These accounts are related to a number of customers who did not have a recent history of default. The ageing analysis of these trade receivables is as follows:

	30 June 2011	31 December 2010
	(RMB'000)	*(RMB'000)*
Over 90 days and within 365 days	**233,901**	70,155

10 Trade and other payables

	30 June 2011 *(RMB'000)*	31 December 2010 *(RMB'000)*
Trade payables (note (a))	**6,677,160**	6,604,515
Other payables due to:		
- Related parties	**454,067**	710,417
- Third parties (note (b))	**1,312,154**	1,251,338
Payables of other surcharges related to sales of properties	**435,078**	451,605
Staff welfare benefits payable	**23,548**	29,005
Accruals	**363,828**	352,502
Other taxes payable	**118,154**	246,876
	9,383,989	9,646,258

Notes:

(a) The ageing analysis of trade payables of the Group as at 30 June 2011 and 31 December 2010 is as follows:

	30 June 2011 *(RMB'000)*	31 December 2010 *(RMB'000)*
Within 90 days	**5,116,217**	5,643,242
Over 90 days and within 180 days	**791,490**	243,484
Over 180 days and within 365 days	**286,458**	553,945
Over 365 days	**482,995**	163,844
	6,677,160	6,604,515

(b) A local government appointed the Group to carry out a project of land clearance and primary infrastructure construction for the local government. The government shall make progress payments to the Group, which are non interest bearing, and the construction cost incurred by the Group will be reimbursed or off set against the progress payments of the government on an actual basis. As at 30 June 2011, the project was in progress. The advances received from the government after net off the relevant construction cost incurred, which amounted to approximately RMB599,306,000 (31 December 2010: RMB602,622,000), was recognised as other payables.

11 Comparative figures

In the year ended 31 December 2010, the Group changed its accounting policy for land use rights relating to properties developed for sales. Pursuant to the change of accounting policy, land use rights relating to properties developed for sale are regarded as part of the inventories and are no longer amortised. The change in accounting policy has no material impact to the profit of the Group for the year ended 31 December 2010 or in the prior years, and therefore no retrospective adjustment has been made. This accounting policy of land use rights has been consistently applied to the financial information for the six months ended 30 June 2010 included in this interim results announcement.

MANAGEMENT DISCUSSION AND ANALYSIS

Overall performance

During the review period, the Group's turnover was approximately RMB11,716 million (the corresponding period in 2010: RMB7,081 million), representing an increase of 65.5% when compared with the corresponding period of last year. The operating profit was approximately RMB5,395 million (the corresponding period in 2010: RMB5,825 million), representing a decrease of 7.4% when compared with the corresponding period of last year. Profit attributable to shareholders was approximately RMB2,092 million (the corresponding period in 2010: RMB3,447 million), representing a decrease of 39.3%. Basic earnings per share was RMB0.602 (the corresponding period in 2010: RMB0.985), representing a decrease of 38.9%. Excluding after-tax fair value gains on investment properties, the profit attributable to shareholders was approximately RMB2,059 million, representing an increase of 76.3% when compared with the corresponding period of last year. Basic earnings per share excluding after-tax fair value gains on investment properties was RMB0.593 (the corresponding period in 2010: RMB0.334), representing an increase of 77.5% when compared with the corresponding period of last year.

Land bank

The Group continued to undertake appropriate expansion and adjustment of its land portfolio in accordance with its development needs and the market conditions. As at 17 August 2011, the Group owned a diversified portfolio of 70 projects at various stages of development in 26 different cities and districts across China, located in Pearl River Delta Region, Eastern Guangdong Region, Yangtze River Delta Region, Western China Region, Hainan Province Region, Northeast China Region and Northern China Region. The Group has a land bank with a total GFA of approximately 32.13 million sq.m., which is sufficient to cope with the development needs for the next 8 to 10 years.

During the review period, the Group acquired land sites with a total GFA of 609,588 sq.m.. These newly acquired sites are located in Sanshui, Xi'an and Ding'an County, Hainan Province.

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

Site Name	City/District	GFA (sq.m.)
Pearl River Delta Region		
Site in Gaofeng Village, Sanshui	Sanshui	183,986
Western China Region		
Site in Changan District, Xi'an	Xi'an	369,505
Hainan Province Region		
Site in Nanli Lake, Ding'an County	Ding'an	56,097
Total (As at 30 June 2011)		**609,588**

Property development and sales

During the review period, the Group's total recognised GFA sold was approximately 1,064,939 sq.m. and the corresponding total recognised sales was approximately RMB11,505 million, representing an increase of 24.9% and 66.2% respectively when compared with the corresponding period in 2010. The total recognised sales in Zhongshan was approximately RMB2,195 million, accounting for 19.1% of the total recognised sales and representing a decrease of 3.0% when compared with the corresponding period of last year. The total recognised GFA sold in Zhongshan amounted to 287,941 sq.m., representing a decrease of 13.5% when compared with the corresponding period in 2010.

The total recognised sales in Guangzhou was approximately RMB1,003 million, accounting for 8.7% of the total recognised sales and representing a decrease of 4.0% when compared with the corresponding period of last year. The total recognised GFA sold in Guangzhou amounted to 121,335 sq.m., representing an increase of 67.6% when compared with the corresponding period in 2010.

The total recognised sales in Nanhai, Foshan, Sanshui and Shunde was approximately RMB1,315 million, accounting for 11.4% of the total recognised sales and representing an increase of 108% when compared with the corresponding period of last year. The total recognised GFA sold in Nanhai, Foshan, Sanshui and Shunde amounted to 185,633 sq.m., representing an increase of 73.6% when compared with the corresponding period in 2010.

The total recognised sales in Eastern Guangdong (such as Heyuan) was approximately RMB314 million, accounting for 2.7% of the total recognised sales and representing a decrease of 14.6% when compared with the corresponding period of last year. The total recognised GFA sold in Eastern Guangdong amounted to 72,572 sq.m., representing a decrease of 32.6% when compared with the corresponding period in 2010.

The total recognised sales in Western China (such as Chengdu, Chongqing and Xi'an) was approximately RMB378 million, accounting for 3.3% of the total recognised sales and representing a decrease of 60.1% when compared with the corresponding period of last year. The total recognised GFA sold in Chengdu, Chongqing and Xi'an amounted to 52,597 sq.m., representing a decrease of 70.2% when compared with the corresponding period in 2010.

The total recognised sales in Nanjing was approximately RMB609 million, accounting for 5.3% of the total recognised sales and representing an increase of 21 times when compared with the corresponding period of last year. The total recognised GFA sold in Nanjing amounted to 32,391 sq.m., representing an increase of 14.6 times when compared with the corresponding period in 2010.

The total recognised sales in Hainan Clearwater Bay was approximately RMB5,690 million, accounting for 49.5% of the total recognised sales and representing an increase of 2.5 times when compared with the corresponding period of last year. The total recognised GFA sold in Hainan Clearwater Bay amounted to 312,470 sq.m., representing an increase of 4.8 times when compared with the corresponding period in 2010.

During the review period, the recognised average selling price of the Group's projects on sale increased by 33% to RMB10,803 per sq.m. in the first half of 2011 from RMB8,122 per sq.m. in the corresponding period in 2010.

The following table indicates the recognised GFA sold and recognised sales of each project as at 30 June 2011:

Project Name	City/District	Recognised GFA sold (sq.m.)	Recognised Sales (RMB'000)	Recognised Average Selling Price (RMB per sq.m.)
Pearl River Delta Region				
Agile Garden Guangzhou	Panyu	3,517	37,090	10,546
Hongxi Huating Panyu	Panyu	2,377	3,620	1,523
Agile Cambridgeshire Guangzhou	Panyu	3,425	95,458	27,871
South Lagoon Guangzhou	Baiyun	125	1,399	11,192
Royal Hillside Villa Guangzhou	Baiyun	2,206	24,484	11,099
Agile Garden Huadu	Huadu	107,992	835,039	7,732
Agile Binjiang Garden Conghua	Conghua	1,693	6,323	3,735
Metro Agile Zhongshan	Zhongshan	12,059	66,597	5,523
Agile Royal Mount Zhongshan	Zhongshan	120,463	749,762	6,224
The Century Zhongshan	Zhongshan	83,517	571,384	6,842
Agile Xiyue Zhongshan	Zhongshan	27,053	309,190	11,429
La Cité Greenville Zhongshan	Zhongshan	29,103	444,657	15,279
Agile Garden Dachong Zhongshan	Zhongshan	13,694	47,625	3,478
Majestic Garden Zhongshan	Zhongshan	837	2,145	2,563
Grand Garden Zhongshan	Zhongshan	1,215	3,816	3,141
Majestic Garden Nanhai	Nanhai	5,841	21,538	3,687
Agile Garden Foshan	Foshan	35,401	342,119	9,664
Agile Garden Sanshui	Sanshui	38,471	202,913	5,274
Agile Garden Shunde	Shunde	105,920	748,519	7,067
Subtotal		**594,909**	**4,513,678**	**7,587**
Eastern Guangdong Region				
Agile Garden Heyuan	Heyuan	72,572	314,056	4,328
Western China Region				
Agile Garden Chengdu	Chengdu	47,063	350,497	7,447
Agile International Garden Chongqing	Chongqing	1,448	9,077	6,269
Agile Garden Xi'an	Xi'an	4,086	18,887	4,622
Subtotal		**52,597**	**378,461**	**7,195**
Yangtze River Delta Region				
Agile Garden Nanjing	Nanjing	32,391	608,825	18,796
Hainan Province Region				
Hainan Clearwater Bay	Hainan	312,470	5,690,049	18,210
Total		**1,064,939**	**11,505,069**	**10,803**

Investment properties

To continue with the prudent development strategy of the Group and to further diversify the business portfolio so as to generate a stable income for the Group, the Group has designated certain properties as properties held for rental yields or intended to be held for future capital appreciation purpose. The fair value gains of these properties amounted to approximately RMB47 million and the related deferred income tax charged for the period was approximately RMB12 million.

Hotel operations

The Group continued to develop its hotel business in a prudent and cautious manner with a view to developing a diversified business portfolio and generating a stable and reliable revenue stream for the Group. During the review period, the hotel operations segment of the Group recorded a revenue of approximately RMB47 million, representing an increase of 92.9% when compared with the corresponding period in 2010, which was primarily attributable to the revenues generated from Guangzhou Agile Hotel and Foshan Agile Hotel. Shanghai Marriott Hotel City Centre, which was undergoing interior fitting-out works, is expected to open in the second half of 2011. The main structures of Raffles Sanya Clearwater Bay and Sheraton Egret Lake Resort Huizhou have been topped out and are planned to open in 2012. Meanwhile, a number of other hotels and ancillary facilities of the Group are under different stages of development and will be put into operation over the next few years. It is expected that these hotels and auxiliaries will generate a stable cash flow for the Group in the long run.

Property management

The Group provides residents with safe, modern, comfortable, convenient and excellent property management services, the quality of which has been accredited with the ISO9001 International Quality System Certificate. During the review period, the property management companies of the Group recorded property management fee income of approximately RMB156 million, representing an increase of 16.1% when compared with the corresponding period in 2010, which was mainly attributable to the increase in GFA managed. During the review period, the property management companies of the Group managed a total GFA of approximately 13.28 million sq.m. in Mainland China (the corresponding period in 2010: 11.22 million sq.m.).

With 19 years of experience in housing property management driven with the "Customer-oriented" service philosophy, the Group emphasised on communication with the residents in order to collect their opinions and to improve the quality of our services. During the review period, the property companies had organised several different exciting cultural activities in the community and published the quarterly magazine "Agile Property Club" for residents. In addition, the centralised property management software system was fully implemented at all the projects managed in China and will further optimise the effectiveness in management in order to support the sustainable development of the Group.

Cost of sales

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

Cost of sales increased by 60.2% to approximately RMB5,571 million in first half of 2011 from approximately RMB3,478 million in the corresponding period in 2010. The increase in the cost of sales was in line with the increase in the corresponding turnover (the turnover for the corresponding period increased by 65.5%).

Gross profit

Gross profit of the Group (before the provision for land appreciation tax) increased by 70.6% to approximately RMB6,145 million in the first half of 2011 from approximately RMB3,602 million in the corresponding period in 2010. Gross profit margin increased to 52.4% in first half of 2011 from 50.9% in the corresponding period in 2010. The significant increase was attributable to changes in product mix of the Group during the period, which led to (i) the higher overall average selling price than that in the corresponding period in 2010; (ii) the relatively higher gross profit margin in Hainan Clearwater Bay Project; and (iii) further improvement in the control of development and construction management cost.

Fair value gains on investment properties

During the review period, the Group recorded fair value gains on investment properties of approximately RMB47 million. After deducting the amount of approximately RMB12 million for deferred income tax on fair value gains, after-tax fair value gains were approximately RMB35 million.

Other income

Other income of the Group increased by 64.5% to approximately RMB89 million in the first half of 2011 from approximately RMB54 million in the corresponding period in 2010 which was mainly due to increases in interest income of bank deposits in the first half of 2011.

Selling and marketing costs

Selling and marketing costs of the Group increased by 30.3% to approximately RMB329 million in the first half of 2011 from approximately RMB252 million in the corresponding period in 2010, which was mainly attributable to the increase in related promotional expenses for launching the development projects, such as Hainan Clearwater Bay, Agile Cambridgeshire Guangzhou, Agile Royal Mount Zhongshan and Agile Garden Shunde, etc. Meanwhile, in response to the property market needs and promote the brand image, the Group increased its input in regular advertisement in 2011, which led to an increase in the advertising cost by 25% to approximately RMB234 million in the first half of 2011 from approximately RMB187 million in the corresponding period in 2010.

Administrative expenses

Administrative expenses of the Group increased by 16.2% to approximately RMB406 million in the first half of 2011 from approximately RMB349 million in the corresponding period in 2010, which was mainly attributable to the optimisation of Group's overall staff's salary and welfare and the recruitment all aspects of talented people to cope with the growth. Accordingly, administrative salaries increased by 28.5% to approximately RMB206 million in the first half of 2011 from approximately RMB160 million in the corresponding period in 2010.

Other expenses

During the review period, other expenses of the Group decreased by 79.9% to approximately RMB59 million in the first half of 2011 from approximately RMB293 million in the corresponding period in 2010, which was mainly attributable to the premium of approximately RMB185 million paid for early redemption of 9% senior notes in the aggregate principal amount of US$400 million due by 2013 in the first half of 2010. On the other hand, donations decreased by 15.3% to approximately RMB48 million in the first half of 2011 from approximately RMB56 million in the corresponding period in 2010.

Share of post-tax profit of an associate

During the review period, the share of post-tax profit of an associate of the Group was approximately RMB133 million, which was attributable to the Group for holding 20% profit of Guangzhou Li He Property Development Company Limited (廣州利合房地產開發有限公司) (an associate of the Group).

Fair value gains on embedded financial derivatives

On 28 April 2011, the Group issued 4% convertible bonds in the aggregate principal amount of US$500 million (equivalent to approximately RMB3,253 million) due by 2016, of which the gains from changes in fair value of embedded financial derivatives was approximately RMB96 million in the first half of 2011.

Profit attributable to shareholders

Profit attributable to shareholders was approximately RMB2,092 million (the corresponding period in 2010: RMB3,447 million), representing a decrease of 39.3%. Excluding after-tax fair value gains on investment properties, the profit attributable to shareholders was approximately RMB2,059 million, representing an increase of 76.3% when compared with the corresponding period in 2010.

Liquidity, financial and capital resources

Cash position and fund available

As at 30 June 2011, the total cash and bank deposits of the Group were approximately RMB7,638 million (31 December 2010: RMB10,681 million), among which the non-restricted cash was approximately RMB5,029 million (31 December 2010: RMB6,482 million).

As at 30 June 2011, the carrying amount of the restricted cash was approximately RMB2,609 million (31 December 2010: RMB4,199 million).

As at 30 June 2011, the available credit limit granted by banks was approximately RMB22,400 million (31 December 2010: RMB20,900 million).

The undrawn borrowing facilities at 30 June 2011 was approximately RMB1,927 million (31 December 2010: RMB1,716 million).

Borrowings

On 28 April 2011, the Company succeeded in issuing 4% convertible bonds in the aggregate principal amount of US$500 million (equivalent to approximately RMB3,253 million) due by 2016.

As at 30 June 2011, the bank borrowings, senior notes, debt component of convertible bonds and other borrowings of the Group was approximately RMB10,137 million, RMB5,990 million, RMB2,178 million and RMB2,589 million respectively.

Repayment schedule	**As at 30 June 2011 (RMB million)**	As at 31 December 2010 (RMB million)
Bank borrowings		
Within 1 year	**4,953**	5,262
Over 1 year and within 2 years	**1,544**	2,782
Over 2 year and within 5 years	**2,535**	3,538
Over 5 years	**1,105**	905
Subtotal	**10,137**	12,487
Senior notes		
Over 5 years	**5,990**	6,120
Convertible bonds		
Over 2 years and within 5 years	**2,178**	-
Other borrowings		
Within 1 year	**993**	-
Over 1 year and within 2 years	**1,596**	2,151
Subtotal	**2,589**	2,151
Total	**20,894**	20,758

As at 30 June 2011, the Group's bank borrowings and other borrowings of approximately RMB4,365 million were secured by the Group's land use rights, investment properties and completed properties held for sale, and bank borrowings of approximately RMB436 million were secured by the Group's bank deposits. The offshore loans, senior notes and convertible bonds were jointly and severally guaranteed by certain subsidiaries of the Group and were secured by the pledges of their shares. The net assets of these subsidiaries were approximately RMB5,284 million as at 30 June 2011.

The Group conducts its business almost exclusively in Renminbi. Other than the foreign currency denominated bank deposits, the convertible bonds, the senior notes and the bank loans denominated in US dollar, the Group does not have any material exposure directly due to foreign exchange fluctuations.

Financial indicators

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

Key indicators of Corporate Credit Ratings	**30 June 2011**	31 December 2010
Fixed charge coverage ratio (times) (Note 1)	**6.6**	5.9
The ratio of net debt* to EBITDA** (times) (Note 2)	**1.2**	1.3
Net debt to total equity ratio (%) (Note 3)	**60.2**	49.6

Notes:

(1) Fixed charge coverage ratio (calculated by the EBITDA over the total interest of bank loans, senior notes, convertible bonds and other loans) was 6.6 times for the six months ended 30 June 2011, reflecting the Group has sufficient cash flow and profits to pay the interest expenses.

(2) The ratio of net debt to EBITDA (calculated by the net debt over the annualised EBITDA) was 1.2 times as at 30 June 2011, reflecting the Group has adequate repayment ability.

(3) Net debt to total equity ratio (calculated by the net debt over the total equity) was 60.2% as at 30 June 2011, demonstrating that the Group's gearing ratio is at a reasonable level.

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

** The calculation of earnings before interest, taxation, depreciation and amortisation (EBITDA) excluded fair value gains on investment properties. During the review period, the EBITDA was approximately RMB5,633 million, after annualised was approximately 11,266 million (2010: RMB7,669 million).

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

Cost of borrowings

During the review period, the total cost of borrowings of the Group was approximately RMB857 million, representing an increase of approximately RMB278 million when compared with the corresponding period in 2010. The increase was mainly attributable to higher average balance of bank borrowings in the first half of 2011 and the rise in interest rate in PRC loan market.

Contingencies

The Group has in cooperation with certain financial institutions arranged mortgage loan facility for its purchasers of property and provided guarantees to secure obligations of such purchasers for repayments. As at 30 June 2011, the outstanding guarantees were approximately RMB13,960 million (31 December 2010: RMB13,092 million). Such guarantees will be discharged upon the earlier of (i) issuance of the real estate ownership certificate which will generally be available within one year after the purchasers take possession of the relevant property; or (ii) the satisfaction of relevant mortgage loan by the purchasers.

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

In addition, as at 30 June 2011, the Group provided a guarantee of approximately RMB923 million (31 December 2010: RMB1,025 million) in respect of the bank borrowings by Guangzhou Li He Property Development Company Limited (廣州利合房地產開發有限公司) (an associate of the Group), representing its shareholding ratio of 20%.

Return on equity

Return on equity is calculated by dividing the profit attributable to shareholders of the Company by the capital and reserves attributable to shareholders of the Company. Excluding fair value gains on investment properties, the return on equity for the first half of 2011 was 10.3% (the corresponding period in 2010: 8.5%). Including fair value gains on investment properties, the return on equity was 10.4% (the corresponding period in 2010: 21.4%).

Commitments

As at 30 June 2011, commitments of the Group in connection with the property development activities were approximately RMB18,561 million (31 December 2010: RMB15,617 million). The Group has committed the land premium on land acquisitions which was approximately RMB208 million (31 December 2010: RMB4,732 million).

Human resources

As at 30 June 2011, the Group had a total of 10,607 employees, among which 393 were senior management and 870 were middle management. By geographical locations, there were 10,532 employees in the Mainland China and 75 employees in Hong Kong and Macau. For the period ended 30 June 2011, the total remuneration costs, including directors' remuneration, were RMB465 million (the corresponding period in 2010: RMB300 million).

INTERIM DIVIDEND

The Board declared an interim dividend of HK10.8 cents (2010: HK6.1 cents) per share payable in cash to shareholders.

CLOSURE OF REGISTER OF MEMBERS

The Company's register of members will be closed from Wednesday, 14 September 2011 to Friday, 16 September 2011 (both dates inclusive), during such period no transfer of shares will be effected. To qualify for the interim dividend, all properly completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Hong Kong for registration not later than 4:00 pm on Monday, 12 September 2011.

Interim dividend will be payable to those shareholders whose names appear on the Company's register of members on Friday, 16 September 2011 on or about Tuesday, 27 September 2011.

AUDIT COMMITTEE

The Company's audit committee had reviewed the unaudited consolidated financial statements of the Group for the six months ended 30 June 2011, and reviewed with the management of the Group regarding the accounting principles and practices adopted by the Group, and discussed with them the internal controls and financial reporting matters.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted its own code for securities transactions by directors ("Securities Dealing Code for Directors") on terms no less exacting than those criteria set out in the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix 10 of the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") as the code for Directors in dealings with the securities of the Company. After the inquiries made, each of the Directors has confirmed that he or she complied with the Securities Dealing Code for Directors during the six months ended 30 June 2011.

COMPLIANCE WITH THE CODE ON 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 2011.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the six months ended 30 June 2011.

PUBLICATION OF INTERIM RESULTS AND INTERIM REPORT ON THE WEBSITES OF THE HONG KONG STOCK EXCHANGE, SINGAPORE STOCK EXCHANGE AND THE COMPANY

This interim results announcement is published on the websites of the Stock Exchange (www.hkex.com.hk), Singapore Stock Exchange (www.sgx.com) and the Company (www.agile.com.cn). The interim report of the Company for the six months ended 30 June 2011 containing all the information required by the Listing Rules will be dispatched 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 are executive Directors; and Dr. Cheng Hon Kwan, Mr. Kwong Che Keung, Gordon and Mr. Cheung Wing Yui are independent non-executive Directors.

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

Hong Kong, 18 August 2011