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 2012

HIGHLIGHTS

Financial Highlights

	For the six months ended 30 June		
	2012	2011	Change
Revenue *(RMB million)*	**11,848**	11,716	+1.1%
Gross profit *(RMB million)*	**5,364**	6,145	-12.7%
Gross profit margin *(%)*	**45.3%**	52.4%	-7.1 percentage points
Profit attributable to shareholders of the Company *(RMB million)*	**2,070**	2,092	-1.0%
Net profit margin (including after-tax fair value gains on investment properties) *(%)*	**18.2%**	22.3%	-4.1 percentage points
Net profit margin (excluding after-tax fair value gains on investment properties) *(%)*	**17.9%**	22.0%	-4.1 percentage points
Interim dividend per share *(HK cents)*	**14.5**	10.8	+34.3%

Operation Highlights

- As at 16 August 2012, the Group had a land bank of total GFA of 31.73 million sq.m. in 27 different cities and districts in China. Average land cost was RMB1,293 per sq.m. only.

- During the Review Period, the Group acquired a number of land parcels in Chongqing, Wenchang, Xi'an and Zhengzhou. Total GFA of those pieces of land was 1.06 million sq.m.. As at 30 June 2012, the Group's outstanding land premium payable was RMB821 million and is expected to be fully paid by the end of 2013.

- During the Review Period, newly commenced GFA and completed GFA of the Group reached 1.70 million sq.m. and 1.15 million sq.m. respectively. As at 30 June 2012, completed GFA in the land bank and GFA under development of the Group were 1.08 million sq.m. and 7.76 million sq.m. respectively.

- During the Review Period, the Group had a total of 42 projects on sale in 18 different cities and districts in China, in which Agile Garden City South Panyu is a new project launched for sale. The Group's contracted sales was RMB14,060 million, contracted GFA sold was 1.415 million sq.m. and contracted average selling price was RMB9,939 per sq.m..

- Agile International Plaza Shanghai, the Group's first commercial project in Shanghai, commenced soft opening in July 2012.

- During the Review Period, the Company issued US$700 million 9.875% senior notes due 2017. The issuance received overwhelming response with 9 times oversubscription.

- As at 30 June 2012, the total cash and bank balances of the Group were RMB12,131 million, while the undrawn borrowing facilities were RMB1,849 million.

CHAIRMAN'S STATEMENT

Dear shareholders

I am pleased to present the interim results of Agile Property Holdings Limited ("Agile" or the "Company") and its subsidiaries (collectively, the "Group") for the six months ended 30 June 2012 ("Review Period").

Results and dividends

For the Review Period, the revenue of the Group was RMB11,848 million which was comparable with the corresponding period of last year. Gross profit was RMB5,364 million, representing a decrease of 12.7% over the corresponding period of last year. Profit attributable to shareholders of the Company was RMB2,070 million which was comparable with the corresponding period of last year. Net profit margin excluding after-tax fair value gains on investment properties was 17.9%, representing a decrease of 4.1 percentage points when compared with the corresponding period of last year.

The board of directors of the Company (the "Board") has declared an interim dividend of HK14.5 cents per share for the year ending 2012, representing an increase of 34.3% when compared with the corresponding period of last year. We believe that we have achieved a balance between the Group's business development needs and shareholders' investments return.

Market and business review

In the first half of 2012, external factors including the eurozone sovereign debt crisis and the continued slowdown in the global economy were still lingering cast a relatively strong wait-and-see sentiment. Market conditions still remained challenging under the control measures of the Central Government despite the moves of The People's Bank of China to relax monetary policies by lowering the reserve requirement ratio twice and cutting deposit and lending interest rates.

Adhering to its operation philosophy of "Stability, Prudence, Sustainability", the Group continued to seek growth while maintaining a sound position. Capitalising on the strength of its 20 years of professional experience in property development, well-qualified management team, stable and long-term business partners, excellent brand name, highly competitive products, sound financial base as well as ample and superior land bank, the Group kept a close watch on the market development, adopted a flexible development strategy and seized opportunities that arose during the first half of the year. As a result, apart from satisfactory results the Group also received a number of widely recognised honours and awards, including "Corporate Governance Asia Annual Recognition Award", "Best Investor Relations (China)" and "Best Investor Relations Website/Promotion" from Corporate Governance Asia magazine. In addition, Hainan Clearwater Bay had won the "Five Star Award" at the International Property Awards Asia Pacific 2012-2013 in the "Best Development Multiple Units, China" category, being the first Mainland Chinese property project be granted this award.

Improved geographic diversification bringing satisfactory sales results

The Group has further improved its geographical diversification strategy and had thereby managed effectively operational risk resulting from the volatility in regional markets. During the Review Period, the Group had 42 projects on sale located in 18 different cities and districts, in which Agile Garden City South Panyu is a new project launched for sale. During the Review Period, the contracted sales of the Group amounted to RMB14,060 million. Among which contracted sales in Guangzhou, Zhongshan and Hainan districts each accounted for 28%, 22% and 28% of the Group's contracted sales, whereas Western China and Yangtze River Delta, Foshan and Eastern Guangdong each accounted for 9%, 9% and 4% of the Group's contracted sales respectively. The Group's contracted GFA sold reached 1.415 million sq.m. and the contracted average selling price was RMB9,939 per sq.m..

During the Review Period, the overall sales performance of the Group was in line with expectation. A number of projects have achieved encouraging sales results. They include Hainan Clearwater Bay, Agile International Garden Chongqing, Agile Cambridgeshire Guangzhou, Agile Garden City South Panyu, Agile Yorkshire Zhongshan, The Century Zhongshan, Imperial Palace Nanhai and Agile Yubinfu Zengcheng. Agile Cambridgeshire Guangzhou was ranked the best selling project in Guangzhou.

A diversified business portfolio to generate steady revenues and disperse operational risks

As part of its commitment to build an extensive and diversified business portfolio to generate a steady revenue stream and to minimise operational risks, the Group continued its development in commercial properties but in a prudent manner. These properties including hotels, shops and shopping malls have brought a synergistic effect to the value of property development projects of the Group.

Currently, the Group has 5 hotels in operation, which recorded steady occupancy rates during the Review Period. Revenue from hotel operations surged 1.85 times over the corresponding period of last year. In addition, more than 10 hotels are either under construction or planning. They will become the new drive of the Group's revenue, optimise the financing channels and enhance the value of the nearby housing. Among which, Raffles Sanya Clearwater Bay and Sheraton Egret Lake Resort Huizhou are undergoing decoration.

As for property investment, Xiqiao Metropolis Plaza and Agile International Plaza Shanghai have been put into operation and are expected to bring steady rental income for the Group. In addition, the Group has a total of 3 major projects either under construction or being offered for leasing, including shopping centres and an office building.

Seeking quality land to replenish its land bank prudently

The Group has been replenishing its land bank strategically to support its strategic geographical diversification while maintaining a sound financial position. The Group's land bank is sufficient for its development needs in the coming years.

As at 16 August 2012, the Group had a land bank of total GFA of 31.73 million sq.m. in 27 different cities and districts in China. Average land cost was RMB1,293 per sq.m. only.

Newly commenced GFA and completed GFA of the Group during the Review Period were 1.70 million sq.m. and 1.15 million sq.m. respectively. As at 30 June 2012, the Group's completed GFA in the lank bank was 1.08 million sq.m. and the GFA under development was 7.76 million sq.m..

Stable financial position and flexible financing strategy

The Group insists on implementing a prudent financial strategy. By multi-channel financing, financial structure optimisation and strengthening of working capital, the Group maintained a stable and sufficient cash flow to capitalise on investment opportunities when appropriate in order to generate greater returns for shareholders. The sound financial position and prospects of the Group are widely recognised by rating agencies. Moody's Investors Service, Inc. and Standard & Poor's Ratings Services maintained their credit ratings on the Group and its bonds at "Ba2" and "BB" respectively (both with a "Stable" outlook), one of the best in the industry.

During the Review Period, the Company issued US$700 million 9.875% senior notes due 2017. Response from the investors was overwhelming with 9 times oversubscription received, signalling a high degree of market confidence in the prospect of the Group.

High level of corporate transparency and multi-channel investor relations

The Group upholds the belief of "mutual communication to achieve a win-win situation" for investor relations. We firmly believe that effective investor relations help to promote the understanding and recognition of the Group among investors as well as enhancing corporate transparency and corporate governance.

The Group promotes efficient investor relations by establishing highly effective system for communication with investors. For this purpose, the Group communicated with over 1,000 investors and analysts by holding various activities during the Review Period, including organising results announcement presentations, conducting 9 road shows at home and abroad, attending 13 investor summits or seminars held by well-known investment banks or securities dealers at home and abroad, holding 67 meetings and conference calls with investors and arranging 29 project site visits. The Group has also taken a proactive approach to maintaining a long-lasting, stable and favourable relation with various intermediary institutions in the capital market, thereby expanding its financing channels and reducing financing costs.

A responsible corporate citizen

As a responsible corporate citizen, the Group has long held the belief of "benefiting from the society, giving back to society" and has integrated it into its corporate culture. While maintaining steady business growth, the Group also took initiatives to shoulder social responsibilities and obligations.

During the Review Period, the Group donated RMB30 million and RMB10 million to the Charitable Society of Meizhou, Guangdong and Chinese Language and Culture Education Foundation of China respectively. All of the 16 schools which the Group sponsored following the Sichuan earthquake have been put into use. Moreover, as the China Partners' Sponsor of World Vision Hong Kong, the Group gave full support to "30 Hour Famine" of World Vision as the Chief Sponsor in Hong Kong and Macau for the third consecutive year and encouraged its employees to take an active part in the activity.

The Group's efforts in respect of corporate social responsibility have been recognised and affirmed. During the Review Period, the Group received the "China Charity Awards" from the Ministry of Civil Affairs of the People's Republic of China for the third time and was ranked sixth in "2012 Forbes China Philanthropy List". The Group has been granted the logo of "Caring Company" by the Hong Kong Council of Social Service for the fifth consecutive year and honoured with "Corporate Social Responsibility Award 2012" presented by Capital and Capital Weekly for the second consecutive year.

Sustainable development in all aspects

In addition to social welfare activities, the Group is committed to the promotion of "Sustainable Development" and supported the development of it in all aspects, including business development, daily operation and corporate sponsorship, etc. The Group has put environmental protection into consideration at the stage of planning and design of its projects, continued to optimise the standardisation of designs as well as the procurement standards of energy-saving products for long-term energy consumption control. The Group focused on the integration of the original environment with the planning and design of projects, so as to utilise the advantages of the natural environment and avoid unnecessary artificial damages. The Group has put strong emphasis on sourcing qualified green materials and cooperated with manufacturers to develop new construction materials that consume less energy with an aim to achieve energy and water savings. The Group continued to follow the steps of sustainable development by using renewable energy, implementation of energy saving, water saving and recycling measures in the property management and hotel operations.

The Group sponsored the Business Environment Council's "BEC Low-Carbon Home" 2011-2012 Programme and the "Eco-Business Innovation Award" organised by the students from The Hong Kong University of Science and Technology, with a view to supporting green education. The Group participated in the "Lai See Packets Recycling Programme" organised by Greeners Action, a Hong Kong environmental group. Recycling points were set up across the nation to collect discarded Lai See packets from residents and the public. Staff, residents and public were also encouraged to use "Reborn Lai See Packets". The programme attracted participation from over 10,000 staff and public across the nation.

Development strategy and prospects

Looking ahead, the international financial and economic conditions are expected to remain uncertain in the second half of 2012. The tightening policies introduced by the Central Government over the property market are still showing signs of impact and are likely to continue. Therefore, the Group is cautiously optimistic about the market condition in the second half of the year. The Group is optimistic about the long-term development of the property market which is expected to be driven by the long-term continuous growth of China's economy, continuously strong demand and enormous development potential. The Group will adjust its marketing strategies, pricing policies and development plans depending on the market conditions in different cities. With its quality products that offer "Better Value for Money", excellent after-sales service and resident-oriented property management, as well as its improving proactive cost control system, the Group is confident that it can cope with different situations and maintain healthy development.

This year is an important milestone as it marks the twentieth anniversary of Agile. Since its incorporation in Zhongshan two decades ago, the Group has expanded its business nationwide, riding through property market turbulence as well as changes in the global economy. Upholding the operation philosophy of "Stability, Prudence, Sustainability", the Group has achieved consistently steady and balanced growth, laying a solid foundation for its long-term development. The Group has been accumulating extensive experience in developing large-scale composite properties in city outskirts or cities with high growth potential, and these regions have very high development potential and plenty of room for appreciation. Therefore, the Group will continue to implement such development strategy, supplemented by commercial properties so as to diversify the operational risk. Meanwhile, the Group will actively explore the feasibility of further developing tourism property. At the same time, the Group will adhere to and implement a prudent financial strategy to maintain a sound financial position and cash flows, with a view to capturing market opportunities in a timely manner.

The twentieth anniversary represents a new starting point for the journey ahead following the outstanding achievements made by the Group during the past period. Agile is committed to providing customers nationwide with ideal homes of higher standards to meet the market demand for top, high-end and practical products. The Group will introduce more innovative, practical and human-based units and design through its Product Design Centre. The Group will also work with other leading property developers to introduce new ideas and innovative designs, with a view to creating more ingenious products. A good example is the high-end development of Agile Garden Chengdu collaborated by Agile and Star River Group. The Group will continue its pioneering position by delivering quality and high-end properties in order to meet the market demand for diversified and superior housing with value growth potential. Meanwhile, the Group will also launch an increasing number of practical sized units in order to meet the inelastic market demand for quality residence catering to the various lifestyles of its customers.

In the second half of 2012, the Group intends to launch 9 new projects across the nation, including Agile Garden Shenyang, Agile Mountain Guangzhou (formerly known as Guangzhou Science City Project), The Magnificence Nanjing and Agile Montblanc Xi'an (formerly known as Agile International Garden Xi'an). In addition, new phases will also be launched for existing projects, bringing the number of projects on sale to 51 for the year. New projects, products and phases will provide sufficient inventories and further increase the nationwide influence of the Agile brand.

In respect of its operations management, the Group will continue to broaden sources of income and reduce unnecessary expenditure, further improve the core competitiveness of each segment, as well as enhance the internal monitoring system and lift the standard of corporate governance by rigorously implementing the proactive cost control system. By applying advanced information technology, the Group can provide more efficient and extensive support in decision making through four management platforms, namely development decision making, project management, communication support and information management, to the management. By doing so, the Group aims to achieve inter-departmental synergy and optimise the management model. The Operations Management Department will manage projects in a prudent manner through detailed plan management and rigorous implementation of business plans, thereby enhancing management and operation efficiency.

Looking ahead, the Group is committed to maintaining the leading position in China's property industry, in order to maximise values and generate greatest returns for its shareholders. While maintaining healthy and sustainable development, the Group will also continue its promise of undertaking corporate social responsibilities and contributing to society by taking part in charity affairs.

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 enables Agile to achieve steady growth and satisfactory results.

CHEN Zhuo Lin
Chairman

Hong Kong, 16 August 2012

RESULTS

Unaudited interim results for the six months ended 30 June 2012:

CONDENSED CONSOLIDATED INTERIM INCOME STATEMENT

		Six months ended 30 June	
		2012	2011
		Unaudited	Unaudited
	Note	***(RMB'000)***	*(RMB'000)*
Revenue	*3*	**11,847,870**	11,716,238
Cost of sales		**(6,483,488)**	(5,571,457)
Gross profit		**5,364,382**	6,144,781
Selling and marketing costs		**(328,827)**	(328,880)
Administrative expenses		**(567,155)**	(405,773)
Fair value gains on investment properties	*8*	**43,218**	46,981
Other income	*4*	**52,529**	89,275
Other expenses		**(51,666)**	(58,838)
Exchange gains/(losses), net		**48,353**	(92,071)
Operating profit		**4,560,834**	5,395,475
Fair value gains on embedded financial derivatives		**50,594**	96,012
Finance (costs)/income, net	*5*	**(109,192)**	311,425
Share of post-tax (loss)/profit of an associate		**(53,969)**	133,345
Profit before income tax		**4,448,267**	5,936,257
Income tax expenses	*6*	**(2,296,823)**	(3,324,181)
Profit for the period		**2,151,444**	2,612,076
Attributable to:			
- Shareholders of the Company		**2,070,475**	2,091,616
- Non-controlling interests		**80,969**	520,460
		2,151,444	2,612,076
Earnings per share for profit attributable to the shareholders of the Company during the period (expressed in Renminbi per share)			
- Basic	*7*	**0.600**	0.602
- Diluted	*7*	**0.553**	0.562

	Six months ended 30 June	
	2012	2011
	Unaudited	Unaudited
	(RMB'000)	*(RMB'000)*
Dividends	**407,727**	307,245

CONDENSED CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME

	Six months ended 30 June	
	2012	2011
	Unaudited	Unaudited
	(RMB'000)	*(RMB'000)*
Profit for the period	**2,151,444**	2,612,076
Other comprehensive income for the period, net of tax	**-**	-
Total comprehensive income for the period	**2,151,444**	2,612,076
Total comprehensive income attributable to:		
- Shareholders of the Company	**2,070,475**	2,091,616
- Non-controlling interests	**80,969**	520,460
	2,151,444	2,612,076

CONDENSED CONSOLIDATED INTERIM BALANCE SHEET

		As at	
		30 June 2012	31 December 2011
		Unaudited	Audited
	Note	***(RMB'000)***	*(RMB'000)*
ASSETS			
Non-current assets			
Property, plant and equipment		**3,687,914**	3,573,802
Land use rights		**2,381,633**	2,455,028
Properties under development		**13,201,049**	13,865,049
Intangible assets		**54,588**	19,192
Investment properties	*8*	**5,343,000**	5,248,000
Interests in an associate		**150,793**	204,762
Prepayments for acquisition of equity interests		**102,850**	102,850
Deferred income tax assets		**139,094**	173,346
		25,060,921	25,642,029
Current assets			
Properties under development		**39,338,087**	32,291,852
Completed properties held for sale		**5,425,693**	3,637,562
Prepayments for acquisition of land use rights		**4,113,200**	7,993,747
Trade and other receivables	*9*	**4,582,349**	4,814,471
Prepaid taxes		**104,246**	70,719
Restricted cash		**3,138,765**	2,644,128
Cash and cash equivalents		**8,991,842**	4,683,714
		65,694,182	56,136,193
Total assets		**90,755,103**	81,778,222
EQUITY			
Capital and reserves attributable to the shareholders of the Company			
Share capital and premium		**3,658,542**	3,658,542
Other reserves		**1,111,828**	946,992
Retained earnings			
- Proposed dividend		**407,727**	657,319
- Unappropriated retained earnings		**17,913,748**	16,411,680
		23,091,845	21,674,533
Non-controlling interests		**2,163,279**	2,082,310
Total equity		**25,255,124**	23,756,843

CONDENSED CONSOLIDATED INTERIM BALANCE SHEET (Continued)

		As at	
		30 June 2012	31 December 2011
		Unaudited	Audited
	Note	***(RMB'000)***	*(RMB'000)*
LIABILITIES			
Non-current liabilities			
Borrowings		**20,396,694**	12,170,458
Convertible Bonds - debt component		**2,293,482**	2,200,997
Convertible Bonds - embedded financial derivatives		**809,903**	860,497
Deferred income tax liabilities		**1,308,686**	1,549,574
		24,808,765	16,781,526
Current liabilities			
Borrowings		**6,461,794**	7,659,710
Trade and other payables and accruals	*10*	**13,346,378**	11,650,073
Advanced proceeds received from customers		**12,685,728**	13,511,865
Current income tax liabilities		**8,197,314**	8,418,205
		40,691,214	41,239,853
Total liabilities		**65,499,979**	58,021,379
Total equity and liabilities		**90,755,103**	81,778,222
Net current assets		**25,002,968**	14,896,340
Total assets less current liabilities		**50,063,889**	40,538,369

Notes:

1 Basis of preparation

This interim financial information for the six months ended 30 June 2012 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 consolidated financial statements for the year ended 31 December 2011, which have been prepared in accordance with Hong Kong Financial Reporting Standards (the "HKFRS") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA").

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 2011, as described in those annual consolidated 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) Amendments to existing standards adopted by the Group

- HKAS 12 (Amendment), “Deferred tax: Recovery of underlying assets” is effective for annual periods beginning on or after 1 January 2012. It introduces an exception to the principle for the measurement of deferred tax assets or liabilities arising on an investment property measured at fair value. HKAS 12 requires an entity to measure the deferred tax relating to an asset depending on whether the entity expects to recover the carrying amount of the asset through use or sale. The amendment introduces a rebuttable presumption that an investment property measured at fair value is recovered entirely by sale. The amendment is applicable retrospectively to annual periods beginning on or after 1 January 2012 with early adoption permitted.

  This amendment currently has no significant impact on the Group’s financial statements, as the investment properties of the Group are with a business model to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale. For these investment properties, the presumption is rebutted and related deferred tax is not remeasured.

- HKFRS 7 (Amendment), “Disclosures – Transfers of financial assets” is effective for annual periods beginning on or after 1 July 2011. This amendment will promote transparency in the reporting of transfer transactions and improve users’ understanding of the risk exposures relating to transfers of financial assets and the effect of those risks on an entity’s financial position, particularly those involving securitisation of financial assets. This amendment has no significant impact on the Group’s financial statements.

- HKFRS 1 (Amendment), “Severe hyperinflation and removal of fixed dates for first-time adopters” is effective for annual periods beginning on or after 1 July 2011. These amendments include two changes to HKFRS 1, “First-time adoption of HKFRS”. The first replaces references to a fixed date of 1 January 2004 with “the date of transition to HKFRS”, thus eliminating the need for entities adopting HKFRS for the first time to restate derecognition transactions that occurred before the date of transition to HKFRS. The second amendment provides guidance on how an entity should resume presenting financial statements in accordance with HKFRS after a period when the entity was unable to comply with HKFRS because its functional currency was subject to severe hyperinflation. These amendments are not currently relevant to the Group, as the Group is not the first-time adopters of HKFRS.

(b) New and amended standards and interpretations issued but are not effective for period commencing on 1 January 2012 and have not been early adopted by the Group

		Effective for annual periods beginning on or after
HKFRS 7 (Amendment)	Financial instruments: Disclosures - Offsetting financial assets and financial liabilities	1 January 2013
HKFRS 9	Financial instruments	1 January 2015
HKFRS 10	Consolidated financial statements	1 January 2013
HKFRS 11	Joint arrangements	1 January 2013
HKFRS 12	Disclosures of interests in other entities	1 January 2013
HKFRS 13	Fair value measurements	1 January 2013
HKFRS 7 and HKFRS 9 (Amendment)	Mandatory effective date and transition disclosures	1 January 2015
HKAS 1 (Amendment)	Presentation of financial statements	1 July 2012
HKAS 19 (Amendment)	Employee benefits	1 January 2013
HKAS 27 (Revised 2011)	Separate financial statements	1 January 2013
HKAS 28 (Revised 2011)	Associate and joint ventures	1 January 2013
HKAS 32 (Amendment)	Financial instruments: Disclosures - Offsetting financial assets and financial liabilities	1 January 2014
HK(IFRIC) - Int 20	Stripping costs in the production phase of a surface mine	1 January 2013
HKFRS (Amendments)	Annual Improvements 2009-2011 Cycle	1 January 2013

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

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, net finance (costs)/income and share of post-tax (loss)/profit of an associate are not included in the result of each operating segment.

Segment results and capital expenditure for the six months ended 30 June 2012 and 2011 are as follows:

Six months ended 30 June 2012

	Property development (RMB'000)	Property management (RMB'000)	Hotel operations (RMB'000)	Property investment (RMB'000)	Group (RMB'000)
Gross segment sales	11,503,517	266,083	133,415	10,376	11,913,391
Inter-segment sales	-	(65,521)	-	-	(65,521)
Sales to external customers	11,503,517	200,562	133,415	10,376	11,847,870
Segment results	4,609,096	(11,641)	(81,914)	45,293	4,560,834
Fair value gains on embedded financial derivatives					50,594
Finance costs, net (note 5)					(109,192)
Share of post-tax loss of an associate	(53,969)	-	-	-	(53,969)
Profit before income tax					4,448,267
Income tax expenses (note 6)					(2,296,823)
Profit for the period					2,151,444
Capital expenditure	158,995	1,554	139,408	51,782	351,739
Depreciation	27,974	2,383	51,252	-	81,609
Amortisation of land use rights and intangible assets	7,765	35	22,094	-	29,894
Fair value gains on investment properties (note 8)	-	-	-	43,218	43,218

Six months ended 30 June 2011

	Property development	Property management	Hotel operations	Property investment	Group
	(RMB'000)	*(RMB'000)*	*(RMB'000)*	*(RMB'000)*	*(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	5,324,732	(14,099)	34,864	49,978	5,395,475
Fair value gains on embedded financial derivatives					96,012
Finance income, net (note 5)					311,425
Share of post-tax profit of an associate	133,345	-	-	-	133,345
Profit before income tax					5,936,257
Income tax expenses (note 6)					(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
Fair value gains on investment properties (note 8)	-	-	-	46,981	46,981

Segment assets and liabilities as at 30 June 2012 are as follows:

	Property development	Property management	Hotel operations	Property investment	Elimination	Group
	(RMB'000)	*(RMB'000)*	*(RMB'000)*	*(RMB'000)*	*(RMB'000)*	*(RMB'000)*
Segment assets	80,199,197	335,424	4,917,969	5,343,000	(283,827)	90,511,763
Unallocated assets						243,340
Total assets						90,755,103
Segment liabilities	22,364,936	385,864	3,113,800	451,333	(283,827)	26,032,106
Unallocated liabilities						39,467,873
Total liabilities						65,499,979
Segment assets includes:						
Interests in an associate	150,793	-	-	-	-	150,793

Segment assets and liabilities as at 31 December 2011 are as follows:

	Property development	Property management	Hotel operations	Property investment	Elimination	Group
	(RMB'000)	*(RMB'000)*	*(RMB'000)*	*(RMB'000)*	*(RMB'000)*	*(RMB'000)*
Segment assets	71,363,323	301,435	4,943,360	5,248,000	(321,961)	81,534,157
Unallocated assets						244,065
Total assets						81,778,222
Segment liabilities	21,064,578	344,558	3,521,579	553,184	(321,961)	25,161,938
Unallocated liabilities						32,859,441
Total liabilities						58,021,379
Segment assets includes: Interests in an associate	204,762	-	-	-	-	204,762

Segment assets and liabilities as at 30 June 2012 and 31 December 2011 are reconciled to total assets and liabilities as follows:

	30 June 2012		31 December 2011	
	Assets	**Liabilities**	Assets	Liabilities
	(RMB'000)	***(RMB'000)***	*(RMB'000)*	*(RMB'000)*
Segment assets/liabilities	**90,511,763**	**26,032,106**	81,534,157	25,161,938
Unallocated:				
Deferred income taxes	**139,094**	**1,308,686**	173,346	1,549,574
Prepaid taxes	**104,246**	**-**	70,719	-
Current income taxes liabilities	**-**	**8,197,314**	-	8,418,205
Current borrowings	**-**	**6,461,794**	-	7,659,710
Non-current borrowings	**-**	**20,396,694**	-	12,170,458
Convertible Bonds - debt component	**-**	**2,293,482**	-	2,200,997
Convertible Bonds - embedded financial derivatives	**-**	**809,903**	-	860,497
Total	**90,755,103**	**65,499,979**	81,778,222	58,021,379

There has been no significant change in total asset from the amount disclosed in the latest financial statement.

There are no differences from the latest annual financial statement in the basis of segmentation or in the basis of measurement of segment profit or loss.

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

Eliminations comprise inter-segment trade and non-trade balances.

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 and borrowings.

Capital expenditure comprises additions to property, plant and equipment, investment properties and intangible assets.

4 Other income

	Six months ended 30 June	
	2012	2011
	(RMB'000)	*(RMB'000)*
Interest income of bank deposits	**36,671**	76,534
Forfeited deposits from customers	**4,996**	2,436
Miscellaneous	**10,862**	10,305
	52,529	89,275

5 Finance (costs)/income, net

	Six months ended 30 June	
	2012	2011
	(RMB'000)	*(RMB'000)*
Borrowing costs:		
- Bank borrowings and syndicated loans	**(403,018)**	(369,672)
- Senior notes	**(412,747)**	(299,457)
- Other borrowings	**(188,402)**	(138,078)
- Convertible Bonds	**(147,071)**	(49,652)
Exchange (losses)/gains from borrowings and Convertible Bonds	**(70,276)**	311,425
Less: borrowing costs capitalised	**1,112,322**	856,859
	(109,192)	311,425

6 Income tax expenses

	Six months ended 30 June	
	2012	2011
	(RMB'000)	*(RMB'000)*
Current income tax		
- PRC enterprise income tax	**1,027,252**	1,645,511
- PRC land appreciation tax	**1,406,817**	2,131,652
- PRC withholding income tax	**69,390**	215,641
Deferred income tax		
- PRC enterprise income tax	**(206,636)**	(668,623)
	2,296,823	3,324,181

PRC enterprise income tax

PRC enterprise 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 enterprise 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 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	
	2012	2011
Profit attributable to shareholders of the Company *(RMB'000)*	**2,070,475**	2,091,616
Weighted average number of ordinary shares in issue *(thousands)*	**3,449,450**	3,472,722
Basic earnings per share *(RMB per share)*	**0.600**	0.602

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. When calculating the dilutive earnings per share, the Convertible Bonds are assumed to have been converted into ordinary shares, and the net profit is adjusted to eliminate the interest expenses, exchange gains or losses on debt component and the fair value gains on embedded financial derivatives less the tax effect.

	Six months ended 30 June	
	2012	2011
Profit attributable to shareholders of the Company *(RMB'000)*	**2,070,475**	2,091,616
Interest expenses charged to the income statement for the period *(RMB'000)*	**-**	-
Exchange losses on debt component *(RMB'000)*	**8,663**	-
Fair value gains on embedded financial derivatives *(RMB'000)*	**(50,594)**	(96,012)
Profit used to determine diluted earnings per share *(RMB'000)*	**2,028,544**	1,995,604
Weighted average number of ordinary shares in issue *(thousands)*	**3,449,450**	3,472,722
Assumed conversion of Convertible Bonds *(thousands)*	**219,620**	76,263
Weighted average number of ordinary shares for diluted earnings per share *(thousands)*	**3,669,070**	3,548,985
Diluted earnings per share *(RMB per share)*	**0.553**	0.562

8 Investment properties

	Six months ended 30 June	
	2012	2011
	(RMB'000)	*(RMB'000)*
Opening net book amount	**5,248,000**	4,997,900
Additions	**51,782**	66,219
Fair value gains on investment properties	**43,218**	46,981
Closing net book amount	**5,343,000**	5,111,100

As at 30 June 2012, investment properties comprised of completed properties of RMB3,834,300,000 (31 December 2011: RMB1,611,600,000) and properties under construction of RMB1,508,700,000 (31 December 2011: RMB3,636,400,000) respectively.

9 Trade and other receivables

	30 June 2012	31 December 2011
	(RMB'000)	*(RMB'000)*
Trade receivables (note (a))	**1,197,893**	1,444,652
Other receivables due from:		
- Third parties	**1,405,843**	1,200,816
- Associate	**839,717**	1,139,716
- Other related party	**963**	-
Prepaid business taxes and other taxes	**532,030**	536,588
Deposits for acquisition of land use rights	**579,290**	460,000
Prepayments	**26,613**	32,699
	4,582,349	4,814,471

As at 30 June 2012, the fair value of trade and other receivables approximated their carrying amounts. All the balances are fully performing except the balances which were past due but not impaired as described below.

Notes:

(a) Trade receivables mainly arose from sale of properties. Considerations in respect of properties sold are settled in accordance with the terms of the related sales and purchase agreements or mortgage agreements with the banks. As at 30 June 2012 and 31 December 2011, the ageing analysis of the trade receivables is as follows:

	30 June 2012	31 December 2011
	(RMB'000)	*(RMB'000)*
Within 90 days	**562,071**	838,672
Over 90 days and within 365 days	**635,822**	605,980
	1,197,893	1,444,652

As at 30 June 2012, trade receivables of RMB495,737,000 (31 December 2011: RMB483,138,000) were past due but not impaired. The ageing analysis of these trade receivables is as follows:

	30 June 2012	31 December 2011
	(RMB'000)	*(RMB'000)*
Over 90 days and within 365 days	**495,737**	483,138

(b) The carrying amounts of trade and other receivables are mainly denominated in RMB.

10 Trade and other payables and accruals

	30 June 2012	31 December 2011
	(RMB'000)	*(RMB'000)*
Trade payables (note (a))	**9,473,888**	8,176,679
Other payables due to:		
- Related parties	**495,257**	708,240
- Third parties (note (b))	**2,196,498**	2,014,782
Staff welfare benefits payable	**31,147**	34,301
Accruals	**894,720**	440,205
Other taxes payable	**254,868**	275,866
	13,346,378	11,650,073

Notes:

(a) The ageing analysis of trade payables of the Group as at 30 June 2012 and 31 December 2011 is as follows:

	30 June 2012 *(RMB'000)*	31 December 2011 *(RMB'000)*
Within 90 days	**7,626,257**	6,288,702
Over 90 days and within 180 days	**863,438**	866,998
Over 180 days and within 365 days	**585,113**	594,464
Over 365 days	**399,080**	426,515
	9,473,888	8,176,679

(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 interest free, 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 2012, the project was in progress. The advances received from the government after net of the relevant construction cost incurred, which amounted to RMB327,500,000 (31 December 2011: RMB561,498,000), was recognised in other payables.

MANAGEMENT DISCUSSION AND ANALYSIS

Overall performance

During the Review Period, the Group's revenue was RMB11,848 million (the corresponding period in 2011: RMB11,716 million), which was comparable with the corresponding period of last year. The operating profit was RMB4,561 million (the corresponding period in 2011: RMB5,395 million), representing a decrease of 15.5% when compared with the corresponding period of last year. Profit attributable to shareholders (including after-tax fair value gains on investment properties) was RMB2,070 million (the corresponding period in 2011: RMB2,092 million), which was comparable with the corresponding period of last year. Basic and diluted earnings per share were RMB0.600 and RMB0.553 (the corresponding period in 2011: RMB0.602 and RMB0.562), which was comparable with the corresponding period in 2011. Basic earnings per share excluding after-tax fair value gains on investment properties was RMB0.591 (the corresponding period in 2011: RMB0.593), which was comparable with the corresponding period of last year.

Land bank

To strengthen its long-term development strategy, the Group continued to adopt its prudent land replenishment plan during the Review Period while optimizing the existing land bank in accordance with the development needs and market conditions. As at 16 August 2012, the Group has a land bank with a total GFA of 31.73 million sq.m. in 27 different cities and regions across China, located in Pearl River Delta Region, Eastern Guangdong Region, Yangtze River Delta Region, Western China Region, Hainan Province Region, Central China Region, Northeast China Region and Northern China Region, which is sufficient to cope with the development needs for the coming years.

During the Review Period, the Group acquired 4 new land parcels with a total GFA of 1.06 million sq.m. with total consideration of RMB1,611 million. These newly acquired sites are located in Chongqing, Xi'an, Zhengzhou and Wenchang, Hainan Province.

The following table sets forth the details of the newly acquired land parcels:

Land parcel name	City/District	GFA (sq.m.)
Western China Region		
Site in Dadukou District, Chongqing	Chongqing	348,172
Site in Qujiang New District, Xi'an	Xi'an	215,092
Subtotal		**563,264**
Central China Region		
Site in Zhongmou County, Zhengzhou	Zhengzhou	196,634
Hainan Province Region		
Site in Wenchang	Hainan	298,145
Total		**1,058,043**

Property development and sales

For the Review Period, the Group's total recognised sales was RMB11,504 million, which was comparable with the corresponding period in 2011, and the total recognised GFA sold was 1,018,154 sq.m., representing a decrease of 4.4% when compared with the corresponding period in 2011. The sales analysis of the cities are as follows:

The total recognised sales in Pearl River Delta Region (including Guangzhou, Foshan and Zhongshan) was RMB8,503 million, representing a significant increase of 88.4% when compared with the corresponding period in 2011 and accounting for 73.9% of the Group's total recognised sales.

The total recognised sales in Guangzhou was RMB7,549 million, representing a substantial increase of 6.52 times when compared with the corresponding period in 2011 and accounting for 65.6% of the Group's total recognised sales. The total recognised GFA sold in Guangzhou amounted to 622,444 sq.m., representing an increase of 4.13 times when compared with the corresponding period in 2011. The recognised sales in Guangzhou was mainly attributable to 3 projects, which were RMB2,762 million from Agile Garden Guangzhou, RMB2,555 million from Agile Cambridgeshire Guangzhou and RMB798 million from Agile Uptown Huadu.

The total recognised sales in Foshan was RMB694 million, representing a decrease of 47.2% when compared with the corresponding period in 2011 and accounting for 6.0% of the Group's total recognised sales. The total recognised GFA sold in Foshan amounted to 98,393 sq.m., representing a decrease of 47.0% when compared with the corresponding period in 2011.

The total recognised sales in Zhongshan was RMB260 million, representing a decrease of 88.2% when compared with the corresponding period in 2011 and accounting for 2.3% of the Group's total recognised sales. The total recognised GFA sold in Zhongshan amounted to 59,345 sq.m. and representing a decrease of 79.4% when compared with the corresponding period in 2011.

The total recognised sales in Eastern Guangdong Region (including Huizhou and Heyuan) was RMB620 million, representing an increase of 97.3% when compared with the corresponding period in 2011 and accounting for 5.4% of the Group's total recognised sales. The total recognised GFA sold in Eastern Guangdong Region amounted to 88,356 sq.m. and represented an increase of 21.7% when compared with the corresponding period in 2011.

The total recognised sales in Western China Region (including Chengdu, Chongqing and Xi'an) was RMB821 million, representing an increase of 1.17 times when compared with the corresponding period in 2011 and accounting for 7.1% of the Group's total recognised sales. The total recognised GFA sold in Western China Region amounted to 90,205 sq.m. and represented an increase of 71.5% when compared with the corresponding period in 2011. The recognised sales in Western China Region was mainly from Agile Garden Chengdu with RMB760 million.

The total recognised sales in Yangtze River Delta Region (Nanjing) was RMB17 million only, as no new products were launched to the market.

The total recognised sales in Hainan Province Region (Hainan Clearwater Bay) was RMB1,543 million, representing a decrease of 72.9% when compared with the corresponding period in 2011 and accounting for 13.4% of the Group's total recognised sales. The total recognised GFA sold in Hainan Clearwater Bay amounted to 57,870 sq.m. and represented a decrease of 81.5% when compared with the corresponding period in 2011.

The average recognised selling price of the Group's projects on sale increased by 4.6% from RMB10,803 per sq.m. in the first half of 2011 to RMB11,298 per sq.m. in the first half of 2012, mainly due to the change of geographical distribution of recognised sales.

The following table tabulates the recognised GFA sold and recognised sales of each city/district for the six months ended 30 June 2012:

City/District	Recognised GFA sold (sq.m.)	Recognised Sales (RMB'000)	Average Selling Price (RMB per sq.m.)
Pearl River Delta Region			
Guangzhou	622,444	7,548,557	12,127
Foshan	98,393	694,182	7,055
Zhongshan	59,345	259,763	4,377
Subtotal	**780,182**	**8,502,502**	**10,898**
Eastern Guangdong Region	88,356	619,507	7,011
Western China Region	90,205	820,769	9,099
Yangtze River Delta Region	1,541	17,345	11,256
Hainan Province Region	57,870	1,543,394	26,670
Total	**1,018,154**	**11,503,517**	**11,298**

Property investment

In line with the prudent development strategy of the Group and to further diversify the business portfolio so as to generate a stable income to the Group, the Group has designated certain properties for long-term investment for rental yields or for future capital appreciation purpose. During the Review Period, the fair value gains of these properties amounted to RMB43 million and the related deferred income tax charged for the Review Period was RMB11 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 Group recorded the revenue from hotel operations was RMB133 million, representing an increase of RMB87 million or 1.85 times when compared with the corresponding period in 2011. A substantial increase in the revenue of hotel operations was mainly due to Shanghai Marriott Hotel City Centre commenced operation in November 2011, broadening the Group's overall income base.

Raffles Sanya Clearwater Bay and Sheraton Egret Lake Resort Huizhou are undergoing interior fitting-out works and closing to completion. Other hotels of the Group, including JW Marriott Clearwater Bay Resort & SPA, Hilton Hainan Clearwater Bay Resort, Holiday Inn Resort Hainan Clearwater Bay, Jumeirah Clearwater Bay Resort, Outrigger Clearwater Bay Resort, Sanya, China, Conghua Hotel, Xiqiao Hotel, Shunde Hotel and Chengdu Hotel are also at the stage of interior design, selection of contractor by tender and construction, it is expected that these hotels will generate a stable cash flows to the Group in the long run.

Property management

As one of its competitive strengths, the Group's internationally accredited property management services also serve as the basis on which the Group enhances its brand. Upholding our "customer-oriented" servicing philosophy consistently, the Group is committed to providing residents with satisfactory service in every respect. The Group currently owns 8 property management companies and 23 branch companies, comprising more than 7,844 professionals in property management, security management, greening, housekeeping, engineering maintenance and neighbourhood housekeeping.

During the Review Period, the property management fee income of the Group was RMB201 million, representing an increase of 28.6% when compared with the corresponding period in 2011, which was mainly attributable to the total GFA managed increased to 15.49 million sq.m.(the corresponding period in 2011: 13.28 million sq.m.) and serving more than 380,000 residents. The Group provides property management service in 20 large and medium-sized cities and districts throughout the county, covering a diversified and high-end customer base including residence, clubhouses, commercial buildings, integrated resort communities and commercial centres.

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 rights, interest capitalised and business tax.

Cost of sales increased by 16.4% to RMB6,483 million in first half of 2012 from RMB5,571 million in the corresponding period in 2011. The increase in the cost of sales was mainly due to (i) the increase in the cost of main construction and fitting-out materials, and (ii) the Group's strategy to enhance the quality and competitiveness of the products in order to promote the sales.

Gross profit

For the Review Period, gross profit of the Group (before the provision for land appreciation tax) amounted to RMB5,364 million, showing a decrease of 12.7% when compared with the corresponding period in 2011. Gross profit margin decreased to 45.3%, and was maintained at a higher level in industry. The fall in gross profit margin was mainly attributable to (i) the significant change in the proportion of Group's total recognised sales as contributed by different cities/districts, in particular the proportion of Hainan Clearwater Bay which had a relatively high gross profit margin in the corresponding period in 2011 and (ii) the increase in cost of sales over last corresponding period as stated earlier.

Fair value gains on investment properties

For the Review Period, the Group recorded fair value gains on investment properties of RMB43 million. After deducting the amount of RMB11 million for deferred income tax on fair value gains, the after-tax fair value gains was RMB32 million.

Other income

Other income of the Group decreased by 41.2% to RMB53 million in the first half of 2012 from RMB89 million in the corresponding period in 2011. The decrease was mainly attributable to the decrease in interest income of bank deposits in the first half of 2012.

Selling and marketing costs

Selling and marketing costs of the Group were RMB329 million in the first half of 2012, which was comparable with the corresponding period in 2011. The costs mainly included the promotional expenses of RMB217 million, sales commission fee of RMB26 million and the salary of sales staff of RMB38 million.

Administrative expenses

Administrative expenses of the Group increased by 39.8% to RMB567 million in the first half of 2012 from RMB406 million in the corresponding period in 2011. The increase was mainly attributable to the optimisation of Group's overall staff's salary and welfare and the recruitment of various talented people to cope with the business growth. In this connection, salaries and wages increased by 17.5% to RMB242 million in the first half of 2012 from RMB206 million in the corresponding period in 2011.

In addition, as a result of the move of the Group's headquarter to central business district in Guangzhou in April 2012 and Hong Kong office moved to commercial area in Central in May 2011, rental expenses increased from RMB12 million in the first half of 2011 to RMB39 million in the first half of 2012

Other expenses

Other expenses of the Group decreased by 12.2% to RMB52 million in the first half of 2012 from RMB59 million in the corresponding period in 2011. It mainly included the donations of RMB44 million.

Finance (costs)/income

For the Review Period, finance costs of the Group was RMB109 million while it was finance income of RMB311 million in the corresponding period in 2011. Finance costs mainly included the exchange losses of RMB70 million from the borrowings and bonds denominated in United States dollars. It was mainly attributable to the appreciation of the exchange rate of Renminbi against United States dollars and Hong Kong dollars, while the income from exchange gains was RMB311 million in the first half of 2011 arising from the depreciation of the Renminbi against United States dollars and Hong Kong dollars.

Share of post-tax loss of an associate

For the Review Period, the share of after-tax loss of an associate was RMB54 million, which arose from the Group's 20% equity holding of Guangzhou Li He Property Development Company Limited (廣州利合房地產開發有限公司) ("Li He").

Fair value gains on embedded financial derivatives

On 28 April 2011, the Group issued 4% Convertible Bonds in an aggregate principal amount of US$500 million due 2016. For the six months ended 30 June 2012, the gains from change in fair value of embedded financial derivatives was RMB51 million.

Profit attributable to shareholders

Profit attributable to shareholders was RMB2,070 million (the corresponding period in 2011: RMB2,092 million), which was comparable with the corresponding period in 2011. After deducting the after-tax fair value gains on investment properties, the profit attributable to shareholders was RMB2,039 million (the corresponding period in 2011: RMB2,059 million), which was also comparable with the corresponding period in 2011.

Liquidity, financial and capital resources

Cash position and fund available

As at 30 June 2012, the total cash and bank balances of the Group were RMB12,131 million (31 December 2011: RMB7,328 million), an increase of RMB4,803 million, in which the unrestricted cash was RMB8,992 million (31 December 2011: RMB4,684 million) and restricted cash was RMB3,139 million (31 December 2011: RMB2,644 million).

As at 30 June 2012, the Group's undrawn borrowing facilities were RMB1,849 million (31 December 2011: RMB1,814 million).

As at 30 June 2012, the Group's available financial resources amounted to RMB13,980 million (31 December 2011: RMB9,142 million). The Group has adequate financial resources to meet future funding requirements.

Borrowings

During the Review Period, under a volatile capital market environment, the Group has proactively diversified its funding sources, to lengthen its debt maturity profile and properly minimize any refinancing risk. By way of various onshore and offshore funding sources, the Group successfully raised new borrowings amounting to RMB9,819 million. Borrowings of RMB2,863 million were repaid.

The Group demonstrated its good capability of tapping funding in bond market, as evidenced by its successful new issue of a US$700 million senior notes repayable in 2017 on the right time. The Group was also granted two banking facilities for HK$385 million and US$50 million respectively. As for its onshore financing sources, the Group raised new borrowings amounting to RMB4,867 million.

As at 30 June 2012, the Group's total borrowings amounted to RMB29,152 million, in which bank borrowings, senior notes, debt component of Convertible Bonds and other borrowings amounting to RMB13,206 million, RMB10,223 million, RMB2,293 million and RMB3,430 million respectively.

Repayment schedule	**As at 30 June 2012 (RMB million)**	As at 31 December 2011 (RMB million)
Bank borrowings		
Within 1 year	**4,860**	5,059
Over 1 year and within 2 years	**3,410**	2,991
Over 2 year and within 5 years	**3,664**	2,450
Over 5 years	**1,272**	891
Subtotal	**13,206**	11,391
Senior notes		
Over 2 years and within 5 years	**10,223**	1,817
Over 5 years	**-**	4,022
Subtotal	**10,223**	5,839
Convertible Bonds - debt component		
Over 2 years and within 5 years	**2,293**	2,201
Other borrowings		
Within 1 year	**1,602**	2,600
Over 1 year and within 2 years	**1,828**	-
Subtotal	**3,430**	2,600
Total	**29,152**	22,031

As at 30 June 2012, the Group's bank borrowings of RMB7,595 million (31 December 2011: RMB5,722 million) were secured by the Group's land use rights and properties, and the Group's bank borrowings of RMB446 million (31 December 2011: RMB446 million) were secured by its 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 RMB5,328 million as at 30 June 2012 (31 December 2011: RMB5,440 million).

Currency risk

The Group conducts its business primarily in Renminbi. Certain bank deposits and bank loans were denominated in Hong Kong dollars and United States dollars, and the Group's Convertible Bonds and the senior notes were denominated in United States dollars. Other than those disclosed, the Group does not have any material exposures to foreign exchange fluctuations.

Financial indicators

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

Key indicators of Corporate Credit Ratings	30 June 2012	31 December 2011
Fixed charge coverage ratio *(times)* (Note 1)	**3.9**	6.1
The ratio of net debt* to EBITDA** *(times)* (Note 2)	**1.9**	1.3
Net debt to total equity ratio *(%)* (Note 3)	**67.4**	61.9

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 3.9 times as of 30 June 2012 standing at the average industry level, reflecting the Group has sufficient cash flows 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 1.9 times as of 30 June 2012, reflecting the Group has adequate repayment ability.

(3) Net debt to total equity ratio (calculated by the net debt over the total equity) was 67.4% as of 30 June 2012, demonstrating that the Group's gearing ratio is at a reasonable level.

* Net debt is calculated by total debt net of cash and cash equivalents 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 RMB4,523 million and it was RMB9,046 million (2011: RMB10,947 million) after annualisation.

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

Cost of borrowings

For the Review Period, the total cost of borrowings of the Group was RMB1,151 million, representing an increase of 34.4% when compared with the corresponding period in 2011. The increase was mainly attributable to higher average balance of bank borrowings during the period and the rise in the average borrowing rate.

Financial guarantee

The Group is in cooperation with certain financial institutions for the provision of mortgage loan facility for its purchasers of property and has provided guarantees to secure repayment obligations by such purchasers. As at 30 June 2012, the outstanding guarantees were RMB12,582 million (31 December 2011: RMB12,443 million). Such guarantees shall terminate upon the earlier of (i) issuance of the real estate ownership certificate which will generally be available within one year after take over of the possession of the relevant property by the purchasers; or (ii) the discharge of the relevant mortgage loan payments by the purchasers.

Pursuant to the terms of the guarantees, upon default in mortgage payments by the purchasers, the Group is liable to pay the Banks any outstanding mortgage principals together with any accrued interest and penalty owed by the defaulted purchasers but the Group is entitled to take over the legal title and the possession of the related properties. The Group's guarantee commences from the date of grant of mortgage loans by the mortgagees. No provision has been made for the guarantees given as the net realisable value of the related properties is enough to cover the loss after the repayment of any outstanding mortgage principals together with the accrued interest and penalty in defaulted repayments.

In addition, the Group and other four parties (the "Five Shareholders") of Li He have provided a guarantee in respect of a loan facility amounting to RMB3,350 million (31 December 2011: RMB3,873 million) in proportion to their shareholding in Li He. The Group's share of the guarantee amounted to RMB670 million (31 December 2011: RMB775 million).

In the first half year of 2012, the Five Shareholders have provided another guarantee in respect of a new loan facility of Li He amounting to RMB2,912 million (31 December 2011: RMB2,912 million). The Group's share of the guarantee amounted to RMB728 million (31 December 2011: RMB728 million).

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. For the Review Period, the annualised return on equity (excluding fair value gains on investment properties) was 19.8% (2011 whole year: 21.0%).

Commitments

As at 30 June 2012, the total commitments of the Group in connection with the property development activities were RMB17,500 million (31 December 2011: RMB25,675 million). The Group has also committed to pay outstanding land premium resulting from land acquisitions in the amount of RMB821 million (31 December 2011: RMB191 million).

Human resources

As at 30 June 2012, the Group had a total of 12,631 employees, among which 124 were senior management and 330 were middle management. By geographical locations, there were 12,551 employees in the Mainland China and 80 employees were in Hong Kong and Macau. For the six months ended 30 June 2012, the total remuneration costs, including directors' remuneration, were RMB576 million (the corresponding period in 2011: RMB465 million).

INTERIM DIVIDEND

The Board has declared an interim dividend of HK14.5 cents (the corresponding period in 2011: HK10.8 cents) per share payable in cash to shareholders.

Interim dividend will be payable to those shareholders whose names appear on the Company's register of members on Friday, 7 September 2012 on or about Tuesday, 25 September 2012.

CLOSURE OF REGISTER OF MEMBERS

The Company's register of members will be closed from Wednesday, 5 September 2012 to Friday, 7 September 2012 (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 4:00pm on Tuesday, 4 September 2012.

AUDIT COMMITTEE

The Company's audit committee had reviewed the unaudited interim results of the Group for the six months ended 30 June 2012, 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.

The interim results for the six months ended 30 June 2012 has not been audited but has been reviewed by PricewaterhouseCoopers, the auditor of the Company, in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted its own code for securities transactions by directors ("Securities Dealing Code for Directors"), which is on terms no less exacting than the required standard as set out in the Model Code for Securities Transactions by Directors of Listed Issuers 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 of conduct for Directors in dealings with the Company's securities. After enquiry, each of the Directors has confirmed to the Company that he or she had completely complied with the Securities Dealing Code for Directors during the six months ended 30 June 2012.

COMPLIANCE WITH THE CODE ON CORPORATE GOVERNANCE PRACTICES

During the six months ended 30 June 2012, the Company has complied with the code provisions of the Code on Corporate Governance Practices contained in Appendix 14 to the Listing Rules ("Code on Corporate Governance Practices") during 1 January to 31 March 2012, and complied with the revised Code on Corporate Governance Practices, which came into effect on 1 April 2012, during 1 April to 30 June 2012 respectively.

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 2012.

PUBLICATION OF INTERIM RESULTS AND INTERIM REPORT ON THE WEBSITES OF THE HONG KONG EXCHANGES AND CLEARING LIMITED, SINGAPORE EXCHANGE LIMITED AND THE COMPANY

This interim results announcement is published on the websites of The Hong Kong Exchanges and Clearing Limited (www.hkex.com.hk), Singapore Exchange Limited (www.sgx.com) and the Company (www.agile.com.cn). The interim report of the Company for the six months ended 30 June 2012 containing all the information required by the Listing Rules will be dispatched to the Company's shareholders and will be posted on the respective website 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 Chairperson and Co-President), Ms. Luk Sin Fong, Fion (Vice Chairperson 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, 16 August 2012