雅居樂

AGILE PROPERTY HOLDINGS LIMITED

(*Incorporated in the Cayman Islands with limited liability*)
(Stock Code: 3383)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2012

HIGHLIGHTS

Financial Highlights

	For the year ended 31 December		
	2012	**2011**	**Change**
Revenue *(RMB million)*	30,074	22,945	+31.1%
Gross profit *(RMB million)*	12,442	12,354	+0.7%
Profit attributable to shareholders of the Company (including after-tax fair value gains on investment properties) *(RMB million)*	5,000	4,105	+21.8%
Profit attributable to shareholders of the Company (excluding after-tax fair value gains on investment properties) *(RMB million)*	4,868	4,035	+20.6%
Basic earnings per share *(RMB)*	1.450	1.184	+22.5%
Distributed interim dividend per share *(HK cents)*	14.5	10.8	+34.3%
Proposed final dividend per share *(HK cents)*	23.9	23.4	+2.1%
Full year dividend per share *(HK cents)*	38.4	34.2	+12.3%

Operation Highlights

- As at 25 March 2013, the Group had a land bank with a total GFA of 34.92 million sq.m. in 29 cities and districts in China. Average land cost was RMB1,148 per sq.m..

- During the year, the Group acquired a number of land parcels at various locations, including Huizhou, Chongqing, Xi'an, Zhengzhou, Hainan Province and Yunnan Province. Among which, Zhengzhou and Yunnan Province are newly explored markets. The newly acquired land parcels had a total planned GFA of 6.13 million sq.m. with a total consideration of RMB2,794 million. As at 31 December 2012, the Group's outstanding land premium payable was a mere RMB612 million and is expected to be fully paid by the end of 2013.

- During the year, newly commenced GFA and completed GFA of the Group were 3.58 million sq.m. and 3.96 million sq.m. respectively. As at 31 December 2012, completed GFA in the land bank and GFA under development of the Group were 1.26 million sq.m. and 6.97 million sq.m. respectively.

- During the year, the Group had a total of 50 projects on sale in 19 cities and districts in China, including 9 new projects. The Group's contracted sales was RMB33,068 million, contracted GFA sold was 3.24 million sq.m. and contracted average selling price was RMB10,207 per sq.m..

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

- Raffles Sanya Clearwater Bay, the Group's first international 5-star hotel resort in Hainan Clearwater Bay, commenced soft opening in early 2013.

- During the year, the Company issued US$700 million (equivalent to RMB4,407 million) 9.875% senior notes due 2017. In January 2013, the Company issued US$700 million (equivalent to RMB4,393 million) 8.25% Subordinated Perpetual Capital Securities. Both issuances received overwhelming response from investors with 9 times and over 10 times oversubscription respectively.

- As at 31 December 2012, the total cash and bank balances of the Group were RMB9,689 million, while the undrawn borrowing facilities were RMB1,484 million.

CHAIRMAN'S STATEMENT

Dear Shareholders,

I am pleased to report the audited consolidated results of Agile Property Holdings Limited ("Agile" or the "Company") and its subsidiaries (collectively, the "Group") for the year ended 31 December 2012:

Results and dividends

During the year, the revenue of the Group was RMB30,074 million, representing an increase of 31.1% when compared with last year. Profit attributable to shareholders amounted to RMB5,000 million, representing an increase of 21.8% when compared with last year. Basic earnings per share was RMB1.450, representing an increase of 22.5% when compared with last year.

Taking into account the Group's business development needs and shareholders' demand for investment returns, the board of directors of the Company (the "Board") has proposed a final dividend of HK23.9 cents per share for 2012 to be paid to the shareholders of the Company (the "Shareholders"). Together with the interim dividend of HK14.5 cents paid for 2012, the total dividend of 2012 was HK38.4 cents per share, representing an increase of 12.3% when compared with last year.

Business review

During the year, the global economy continued to slowdown and casted a shadow on its future prospect. In China, the Central Government's tightening measures on the housing market, including home purchase restrictions, price ceiling for newly built homes and mortgage loan restrictions, continued to make operating conditions volatile. Nevertheless, capitalising on its strengths, accurate market positioning and development strategy, the Group has actively coped with the change of market conditions, while broadening sources of income and reducing unnecessary expenditure, and achieved favourable results.

During the year, the Group recorded contracted sales of RMB33,068 million, representing a year-on-year growth of 5.0%. The contracted GFA sold was 3.24 million sq.m., which is comparable to last year. The contracted average selling price was RMB10,207 per sq.m.. With the joint efforts by all our staff, the Group has achieved annual contracted sales of over RMB30,000 million for three consecutive years.

The Group had 50 projects on sale which were located in 19 cities and districts. There were 9 new projects in Nanjing, Xi'an, Shenyang, Guangzhou and Zhongshan.

The Group's outstanding comprehensive strength and good corporate governance were reaffirmed by receiving of several honours, including "Corporate Governance Asia Annual Recognition Award", "Best Investor Relations (China)" and "Best Investor Relations Website/Promotion" from Corporate Governance Asia magazine, as well as "The Asset Corporate Gold Award" presented by The Asset magazine and etc..

Premium property management brand

Upholding a "customer-oriented" servicing philosophy, the Group is committed to providing residents with a safe and comfortable living environment or tenants with an efficient business environment. During the year, the Group's property management has received several international integrated accreditations presented by The British Standards Institution, with 6 projects fulfilled the requirements of ISO9001 Quality Management System, ISO14001 Environmental Management System and OHSAS18001 Occupational Health and Safety Management System. The Group's premium property management quality received awards and recognitions from national, provincial and municipal governmental departments during the year, such as "Excellent Model Residential Community for National Urban Property Management" issued by the Ministry of Housing and Urban-Rural Development of the People's Republic of China. During the year, "Harrogate", the property management brand of the Group, which represents classic British property management services, extended its services to high-end residential and commercial projects such as Agile Mountain Guangzhou and Agile International Plaza Shanghai.

Benefit from a diversified business portfolio to disperse operational risks

The Group believes that a diversified commercial property portfolio, including hotels, shopping malls and office buildings can disperse operational risks and generate steady revenue. Furthermore, benefiting from the synergy arising from the hotels and commercial properties located within the Group's property development projects, the value of these projects has also been enhanced.

During the year, 5 hotels of the Group located in Shanghai, Guangzhou, Zhongshan, Foshan and Nanlang, including Shanghai Marriott Hotel City Centre, were in operations. Raffles Sanya Clearwater Bay had its soft opening in early 2013, while Sheraton Egret Lake Resort Huizhou is expected to commence operations during the second half of 2013. More than 10 hotels are under construction or planning. During the year, revenue from hotel business significantly surged 1.5 times compared to last year.

Commercial properties including Agile International Plaza Shanghai and Xiqiao Metropolis Plaza recorded satisfactory occupancy rates, with other 3 major projects either under construction or being offered for leasing, among them include shopping centres and an office building. During the year, revenue from commercial properties grew 41.1% compared to last year.

Timely purchase of land parcels for future development

During the year, the Group acquired land parcels in Huizhou, Chongqing, Xi'an, Zhengzhou, Hainan Province and Yunnan Province, with a total planned GFA of 6.13 million sq.m.. The land parcels in Zhengzhou and Yunnan Province are situated in the new explored markets of the Group.

As at 25 March 2013, the Group had a land bank with a total GFA of 34.92 million sq.m. in 29 cities and districts in China. Average land cost was RMB1,148 per sq.m.. Newly commenced GFA and completed GFA of the Group during the year were 3.58 million sq.m. and 3.96 million sq.m. respectively.

Stable financial position and flexible financing strategy

The Group adopted various financing channels for the purpose of strengthening and optimising its financial structure. The Group believes that a sound financial position and good corporate governance would help strengthen the market confidence in the Group and reduce borrowing costs. In addition to bank loans and US$700 million (equivalent to RMB4,407 million) 9.875% senior notes due 2017 issued during the year, the Company successfully issued US$700 million (equivalent to RMB4,393 million) 8.25% Subordinated Perpetual Capital Securities in January 2013. Both the securities and the senior notes previously issued received overwhelming oversubscription, signaling a high degree of capital market confidence in the prospect of the Group. The two international 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, fully reflecting the sound financial position and promising outlook of the Group.

As at 31 December 2012, the total cash and bank balances of the Group were RMB9,689 million and committed but undrawn borrowing facilities were RMB1,484 million.

Good corporate governance and multi-channel communications

The Group upholds the concept of "mutual communication for a win-win situation" to retain good investor relations, and has also taken a proactive approach to promote effective communication and building long-standing, stable relationships with commercial banks, investment banks, investors and analysts, thereby expanding its financing channels, reducing financing costs and optimising the financial structure.

A responsible corporate citizen

Upholding the belief of "benefiting from society, giving back to society", the Group has been committed to fulfilling their corporate social responsibilities. During the year, the Group and its staff took an active part in various charitable activities in Mainland China, Hong Kong and Macau, including donations to the Charitable Society of Meizhou, Guangdong and Chinese Language and Culture Education Foundation of China, and supporting "30-Hour Famine" of World Vision in Hong Kong and Macau as the principal sponsor for the third consecutive year.

The Group's efforts in respect of corporate social responsibility have been recognised and affirmed. During the year, 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" presented by Capital and Capital Weekly for the second consecutive year.

Sustainable development

The Group has realised that environmental protection is a key part in its sustainable development, and strives to contribute to environmental protection through project planning to completion and sale, as well as property management and hotel operations. Furthermore, the Group actively promotes environmental education and encourages the staff to practice low carbon living.

Prospects and strategies

The global financial and economic conditions are likely to remain through 2013. The Central Government is expected to maintain its tightening measures on the property market. However, it is anticipated that China can maintain a high single-digit economic growth, and the Group is cautiously optimistic about the property market in 2013 as the inelastic demand and home improvement demand in the market continue to increase. As China's economy continues to grow and implementation of urbanisation policies continues to take place, the housing demand is likely to maintain its uptrend. Therefore, the Group remains optimistic towards the long-term development of the property market.

With a sound financial position, the Group will strategically acquire land parcels for future development needs. Leveraging over 20 years of experience in property development, flexible and effective marketing strategies, a product research centre that meets international standards, a strong commitment to quality and talents from various fields, the Group develops high quality and "better value for money" products that meet international standards to cater demand from high-end and mid-range customers. By upholding our spirit of "From Heart. Beyond Living.", complemented with reasonable pricing corresponding to local markets, attentive property management services, comprehensive after-sales services and good reputation from the owners, we are confident that our products, whether designed for customers looking for home improvements, meeting inelastic demand or seeking vacation-style properties, will be well received.

The Group has accumulated extensive experience in developing composite properties in city outskirts or cities with high growth potential, and these land parcels possessed impressive development potential and plenty of room for appreciation. Therefore, the Group will continue to implement such development strategy, supplemented by the operations of hotels, shopping malls and office buildings so as to diversify the operational risk. Meanwhile, the Group will actively explore the feasibility of further developing tourism property, and is confident in achieving further heights with extensive experiences and a proven track record in this sector.

In 2013, the Group intends to launch 13 new projects across the nation, including Agile Metropolis Xiqiao, Agile Manhattan Hill Foshan, Majestic Garden Sanshui, Nanjing Pukou District Project, The Classics Nanjing, Changzhou Longcheng Avenue Project and so on. In addition, new phases will also be launched for existing projects, bringing the number of projects on sale to 62 for the year. New projects, products and phases will provide sufficient products available for sale and further increase the nationwide influence of the Agile brand. In 2013, the Group's contracted sales target is RMB42,000 million.

In respect of 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 internal management standard by rigorously implementing the proactive cost control system. The Group will also apply advanced information technology to optimise its management efficiency.

Looking ahead, the Group is committed to maintaining its competitive position in China's property industry, in order to maximise values 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, 25 March 2013

RESULTS

Audited consolidated results of the Group for the year ended 31 December 2012 and the comparative figures of 2011 are as follows:

CONSOLIDATED INCOME STATEMENT

		Year ended 31 December	
		2012	2011
	Note	***(RMB'000)***	*(RMB'000)*
Revenue	*2*	**30,074,048**	22,944,566
Cost of sales		**(17,631,935)**	(10,590,392)
Gross profit		**12,442,113**	12,354,174
Selling and marketing costs		**(980,349)**	(835,042)
Administrative expenses		**(1,128,939)**	(876,565)
Fair value gains on investment properties		**178,428**	96,418
Other income	*3*	**133,004**	200,220
Other expenses		**(212,552)**	(105,322)
Exchange gains/(losses), net		**32,800**	(152,867)
Operating profit		**10,464,505**	10,681,016
Fair value gains on embedded financial derivatives		**199,769**	176,922
Finance (costs)/income, net	*4*	**(46,294)**	644,608
Share of post-tax (loss)/profit of an associate		**(87,024)**	120,938
Profit before income tax		**10,530,956**	11,623,484
Income tax expenses	*5*	**(5,384,305)**	(6,389,804)
Profit for the year		**5,146,651**	5,233,680
Attributable to:			
- Shareholders of the Company		**5,000,482**	4,105,255
- Non-controlling interests		**146,169**	1,128,425
		5,146,651	5,233,680
Earnings per share for profit attributable to the shareholders of the Company during the year (expressed in Renminbi per share)			
- Basic	*6*	**1.450**	1.184
- Diluted	*6*	**1.305**	1.067

	Year ended 31 December	
	2012	2011
	(RMB'000)	*(RMB'000)*
Dividends	**1,073,600**	960,408

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Year ended 31 December	
	2012	2011
	(RMB'000)	*(RMB'000)*
Profit for the year	**5,146,651**	5,233,680
Other comprehensive income for the year, net of tax	**-**	-
Total comprehensive income for the year	**5,146,651**	5,233,680
Total comprehensive income attributable to:		
- Shareholders of the Company	**5,000,482**	4,105,255
- Non-controlling interests	**146,169**	1,128,425
	5,146,651	5,233,680

CONSOLIDATED BALANCE SHEET

	Note	As at 31 December **2012** ***(RMB'000)***	2011 *(RMB'000)*
ASSETS			
Non-current assets			
Property, plant and equipment		**5,223,398**	3,573,802
Land use rights		**2,810,175**	2,455,028
Properties under development		**14,790,727**	13,865,049
Intangible assets		**61,263**	19,192
Investment properties	*7*	**5,589,600**	5,248,000
Interest in an associate		**117,738**	204,762
Prepayments for acquisition of equity interests		**102,850**	102,850
Deferred income tax assets		**280,492**	173,346
		28,976,243	25,642,029
Current assets			
Properties under development		**36,264,113**	32,291,852
Completed properties held for sale		**7,935,975**	3,637,562
Prepayments for acquisition of land use rights		**2,949,391**	7,993,747
Trade and other receivables	*8*	**5,858,664**	4,814,471
Prepaid taxes		**63,244**	70,719
Restricted cash		**3,885,630**	2,644,128
Cash and cash equivalents		**5,803,792**	4,683,714
		62,760,809	56,136,193
Total assets		**91,737,052**	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		**1,190,094**	946,992
Retained earnings			
- Proposed final dividend		**665,211**	657,319
- Unappropriated retained earnings		**20,099,616**	16,411,680
		25,613,463	21,674,533
Non-controlling interests		**2,298,344**	2,082,310
Total equity		**27,911,807**	23,756,843

CONSOLIDATED BALANCE SHEET (Continued)

		As at 31 December	
	Note	**2012**	2011
		(RMB'000)	*(RMB'000)*
LIABILITIES			
Non-current liabilities			
Borrowings		**19,002,325**	12,170,458
Convertible Bonds - debt component		**2,370,111**	2,200,997
Convertible Bonds - embedded financial derivatives		**660,728**	860,497
Deferred income tax liabilities		**1,753,072**	1,549,574
		23,786,236	16,781,526
Current liabilities			
Borrowings		**6,192,561**	7,659,710
Trade and other payables and accruals	*9*	**14,175,071**	11,650,073
Advanced proceeds received from customers		**9,815,372**	13,511,865
Current income tax liabilities		**9,856,005**	8,418,205
		40,039,009	41,239,853
Total liabilities		**63,825,245**	58,021,379
Total equity and liabilities		**91,737,052**	81,778,222
Net current assets		**22,721,800**	14,896,340
Total assets less current liabilities		**51,698,043**	40,538,369

Notes:

1 Basis of preparation

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

The preparation of financial statements in conformity with the HKFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies.

(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 financial year commencing on 1 January 2012 and have not been early adopted by the Group

		Effective for annual periods beginning on or after
HKFRS 1 (Amendment)	First time adoption: on government loans	1 January 2013
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 10, HKFRS 11 and HKFRS 12 (Amendment)	Transition guidance in HKFRS 10, 11 and 12	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 (Amendment)	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.

2 Segment information

The executive directors of the Company, which are the chief operating decision-maker of the Group, review 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 executive 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 property development segment. As the executive directors of the Company consider most of the Group's consolidated revenue and results are attributable to the market in the PRC and less than 10% of the Group's consolidated assets are located outside the PRC, geographical segment information is not considered necessary.

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

Analysis of revenue by the Group's business segments for the years ended 31 December 2012 and 2011 is as follows:

Revenue:	**2012** *(RMB'000)*	2011 *(RMB'000)*
- Property development	**29,328,067**	22,466,034
- Property management	**418,233**	338,698
- Hotel operations	**302,121**	121,671
- Property investment	**25,627**	18,163
	30,074,048	22,944,566

Segment results and capital expenditure for the years ended 31 December 2012 and 2011 are as follows:

Year ended 31 December 2012

	Property development (RMB'000)	Property management (RMB'000)	Hotel operations (RMB'000)	Property investment (RMB'000)	Elimination (RMB'000)	Group (RMB'000)
Gross segment sales	29,328,067	583,637	302,121	25,627	-	30,239,452
Inter-segment sales	-	(165,404)	-	-	-	(165,404)
Sales to external customers	29,328,067	418,233	302,121	25,627	-	30,074,048
Segment results	10,434,452	(14,351)	(144,833)	189,237	-	10,464,505
Fair value gains on embedded financial derivatives						199,769
Finance costs, net (note 4)						(46,294)
Share of post-tax loss of an associate	(87,024)	-	-	-	-	(87,024)
Profit before income tax						10,530,956
Income tax expenses (note 5)						(5,384,305)
Profit for the year						5,146,651
Segment assets	78,984,643	425,029	6,727,104	5,589,600	(333,060)	91,393,316
Unallocated assets						343,736
Total assets						91,737,052
Segment liabilities	19,711,643	480,925	3,568,614	562,321	(333,060)	23,990,443
Unallocated liabilities						39,834,802
Total liabilities						63,825,245
Segment assets include:						
Interest in an associate	117,738	-	-	-		117,738
Capital expenditure	630,206	4,491	962,710	163,172		1,760,579
Depreciation	57,383	4,748	102,827	-		164,958
Amortisation of land use rights and intangible assets	59,422	107	50,992	-		110,521
Fair value gains on investment properties (note 7)	-	-	-	178,428		178,428

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

	Assets *(RMB'000)*	Liabilities *(RMB'000)*
Segment assets / liabilities	91,393,316	23,990,443
Unallocated:		
Deferred income taxes	280,492	1,753,072
Prepaid taxes	63,244	-
Current income tax liabilities	-	9,856,005
Current borrowings	-	6,192,561
Non-current borrowings	-	19,002,325
Convertible Bonds - debt component	-	2,370,111
Convertible Bonds - embedded financial derivatives	-	660,728
Total	91,737,052	63,825,245

Year ended 31 December 2011

	Property development (RMB'000)	Property management (RMB'000)	Hotel operations (RMB'000)	Property investment (RMB'000)	Elimination (RMB'000)	Group (RMB'000)
Gross segment sales	22,466,034	458,216	121,671	18,163	-	23,064,084
Inter-segment sales	-	(119,518)	-	-	-	(119,518)
Sales to external customers	22,466,034	338,698	121,671	18,163	-	22,944,566
Segment results	10,721,076	(24,519)	(115,592)	100,051	-	10,681,016
Fair value gains on embedded financial derivatives						176,922
Finance income, net (note 4)						644,608
Share of post-tax profit of an associate	120,938	-	-	-	-	120,938
Profit before income tax						11,623,484
Income tax expenses (note 5)						(6,389,804)
Profit for the year						5,233,680
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 include:						
Interest in an associate	204,762	-	-	-		204,762
Capital expenditure	762,643	5,068	881,710	153,683		1,803,104
Depreciation	50,473	4,639	13,181	-		68,293
Amortisation of land use rights and intangible assets	43,297	43	34,249	-		77,589
Fair value gains on investment properties (note 7)	-	-	-	96,418		96,418

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

	Assets *(RMB'000)*	Liabilities *(RMB'000)*
Segment assets / liabilities	81,534,157	25,161,938
Unallocated:		
Deferred income taxes	173,346	1,549,574
Prepaid taxes	70,719	-
Current income tax liabilities	-	8,418,205
Current borrowings	-	7,659,710
Non-current borrowings	-	12,170,458
Convertible Bonds - debt component	-	2,200,997
Convertible Bonds - embedded financial derivatives	-	860,497
Total	81,778,222	58,021,379

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.

3 Other income

	2012 ***(RMB'000)***	2011 *(RMB'000)*
Gain on disposal of a subsidiary (note (a))	**3,358**	-
Interest income of bank deposits	**75,960**	137,095
Income in relation to a cancellation of land acquisition agreement	**-**	29,911
Forfeited deposits from customers	**13,957**	9,574
Miscellaneous income	**39,729**	23,640
	133,004	200,220

Note:

(a) According to the share transfer agreement entered into in December 2012, the Group disposed 50% equity interest in a subsidiary, Zhongshan Yahong Real Estate Development Co., Ltd. ("Zhongshan Yahong") to an independent third party (the "Yahong JV Party") at a consideration of RMB5,000,000. After the disposal, the Group and the Yahong JV Party evenly held 50% equity interest in Zhongshan Yahong and Zhongshan Yahong became a jointly controlled entity of the Group. The gain of the disposal of Zhongshan Yahong amounted to RMB3,358,000.

4 Finance (costs)/income, net

	2012	2011
	(RMB'000)	*(RMB'000)*
Interest expenses:		
- Bank borrowings and syndicated loans	**(905,212)**	(716,915)
- Senior notes	**(930,153)**	(586,191)
- Other borrowings	**(390,926)**	(283,307)
- Convertible Bonds	**(300,571)**	(194,587)
Exchange gains from borrowings and Convertible Bonds	**31,520**	644,608
Less: interest capitalised	**2,449,048**	1,781,000
	(46,294)	644,608

5 Income tax expenses

	2012	2011
	(RMB'000)	*(RMB'000)*
Current income tax		
- PRC enterprise income tax	**1,825,735**	2,577,233
- PRC land appreciation tax	**3,099,079**	4,043,050
- PRC withholding income tax	**363,139**	370,534
Deferred income tax		
- PRC enterprise income tax	**96,352**	(601,013)
	5,384,305	6,389,804

The income tax on the Group's profit before taxation differs from the theoretical amount that would arise using the enacted tax rate of the home country or regions of the group companies as follows:

	2012	2011
	(RMB'000)	*(RMB'000)*
Profit before income tax	**10,530,956**	11,623,484
Tax calculated at tax rates applicable to profits in the respective entities of the Group	**2,632,739**	2,845,658
Effect of		
- An associate's result reported net of tax	**21,756**	(30,235)
- Income not subject to income tax (note (a))	**(68,959)**	(173,788)
- Expense not deductible for income tax (note (b))	**61,374**	320,715
- Tax losses for which no deferred income tax asset was recognised	**49,947**	-
- PRC land appreciation tax deductible for calculation of income tax purposes	**(774,770)**	(986,130)
PRC enterprise income tax	**1,922,087**	1,976,220
PRC withholding income tax	**363,139**	370,534
PRC land appreciation tax	**3,099,079**	4,043,050
	5,384,305	6,389,804

Notes:

(a) Income not subject to income tax for the years ended 31 December 2012 and 2011 mainly comprises the fair value gains on embedded financial derivatives, the exchange gains derived from offshore borrowings and the interest income of bank deposits of the Company.

(b) Expense not deductible for income tax for the years ended 31 December 2012 and 2011 mainly comprises donations made to non-official public welfare institutions and expenses of the group entities in Hong Kong.

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 enterprise income tax

The income tax provision of the Group in respect of operations in Mainland China has been calculated at the applicable tax rate on the estimated assessable profits for the year, based on the existing legislation, interpretations and practices in respect thereof.

The enterprise income tax rate applicable to the group entities located in Mainland China is 25% according to the Enterprise Income Tax Law of the People's Republic of China (the "new CIT Law") effective on 1 January 2008. Under the new CIT Law, the enterprise income tax rate applicable to certain of the group entities established and operated in Hainan Special Economic Zone is gradually increased from 15% to 25% in a transitional period of five years starting from 1 January 2008, the applicable enterprise income tax rate of these group entities for the year is 25% (2011: 24%).

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.

Overseas income tax

The Company was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law, Cap 22 of Cayman Islands and accordingly, is exempted from Cayman Islands income tax. Group entities in the British Virgin Islands were incorporated either under the BVI Business Companies Act or were automatically re-registered under the same act on 1 January 2007 and, accordingly, are exempted from British Virgin Islands income tax.

Hong Kong profits tax

No provision for Hong Kong profits tax has been made in the consolidated financial statements as the Company and the Group did not have assessable profit in Hong Kong for the year. The profit of the group entities in Hong Kong is mainly derived from dividend income and interest income of bank deposits which are not subject to Hong Kong profits tax.

6 Earnings per share

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

	2012	2011
Profit attributable to shareholders of the Company *(RMB'000)*	**5,000,482**	4,105,255
Weighted average number of ordinary shares in issue *(thousands)*	**3,449,450**	3,466,015
Basic earnings per share *(RMB per share)*	**1.450**	1.184

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 dilutive potential ordinary shares are only derived from the Convertible Bonds. 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 on debt component and the fair value gains on embedded financial derivatives less the tax effect, if applicable.

	2012	2011
Profit attributable to shareholders of the Company *(RMB'000)*	**5,000,482**	4,105,255
Interest expenses charged to the income statement for the year *(RMB'000)*	**-**	-
Exchange gains on debt component *(RMB'000)*	**(5,747)**	(70,984)
Fair value gains on embedded financial derivatives *(RMB'000)*	**(199,769)**	(176,922)
Profit used to determine diluted earnings per share *(RMB'000)*	**4,794,966**	3,857,349
Weighted average number of ordinary shares in issue *(thousands)*	**3,449,450**	3,466,015
Assumed conversion of Convertible Bonds *(thousands)*	**223,641**	149,499
Weighted average number of ordinary shares for diluted earnings per share *(thousands)*	**3,673,091**	3,615,514
Diluted earnings per share *(RMB per share)*	**1.305**	1.067

7 Investment properties

	Under construction *(RMB'000)*	Completed *(RMB'000)*	Total *(RMB'000)*
Year ended 31 December 2011			
As at 1 January 2011	3,444,119	1,553,781	4,997,900
Additions	153,682	-	153,682
Fair value gains on investment properties	38,599	57,819	96,418
As at 31 December 2011	3,636,400	1,611,600	5,248,000
Year ended 31 December 2012			
As at 1 January 2012	3,636,400	1,611,600	5,248,000
Additions	163,172	-	163,172
Completed during the year	(2,518,547)	2,518,547	-
Fair value gains on investment properties	33,227	145,201	178,428
As at 31 December 2012	1,314,252	4,275,348	5,589,600

Notes:

(a) The investment properties are located in the PRC and are held on lease of between 30 to 70 years.

(b) Amounts recognised in the consolidated income statement for investment properties.

	2012 ***(RMB'000)***	2011 *(RMB'000)*
Rental income	**25,627**	18,163
Direct operating expenses arising from investment properties that generate rental income	**(8,197)**	(13,222)
Direct operating expenses that did not generate rental income	**(6,621)**	(1,308)
	10,809	3,633

(c) Valuation basis

The fair values of the Group's investment properties as at 31 December 2012 were assessed by Vigers Appraisal & Consulting Limited, an independent qualified valuer. Valuations were based on either: (i) direct comparison approach assuming sale of each of these properties in its existing state with the benefit of vacant possession by making reference to comparable sales transactions as available in the relevant market; or (ii) residual method of valuation which is common in valuing development sites by establishing the market value of the properties on an "as-if" completed basis with appropriate deduction on construction costs, professional fees and interest payments to be incurred as well as developer's profits; or (iii) capitalisation of net rental income derived from the existing tenancies with allowance for the reversionary income potential of the properties, using discount rates that reflect current market assessments of the uncertainty in the amount and timing of the cash flows. The resultant figures are adjusted back to present values to reflect the existing state of the properties on 31 December 2012.

(d) Investment properties pledged as security

As at 31 December 2012, investment properties of RMB2,557,844,000 (2011: RMB3,262,846,000) were pledged as collateral for the Group's bank borrowings.

(e) Leasing arrangements

Some of the investment properties are leased to tenants under long-term operating leases with rentals payable monthly.

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

8 Trade and other receivables

	2012	2011
	(RMB'000)	*(RMB'000)*
Trade receivables (note (a))	**1,936,191**	1,444,652
Other receivables due from:		
- An associate	**1,139,716**	1,139,716
- Jointly controlled entities	**243,961**	-
- Third parties	**1,659,007**	1,200,816
Prepaid business taxes and other taxes	**305,644**	536,588
Deposits for acquisition of land use rights	**375,320**	460,000
Prepayments	**198,825**	32,699
	5,858,664	4,814,471

As at 31 December 2012, the fair value of trade and other receivables approximated their carrying amounts. All the balances were fully performing except the balances which were past due but not impaired amounting to RMB399,877,000 (2011: RMB483,138,000).

Notes:

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

	2012	2011
	(RMB'000)	*(RMB'000)*
Within 90 days	**1,391,634**	838,672
Over 90 days and within 365 days	**342,147**	605,980
Over 365 days and within 2 years	**202,410**	-
	1,936,191	1,444,652

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

9 Trade and other payables and accruals

	2012 *(RMB'000)*	2011 *(RMB'000)*
Trade payables (note (a))	**11,259,478**	8,176,679
Other payables due to:		
- Related parties	**344,485**	708,240
- Third parties	**1,443,734**	2,014,782
Staff welfare benefit payable	**33,629**	34,301
Accruals	**806,777**	440,205
Other taxes payable	**286,968**	275,866
	14,175,071	11,650,073

Note:

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

	2012 *(RMB'000)*	2011 *(RMB'000)*
Within 90 days	**9,385,979**	6,288,702
Over 90 days and within 180 days	**894,923**	866,998
Over 180 days and within 365 days	**597,732**	594,464
Over 365 days	**380,844**	426,515
	11,259,478	8,176,679

MANAGEMENT DISCUSSION AND ANALYSIS

Overall performance

During the year, the Group's revenue was RMB30,074 million (2011: RMB22,945 million), representing an increase of 31.1% over 2011. The operating profit was RMB10,465 million (2011: RMB10,681 million), representing a slight decrease of 2.0% over last year. Profit attributable to shareholders (including after-tax fair value gains on investment properties) was RMB5,000 million (2011: RMB4,105 million), representing an increase of 21.8%. Basic earnings per share and diluted earnings per share were RMB1.450 and RMB1.305 (2011: RMB1.184 and RMB1.067) respectively, representing an increase of 22.5% and 22.3% respectively. Basic earnings per share excluding after-tax fair value gains on investment properties was RMB1.411 (2011: RMB1.164), representing an increase of 21.2%.

Land Bank

It is the Group's long-term land bank development strategy to continue its prudent replenishment plan, making select opportunistic acquisitions during the year while optimising the product mix within its existing land bank in accordance with the development needs and market conditions. As at 25 March 2013, the Group has a land bank with a total GFA of 34.92 million sq.m. in 29 cities and districts across China, located in Southern China Region, Eastern China Region, Western China Region, Central China Region, Hainan Province Region, Yunnan Province Region, Northeast China Region and Northern China Region. The average land cost was RMB1,148 per sq.m. only.

In 2012, the Group acquired land parcels with a total planned GFA of 6.13 million sq.m. and with a total consideration of RMB2,794 million. These newly acquired sites are located in Huizhou, Chongqing, Xi'an, Zhengzhou, Hainan Province and Yunnan Province. Among which, Zhengzhou and Yunnan Province were the newly explored markets of the Group.

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

Land parcel name	City/District	GFA (sq.m.)
Southern China Region		
Site in Huiyang, Huizhou	Huizhou	2,576,665
Western China Region		
Site in Dadukou District, Chongqing	Chongqing	348,172
Site in Qujiang New District, Xi'an	Xi'an	215,092
Central China Region		
Site in Zhongmou County, Zhengzhou	Zhengzhou	196,634
Hainan Province Region		
Site in Wenchang	Wenchang	298,145
Site in Clearwater Bay, Hainan	Lingshui	151,991
Yunnan Province Region		
Site in Ruili, Yunnan	Ruili	731,852
Site in Tengchong, Yunnan	Tengchong	1,613,751
Total (As at 31 December 2012)		**6,132,302**

Property development and sales

During the year, the Group's total recognised sales was RMB29,328 million, representing an increase of 30.5% when compared with RMB22,466 million in 2011. The total recognised GFA sold was 3.20 million sq.m., representing an increase of 49.8% when compared with 2.14 million sq.m. in 2011. The recognised average selling price decreased by 12.8% to RMB9,166 per sq.m. in 2012 from RMB10,517 per sq.m. in 2011, mainly due to the change of geographical distribution of recognised sales.

Property management

During the year, the property management fee income of the Group was RMB418 million, representing an increase of 23.5% when compared with RMB339 million in 2011, which was mainly attributable to an increase in the total GFA managed to 21.67 million sq.m. (2011: 15.49 million sq.m.), serving more than 450,000 residents.

Hotel operations

During the year, the revenue from the Group's hotel operations was RMB302 million, representing a significant increase of 148.3% when compared with RMB122 million in 2011. The increase was mainly attributable to Shanghai Marriott Hotel City Centre which commenced operation in November 2011, broadening the Group's overall income base.

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, the Group designated certain commercial properties for long-term rental yields. During the year, revenue of the property investment of the Group was RMB26 million, representing an increase of 41.1% when compared with RMB18 million in 2011.

Cost of sales

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

Cost of sales increased by 66.5% to RMB17,632 million in 2012 from RMB10,590 million in 2011. The increase was mainly due to (i) the increase of the total recognised sales during the year, (ii) the increase in the cost of main construction and fitting-out materials, and (iii) the strategy of using high-quality materials to enhance product quality and competitiveness in order to promote sales.

Gross profit

During the year, gross profit of the Group (before the provision for land appreciation tax) amounted to RMB12,442 million, which was comparable with last year. Gross profit margin decreased to 41.4%, but it was still maintained at a higher level in the industry. The fall in gross profit margin was mainly attributable to (i) the significant change in the proportion of the Group's recognised sales as contributed by different cities/districts, in particular a significant drop in the proportion of Hainan Clearwater Bay which had a relatively high gross profit margin last year, and (ii) the increase in cost of sales over last year as stated earlier.

Fair value gains on investment properties

During the year, the Group recorded the fair value gains on investment properties amounting to RMB178 million. After deducting the amount of RMB45 million for the deferred income tax on fair value gains, the net amount of the fair value gains was RMB133 million.

Other income

Other income of the Group decreased by 33.6% to RMB133 million in 2012 from RMB200 million in 2011. The decrease was mainly attributable to the decrease in interest income of bank deposits during the year.

Selling and marketing costs

Selling and marketing costs of the Group increased by 17.4% to RMB980 million in 2012 from RMB835 million in 2011. The increase was mainly attributable to the increase of the promotional expenses by 9.4% from RMB659 million in 2011 to RMB721 million in 2012.

Administrative expenses

Administrative expenses of the Group increased by 28.8% to RMB1,129 million in 2012 from RMB877 million 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 21.8% to RMB374 million in 2012 from RMB307 million in 2011. In addition, as a result of the move of the Group's headquarter to the central business district of Guangzhou in April 2012, rental expenses increased by 68.2% to RMB51 million in 2012 from RMB30 million in 2011.

Other expenses

Other expenses of the Group increased by 101.8% to RMB213 million in 2012 from RMB105 million in 2011. The increase was mainly attributed to the charitable donations by the Group which increased by 112.5% to RMB177 million in 2012 from RMB83 million in 2011. This demonstrates the Group's active fulfillment of corporate social responsibilities and obligations.

Finance (costs)/income, net

During the year, the Group recorded net finance costs of RMB46 million, compared with a net finance income of RMB645 million in 2011. The change was mainly attributable to the significant decrease in exchange gains, arising from borrowings and bonds denominated in Hong Kong dollars and United States dollars to RMB32 million in 2012 (2011: RMB645 million). Besides, the interest expenses amounting to RMB78 million were charged in the consolidated income statement as the construction of the related properties have been completed.

Share of post-tax loss of an associate

During the year, the share of post-tax loss in Guangzhou Li He Property Development Company Limited (廣州利合房地產開發有限公司) ("Li He") (an associate in which the Group holds 20% equity interest) was RMB87 million.

Fair value gains on embedded financial derivatives

In April 2011, the Group issued 4% Convertible Bonds in an aggregate principal amount of US$500 million (equivalent to RMB3,253 million) due 2016. During the year, the gain from change in fair value of embedded financial derivatives was RMB200 million (2011: RMB177 million).

Profit attributable to shareholders

Profit attributable to shareholders was RMB5,000 million (2011: RMB4,105 million), representing an increase of 21.8% when compared with 2011. After deducting the after-tax fair value gains on investment properties, the profit attributable to shareholders was RMB4,868 million (2011: RMB4,035 million), representing an increase of 20.6% when compared with 2011.

Liquidity, Financial and Capital Resources

Cash position and fund available

As at 31 December 2012, the total cash and bank balances of the Group were RMB9,689 million (31 December 2011: RMB7,328 million), representing an increase of 32.2% when compared with last year and can fully cover the borrowings due from repayment in one year. Among which, the unrestricted cash was RMB5,804 million (31 December 2011: RMB4,684 million) and restricted cash was RMB3,885 million (31 December 2011: RMB2,644 million).

As at 31 December 2012, the Group's undrawn borrowing facilities were RMB1,484 million (31 December 2011: RMB1,814 million).

As at 31 December 2012, the Group's available financial resources amounted to RMB11,173 million (31 December 2011: RMB9,142 million). The Group has adequate financial resources to meet future funding requirements.

In January 2013, the Group successfully issued USD700 million (equivalent to RMB4,393 million) 8.25% Subordinated Perpetual Capital Securities, further optimising its capital structure and maintaining stable and sufficient cash flows.

Borrowings

During the year, given the volatile capital market environment, the Group has proactively diversified its funding sources, to lengthen its debt maturity profile and properly minimise any refinancing risk. By way of various onshore and offshore funding sources, the Group successfully raised new borrowings amounting to RMB13,842 million, and borrowings of RMB8,528 million were repaid.

The Group demonstrated its good capability of tapping funding in the offshore bond market, as evidenced by its successful new issue of US$700 million (equivalent to RMB4,407 million) 9.875% senior notes repayable in 2017 on the right time. The Group was also granted banking facilities for RMB1,450 million. As for its onshore financing sources, the Group raised new borrowings amounting to RMB8,077 million.

As at 31 December 2012, the Group's total borrowings amounted to RMB27,565 million, of which bank borrowings, senior notes, debt component of Convertible Bonds and other borrowings amounted to RMB13,266 million, RMB10,179 million, RMB2,370 million and RMB1,750 million respectively.

Repayment schedule	**2012 (RMB million)**	2011 (RMB million)
Bank borrowings		
Within 1 year	**6,193**	5,059
Over 1 year and within 2 years	**3,357**	2,991
Over 2 years and within 5 years	**2,689**	2,450
Over 5 years	**1,027**	891
Subtotal	**13,266**	11,391
Senior notes		
Over 2 years and within 5 years	**10,179**	1,817
Over 5 years	**-**	4,022
Subtotal	**10,179**	5,839
Convertible Bonds - debt component		
Over 2 years and within 5 years	**2,370**	2,201
Other borrowings		
Within 1 year	**-**	2,600
Over 1 year and within 2 years	**1,750**	-
Subtotal	**1,750**	2,600
Total	**27,565**	22,031

As at 31 December 2012, the Group's bank borrowings of RMB7,244 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 RMB1,246 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 RMB5,486 million as at 31 December 2012 (31 December 2011: RMB5,440 million).

The gearing ratio is the ratio of net borrowings (total borrowings less total of cash and cash equivalents and restricted cash) against total equity. As at 31 December 2012, the gearing ratio was 64.0% (2011: 61.9%), demonstrating that the Group's gearing ratio is at a reasonable level.

Currency risk

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

Cost of borrowings

In 2012, the total cost of borrowings of the Group was RMB2,527 million, representing an increase of RMB746 million when compared with 2011. The increase was mainly attributable to higher average balance of bank borrowings in 2012 and the rise in the 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 31 December 2012, the outstanding guarantees were RMB13,211 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 taking 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 certain guarantees in respect of loan facilities amounting to RMB2,650 million (31 December 2011: RMB3,873 million) and RMB2,702 million (31 December 2011: RMB2,912 million) in proportion to their shareholding in Li He. The Group's share of the guarantees amounted to RMB530 million (31 December 2011: RMB775 million) and RMB675 million (31 December 2011: RMB728 million) respectively.

Commitments

As at 31 December 2012, the commitments of the Group in connection with the property development activities were RMB21,703 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 RMB612 million (31 December 2011: RMB191 million).

Human resources

As at 31 December 2012, the Group had a total of 13,439 employees, among which 123 were senior management and 335 were middle management. By geographical locations, there were 13,375 employees in Mainland China and 64 employees in Hong Kong and Macau. For the year ended 31 December 2012, the total remuneration costs, including directors' remuneration, were RMB1,050 million (2011: RMB856 million).

DIVIDEND

The Company's interim dividend of HK14.5 cents (2011: HK10.8 cents) per share was distributed to Shareholders on 25 September 2012. The Board has proposed the payment of a final dividend of HK23.9 cents (2011: HK23.4 cents) per share to Shareholders, if approved by Shareholders, the total dividend of year 2012 was HK38.4 cents (2011: HK34.2 cents) per share.

Upon approved by the Shareholders, the proposed final dividend expected to be paid on or about Friday, 7 June 2013 to Shareholders whose names appear on the register of members of the Company on Tuesday, 28 May 2013.

CLOSURE OF REGISTER OF MEMBERS

The Company's register of members will be closed during the following periods:

To determine the identity of Shareholders who are entitled to attend and vote at the 2013 annual general meeting (the "2013 AGM")

Latest time for lodging transfer	:	4:00 pm on Monday, 13 May 2013
Periods of closure of register of members	:	Tuesday, 14 May to Monday, 20 May 2013 (both dates inclusive)

To determine the Shareholders' entitlement to the final dividend

Ex-entitlement date for final dividend	:	Wednesday, 22 May 2013
Latest time for lodging transfer	:	4:00 pm on Thursday, 23 May 2013
Period of closure of register of members	:	Friday, 24 May to Tuesday, 28 May 2013 (both dates inclusive)
Record date	:	Tuesday, 28 May 2013

To qualify for attending and voting at the 2013 AGM and/or entitlement to the final dividend, all properly completed transfer forms accompanied by the 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 the corresponding latest time for lodging transfer as stated above.

ANNUAL GENERAL MEETING

The 2013 AGM of the Company will be held on Monday, 20 May 2013. Notice of 2013 AGM will be published on the websites of the Company (www.agile.com.cn), Hong Kong Exchanges and Clearing Limited (the "HKEx") (www.hkex.com.hk) and Singapore Exchange Limited ("SGX") (www.sgx.com) and dispatched to the shareholders of the Company within the prescribed time and in such manner as required under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules").

AUDIT COMMITTEE

The audit committee of the Company had reviewed the audited consolidated financial statements of the Group for the year ended 31 December 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.

PUBLIC FLOAT

Based on the information that is publicly available to the Company and to the knowledge of the Directors, they confirm that the Company has maintained at least 25% of the Company's total issued share capital is held by the public for the year ended 31 December 2012 and as at the date of this announcement.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted a 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 to the Listing Rules. After enquiry, each of Directors has confirmed to the Company that he or she had completely complied with the Securities Dealing Code for Directors during the year ended 31 December 2012.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Company has complied with the code provisions set out in (i) the former "Code on Corporate Governance Practices" during the period from 1 January to 31 March 2012, and (ii) the "Corporate Governance Code" during the period from 1 April to 31 December 2012, as contained in Appendix 14 to the Listing Rules.

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 year ended 31 December 2012.

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

This announcement is published on the Company's website (www.agile.com.cn), HKEx's website (www.hkex.com.hk) and SGX's website (www.sgx.com). The annual report of the Company for the year ended 31 December 2012 containing all the information required under the Listing Rules will be dispatched to the Company's shareholders and will 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 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, as executive directors; and Dr. Cheng Hon Kwan, Mr. Kwong Che Keung, Gordon and Mr. Cheung Wing Yui as independent non-executive directors.

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

Hong Kong, 25 March 2013

Scope of work of PricewaterhouseCoopers
The figures in respect of this preliminary announcement of the Group's results for the year ended 31 December 2012 have been agreed by the Company's auditors, PricewaterhouseCoopers, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by PricewaterhouseCoopers in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by PricewaterhouseCoopers on the preliminary announcement.