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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 2015

HIGHLIGHTS

Financial Highlights	For the six months ended 30 June		Change
	<u>2015</u>	<u>2014</u>	
Revenue (<i>RMB million</i>)	17,300	17,281	+0.1%
Gross profit (<i>RMB million</i>)	5,128	6,111	-16.1%
Profit for the period (<i>RMB million</i>)	1,403	2,454	-42.8%
Profit attributable to shareholders of the Company (<i>RMB million</i>)	965	2,043	-52.8%
Core profit attributable to shareholders of the Company* (<i>RMB million</i>)	924	1,882	-50.9%
Basic earnings per share (<i>RMB</i>)	0.248	0.593	-58.2%
The Board has resolved not to declare any interim dividend in respect of the six months ended 30 June 2015.			
* Profit attributable to shareholders of the Company excluding fair value adjustments			

Operational Highlights

- During the Review Period, the Group's accumulated pre-sales was RMB20,810 million, which was in line with expectations. The accumulated GFA pre-sold was 2.255 million sq.m., and the corresponding average selling price was RMB9,231 per sq.m.. During the Review Period, the Group had 70 projects for sale, including 1 new project.
- During the Review Period, the Group acquired land parcels with a planned GFA of nearly 150,000 sq.m. in Changsha, with the average land cost of RMB449 per sq.m. for a total consideration of RMB66.43 million. As at 26 August 2015, the Group had an aggregate land bank with a total planned GFA of 38.58 million sq.m. in 41 cities and districts, with the average land cost of RMB1,133 per sq.m..
- During the Review Period, the Company issued US\$500 million 9.0% Senior Notes due 2020 in order to refinance its existing indebtedness, improving the Company's liquidity and optimising its debt structure effectively.
- During the Review Period, the Group's revenue from property management and revenue from hotel operations recorded an increase of 17.9% and 25.4% respectively when compared with the corresponding period of last year, generating steady income for the Group. In respect of the property investment business, Agile International Plaza Shanghai recorded an occupancy rate of 93%.
- As at 30 June 2015, the total cash and bank balances of the Group were RMB12,469 million, while the undrawn borrowing facilities were RMB3,375 million.

CHAIRMAN’S STATEMENT

Dear shareholders,

I am pleased to report 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 2015 (“Review Period”).

Results

For the Review Period, the revenue and gross profit of the Group was RMB17,300 million and RMB5,128 million respectively. Profit for the period amounted to RMB1,403 million. Overall gross profit margin and net profit margin were 29.6% and 8.1% respectively.

The board of directors of the Company (the “Board”) has resolved not to declare any interim dividend in respect of the six months ended 30 June 2015.

Business review

In the first half of 2015, China’s economy continued to grow and the property market showed signs of recovery driven by a number of favourable policies. During the Review Period, the Group capitalised on market opportunities and adjusted its marketing strategy flexibly. By launching projects in a timely manner at reasonable prices, the Group’s accumulated pre-sales was RMB20,810 million, which was in line with expectation. The accumulated GFA pre-sold was 2.255 million sq.m., and the corresponding average selling price was RMB9,231 per sq.m..

During the Review Period, the Group’s revenue was comparable with the corresponding period of last year. The Group continued to be one of the leaders in pre-sales performance in property markets including Zhongshan, Guangzhou, Hainan and Yangzhou etc.. In addition, the Group had 70 projects available for sale, including the newly launched Agile Evian Town Changsha. Furthermore, the Group’s completed GFA held for sale had decreased due to active inventory clearance.

In respect of other businesses, with more properties delivered during the Review Period, the Group’s revenue from property management increased by 17.9% when compared with the corresponding period of last year. Revenue from hotel operations also recorded an increase of 25.4% when compared with the corresponding period of last year, generating steady income for the Group. In respect of the property investment business, Agile International Plaza Shanghai recorded an occupancy rate of 93%.

Prudent land acquisition strategy

Given its sufficient land bank, the Group had slowed down the pace of land acquisition during the Review Period. The Group acquired land parcels with a total planned GFA of nearly 150,000 sq.m. in Changsha, with average land cost being RMB449 per sq.m.. As at 26 August 2015, the Group had an aggregate land bank with a total planned GFA of 38.58 million sq.m. in 41 cities and districts, with average land cost being RMB1,133 per sq.m., which offers certain competitive advantage to the Group’s property development business.

Enhanced cash management and optimised financial structure

During the Review Period, the Group made efforts to accelerate the sales turnover and enhance cash management. In addition, the Group has consolidated and optimised its financial structure by capitalising on multi-channel financing, with a view to striking a balance between business development and financial management. During the Review Period, the Company successfully issued US\$500 million 9.0% Senior Notes due 2020 to refinance its existing indebtedness, improving the Company's liquidity and optimising its debt structure effectively. As at 30 June 2015, the net debt to total equity ratio of the Group was 72.4%, a decrease of 2.8 percentage points when compared with 31 December 2014.

Multi-channel communications and improved transparency

The Group upholds the concept of “mutual communication for a win-win situation”. Subject to the requirements of the Listing Rules and laws, the Group maintains effective mutual communication and builds long-standing, stable relationships with commercial banks, investment banks, rating agencies, investors and analysts, thereby improving its corporate transparency.

During the Review Period, the Group communicated with over 800 investors and analysts by holding various activities, including organising results announcement presentations, conducting 6 roadshows, attending 12 investor summits or seminars held by investment banks or securities companies at home and abroad, holding 37 meetings and conference calls with investors and arranging 28 project site visits.

During the Review Period, the Group received a number of awards in recognition of its outstanding comprehensive strength, including “Best Investor Relations (China)” by Corporate Governance Asia magazine for the fourth consecutive year.

A responsible corporate citizen

Upholding the belief of “benefiting from society, giving back to society”, the Group is committed to fulfilling its corporate social responsibility. During the Review Period, the Group's accumulated volunteer days achieved by over 8,300 participants were equivalent to 2,754 days, while RMB13 million charitable donations were made. The Group continued to support the “Agile Special Fund for Chinese Culture Continuation Work” of the Chinese Language and Culture Education Foundation for promotion of Chinese culture, and be the principal sponsor of “30-Hour Famine” in Hong Kong and “Macau Famine” in Macau organised by the World Vision Hong Kong for the sixth consecutive year.

Pursuit of sustainable development

The Group firmly believes that environmental protection is a key part in its sustainable development, and strives to contribute to environmental protection from 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 practise low carbon living. During the Review Period, the Group participated in the “Earth Hour” initiated by WWF for the sixth consecutive year, and organised the “Ecological Environmental Protection Day” for the ninth year with over 2,300 trees planted. In addition, the Group gave support to the “Lai See Packets Recycling Programme” organised by Greeners Action, a Hong Kong environmental group, for the fifth consecutive year. Recycling points were set up at the Group’s residential projects, hotels and all offices across the nation to collect and distribute “Reborn Lai See Packets”. The programme attracted participation from over 10,000 staff and members of the public across the nation. During the Review Period, the Group took the role as the key sponsor for the fourth consecutive year for the “Eco-Business Innovation Award” hosted by a student group of The Hong Kong University of Science and Technology, with a view to supporting green education.

Prospects and strategy

Looking ahead, China’s economy is expected to grow steadily in the second half of 2015. The continuous improvement in the property market sentiment is believed to stimulate markets focused on products catering for end-users’ demand, and the overall market condition is expected to further improve in the second half of the year. In the long term, on the back of China’s continuous economic growth, the ongoing urbanisation and the continued increase in people’s income, the Group believes that the demand of first time home buyers or upgraders will dominate the market, driving the healthy growth of the property market.

Moving into the second half of the year, the Group will continue to offer new products in a number of its projects and launch 8 new projects, a majority of which are products catering for end-users’ demand from first time home buyers and upgraders. In addition, with new projects in Eastern China Region and Central China Region planned to be launched, the Group’s overall geographic presence will be further improved.

The Group will continue to enhance its overall management and execution capability, with a view to laying a solid foundation for healthy development in the long term, through optimising the structure and decision-making process, with effective control on administrative expenses and enhancement on efficiency. In respect of sales, while maintaining reasonable profitability, the Group will adopt flexible sales strategies to improve its sell-through rate and actively clear inventory, in order to enhance the cash flow.

Furthermore, with a view to maximising shareholders’ value, the Group is conducting strategic review of certain assets and operations by evaluating various alternatives including but not limited to: potential opportunities to accelerate the growth of the Group, bringing in cooperative partners and monetising some assets. The strategic review considers the Group’s overall requirements on capital, with an emphasis on non-core assets, including hotel and commercial properties, which are not related to the integrated residential community development and operations. No decision or time schedule has been made on the implementation of any strategy or proposal, and the Group will make an announcement in due course and as appropriate. In the meantime, the Group will continue to operate the business in the ordinary and usual course, implement the optimisation of human resources in order to enhance overall execution capability and competitiveness, and build a talent pool for the future development of the Group.

The Group is confident that, with the above measures and the efforts of all staff, it will be able to drive its overall business growth steadily and further increase the brand awareness of Agile across the nation and maintain its position in the competitive market. Meanwhile, 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 grow.

CHEN Zhuo Lin
Chairman and President

Hong Kong, 26 August 2015

RESULTS

Unaudited interim results for the six months ended 30 June 2015:

INTERIM CONSOLIDATED INCOME STATEMENT

	Note	Six months ended 30 June	
		2015	2014
		Unaudited (RMB'000)	Unaudited (RMB'000)
Revenue	3	17,299,561	17,281,310
Cost of sales		(12,171,649)	(11,170,082)
Gross profit		5,127,912	6,111,228
Selling and marketing costs		(1,002,476)	(951,219)
Administrative expenses		(735,037)	(793,005)
Fair value gains on investment properties	8	48,246	213,582
Other losses, net		(51,919)	(15,468)
Other income	4	68,771	908,053
Other expenses		(30,052)	(240,174)
Operating profit		3,425,445	5,232,997
Finance costs, net	5	(187,618)	(355,988)
Share of post-tax loss of an associate		(6,255)	(15,738)
Share of post-tax loss of joint ventures		(47,636)	(23,289)
Profit before income tax		3,183,936	4,837,982
Income tax expenses	6	(1,781,233)	(2,383,587)
Profit for the period		1,402,703	2,454,395
Attributable to:			
- Shareholders of the Company		964,799	2,042,622
- Holders of perpetual capital securities		176,555	177,114
- Non-controlling interests		261,349	234,659
		1,402,703	2,454,395
Earnings per share for profit attributable to the shareholders of the Company during the period (expressed in Renminbi per share)			
- Basic	7	0.248	0.593
- Diluted	7	0.248	0.574
		Six months ended 30 June	
		2015	2014
		Unaudited	Unaudited
		(RMB'000)	(RMB'000)
Dividends		-	396,143

**INTERIM CONSOLIDATED STATEMENT
OF COMPREHENSIVE INCOME**

	Six months ended 30 June	
	2015	2014
	Unaudited	Unaudited
	(RMB'000)	(RMB'000)
Profit for the period	1,402,703	2,454,395
Other comprehensive income for the period		
- Currency translation differences	2,129	5
Total comprehensive income for the period	1,404,832	2,454,400
Total comprehensive income attributable to:		
- Shareholders of the Company	966,290	2,042,625
- Holders of the perpetual capital securities	176,555	177,114
- Non-controlling interests	261,987	234,661
	1,404,832	2,454,400

INTERIM CONSOLIDATED BALANCE SHEET

		As at 30 June 2015	As at 31 December 2014
	<i>Note</i>	Unaudited (RMB'000)	Audited (RMB'000)
ASSETS			
Non-current assets			
Property, plant and equipment		7,426,496	7,696,021
Land use rights		2,248,989	2,288,324
Properties under development		8,514,285	9,663,011
Intangible assets		58,912	60,863
Investment properties	8	6,111,125	5,846,317
Interest in an associate		24,310	30,565
Interest in joint ventures		1,173,212	1,220,848
Available-for-sale financial assets		117,500	117,500
Other receivable due from an associate		2,439,716	2,039,716
Deferred income tax assets		572,225	501,790
		28,686,770	29,464,955
Current assets			
Properties under development		51,825,452	50,518,110
Completed properties held for sale		15,119,884	16,138,247
Prepayments for acquisition of land use rights		4,338,219	3,700,798
Trade and other receivables	9	10,281,631	11,674,857
Prepaid income taxes		1,646,108	721,307
Restricted cash		5,195,876	5,362,080
Cash and cash equivalents		7,272,628	6,067,802
		95,679,798	94,183,201
Total assets		124,366,568	123,648,156
EQUITY			
Capital and reserves attributable to the shareholders of the Company			
Share capital and premium		5,097,967	5,097,967
Shares held for share award scheme		(156,588)	(156,588)
Other reserves		2,771,411	2,453,809
Retained earnings		26,138,369	26,255,811
		33,851,159	33,650,999
Perpetual capital securities		4,483,180	4,483,409
Non-controlling interests		3,243,188	2,960,884
Total equity		41,577,527	41,095,292

INTERIM CONSOLIDATED BALANCE SHEET (Continued)

		As at 30 June 2015	As at 31 December 2014
	<i>Note</i>	Unaudited (RMB'000)	Audited (RMB'000)
LIABILITIES			
Non-current liabilities			
Borrowings		26,203,308	25,850,994
Deferred income tax liabilities		1,324,657	1,315,858
		27,527,965	27,166,852
Current liabilities			
Borrowings		16,363,085	16,470,701
Trade and other payables	10	16,116,609	17,333,365
Advanced proceeds received from customers		11,679,545	9,215,606
Current tax liabilities		11,101,837	12,366,340
		55,261,076	55,386,012
Total liabilities		82,789,041	82,552,864
Total equity and liabilities		124,366,568	123,648,156
Net current assets		40,418,722	38,797,189
Total assets less current liabilities		69,105,492	68,262,144

Notes:

1 Basis of preparation

This condensed consolidated interim financial information for the six months ended 30 June 2015 has been prepared in accordance with Hong Kong Accounting Standard (“HKAS”) 34 “Interim Financial Reporting”. The condensed consolidated interim financial information should be read in conjunction with the annual consolidated financial statements for the year ended 31 December 2014, which have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants.

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 2014, as described in those annual consolidated financial statements.

New standards, amendments to standards and interpretations adopted by the Group from 1 January 2015

The following new standards, amendments to standards and interpretations are mandatory for the Group's financial year beginning 1 January 2015. The adoption of these new standards, amendments to standards and interpretations does not have significant impact to the results or financial position of the Group.

HKAS 19 (Amendment) 2010-2012 Cycle of the annual improvements 2011-2013 Cycle of the annual improvements	Regarding employees benefit plans Annual improvements 2012 Annual improvements 2013
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3 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. Finance costs, net are not included in the result of each operating segment.

Segment results and capital expenditure for the six months ended 30 June 2015 and 2014 are as follows:

Six months ended 30 June 2015

	<u>Property development</u> <i>(RMB'000)</i>	<u>Property management</u> <i>(RMB'000)</i>	<u>Hotel operations</u> <i>(RMB'000)</i>	<u>Property investment</u> <i>(RMB'000)</i>	<u>Group</u> <i>(RMB'000)</i>
Gross segment sales	16,550,007	496,477	327,688	37,355	17,411,527
Inter-segment sales	-	(111,966)	-	-	(111,966)
Sales to external customers	<u>16,550,007</u>	<u>384,511</u>	<u>327,688</u>	<u>37,355</u>	<u>17,299,561</u>
Fair value gains on investment properties (note 8)	-	-	-	48,246	48,246
Operating profit/(loss)	3,415,789	51,617	(100,366)	58,405	3,425,445
Share of post-tax loss of an associate	(6,255)	-	-	-	(6,255)
Share of post-tax loss of joint ventures	(47,636)	-	-	-	(47,636)
Segment result	<u>3,361,898</u>	<u>51,617</u>	<u>(100,366)</u>	<u>58,405</u>	<u>3,371,554</u>
Finance costs, net (note 5)					<u>(187,618)</u>
Profit before income tax					3,183,936
Income tax expenses (note 6)					<u>(1,781,233)</u>
Profit for the period					<u>1,402,703</u>
Depreciation	69,615	2,544	117,429	-	189,588
Amortisation of land use rights and intangible assets	<u>7,633</u>	<u>257</u>	<u>36,451</u>	<u>-</u>	<u>44,341</u>

Six months ended 30 June 2014

	<u>Property development</u> <i>(RMB'000)</i>	<u>Property management</u> <i>(RMB'000)</i>	<u>Hotel operations</u> <i>(RMB'000)</i>	<u>Property investment</u> <i>(RMB'000)</i>	<u>Group</u> <i>(RMB'000)</i>
Gross segment sales	16,766,586	444,849	261,359	39,091	17,511,885
Inter-segment sales	(111,745)	(118,830)	-	-	(230,575)
Sales to external customers	<u>16,654,841</u>	<u>326,019</u>	<u>261,359</u>	<u>39,091</u>	<u>17,281,310</u>
Fair value gains on investment properties (note 8)	-	-	-	213,582	213,582
Operating profit/(loss)	5,170,325	(1,348)	(157,380)	221,400	5,232,997
Share of post-tax loss of an associate	(15,738)	-	-	-	(15,738)
Share of post-tax loss of joint ventures	(23,289)	-	-	-	(23,289)
Segment result	<u>5,131,298</u>	<u>(1,348)</u>	<u>(157,380)</u>	<u>221,400</u>	<u>5,193,970</u>
Finance cost, net (note 5)					(355,988)
Profit before income tax					4,837,982
Income tax expenses (note 6)					(2,383,587)
Profit for the period					<u><u>2,454,395</u></u>
Depreciation	73,833	2,449	96,152	-	172,434
Amortisation of land use rights and intangible assets	<u>12,868</u>	<u>197</u>	<u>27,776</u>	<u>-</u>	<u>40,841</u>

Segment assets and liabilities as at 30 June 2015 are as follows:

	<u>Property development</u> <i>(RMB'000)</i>	<u>Property management</u> <i>(RMB'000)</i>	<u>Hotel operations</u> <i>(RMB'000)</i>	<u>Property investment</u> <i>(RMB'000)</i>	<u>Elimination</u> <i>(RMB'000)</i>	<u>Group</u> <i>(RMB'000)</i>
Segment assets	107,432,300	1,007,451	8,499,511	6,111,125	(902,152)	122,148,235
Unallocated assets						2,218,333
Total assets						124,366,568
Segment assets include:						
Interests in an associate	24,310	-	-	-		24,310
Interests in joint ventures	1,173,212	-	-	-		1,173,212
Segment liabilities	22,458,238	330,014	5,852,814	57,240	(902,152)	27,796,154
Unallocated liabilities						54,992,887
Total liabilities						82,789,041
Capital expenditure	60,497	2,543	122,257	40,803		226,100

Segment assets and liabilities as at 31 December 2014 are as follows:

	<u>Property development</u> <i>(RMB'000)</i>	<u>Property management</u> <i>(RMB'000)</i>	<u>Hotel operations</u> <i>(RMB'000)</i>	<u>Property investment</u> <i>(RMB'000)</i>	<u>Elimination</u> <i>(RMB'000)</i>	<u>Group</u> <i>(RMB'000)</i>
Segment assets	107,743,799	1,423,822	8,433,235	5,846,317	(1,022,114)	122,425,059
Unallocated assets						1,223,097
Total assets						123,648,156
Segment assets include:						
Interests in an associate	30,565	-	-	-		30,565
Interests in joint ventures	1,220,848	-	-	-		1,220,848
Segment liabilities	21,318,055	387,579	5,813,666	51,785	(1,022,114)	26,548,971
Unallocated liabilities						56,003,893
Total liabilities						82,552,864
Capital expenditure	375,956	5,161	614,099	341,666		1,336,882

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 income 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	
	2015 <i>(RMB'000)</i>	2014 <i>(RMB'000)</i>
Gain from a project of initial land development	-	799,834
Interest income of bank deposits	39,029	53,620
Forfeited deposits from customers	21,877	37,810
Disposal gain of investment properties	307	4,111
Miscellaneous	7,558	12,678
	68,771	908,053

5 Finance costs, net

	Six months ended 30 June	
	2015 <i>(RMB'000)</i>	2014 <i>(RMB'000)</i>
Interest expenses:		
- Bank borrowings and syndicated loans	(641,200)	(667,570)
- Senior notes	(637,088)	(641,164)
- Other borrowings	(409,414)	(525,780)
- Convertible bonds	-	(108,410)
Exchange gains/(losses) from borrowings	22,265	(186,982)
Less: interest capitalised	1,477,819	1,773,918
	(187,618)	(355,988)

6 Income tax expenses

	Six months ended 30 June	
	2015 (RMB'000)	2014 (RMB'000)
Current income tax		
- PRC corporate income tax	655,602	1,061,297
- PRC land appreciation tax	1,164,110	1,162,832
- PRC withholding income tax	23,157	226,262
Deferred income tax		
- PRC corporate income tax	(61,636)	(66,804)
	<u>1,781,233</u>	<u>2,383,587</u>

PRC corporate 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 corporate income tax rate applicable to the Group entities located in Mainland China is 25% according to the Corporate Income Tax Law of the People's Republic of China (the "CIT Law").

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 CIT Law, 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	
	2015	2014
Profit attributable to shareholders of the Company (RMB'000)	964,799	2,042,622
Weighted average number of ordinary shares in issue (thousands)	3,882,578	3,447,350
Basic earnings per share (RMB per share)	<u>0.248</u>	<u>0.593</u>

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 in 2014. When calculating the diluted 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	
	2015	2014
Profit attributable to shareholders of the Company (<i>RMB'000</i>)	964,799	2,042,622
Exchange losses on debt component (<i>RMB'000</i>)	-	24,047
	<hr/>	<hr/>
Profit used to determine diluted earnings per share (<i>RMB'000</i>)	964,799	2,066,669
	<hr/> <hr/>	<hr/> <hr/>
Weighted average number of ordinary shares in issue (<i>thousands</i>)	3,882,578	3,447,350
Assumed conversion of convertible bonds (<i>thousands</i>)	-	155,308
	<hr/>	<hr/>
Weighted average number of ordinary shares for diluted earnings per share (<i>thousands</i>)	3,882,578	3,602,658
	<hr/> <hr/>	<hr/> <hr/>
Diluted earnings per share (<i>RMB per share</i>)	0.248	0.574
	<hr/> <hr/>	<hr/> <hr/>

8 Investment properties

	Six months ended 30 June	
	2015	2014
	<i>(RMB'000)</i>	<i>(RMB'000)</i>
Opening net book amount	5,846,317	5,793,800
Additions	40,803	149,704
Disposals	(34,117)	(3,686)
Transfer from property, plant and equipment to investment properties	209,876	-
Fair value gains on investment properties	48,246	213,582
	<hr/>	<hr/>
Closing net book amount	6,111,125	6,153,400
	<hr/> <hr/>	<hr/> <hr/>

As at 30 June 2015, investment properties of RMB5,029,005,000 (31 December 2014: RMB4,746,101,000) were pledged as collateral for the Group's bank borrowings.

9 Trade and other receivables

	30 June 2015 <i>(RMB'000)</i>	31 December 2014 <i>(RMB'000)</i>
Trade receivables (note (a))	4,669,117	5,247,731
Other receivables due from:		
- Joint ventures	2,133,617	2,159,293
- An associate	2,439,716	2,039,716
- Third parties	1,942,675	1,832,928
Prepaid business taxes and other taxes	369,534	156,589
Deposits for acquisition of land use rights	816,000	1,959,673
Prepayments	350,688	318,643
	<hr/>	<hr/>
Total	12,721,347	13,714,573
Less: other receivable due from an associate- non-current portion	(2,439,716)	(2,039,716)
	<hr/>	<hr/>
Trade and other receivable-current portion	10,281,631	11,674,857
	<hr/> <hr/>	<hr/> <hr/>

Generally, the Group requires full payment from customers before delivery of properties. Credit terms are granted to customers upon obtaining approval from the Company's senior management after assessing the credit history of those customers. The Group closely monitors the collection of progress payments from customers in accordance with payment schedule agreed with customers. The Group has policies in place to ensure that sales are made to purchasers with an appropriate financial strength and appropriate percentage of down payments.

Note:

- (a) Trade receivables mainly arose from sales of properties. Trade receivables in respect of sales of properties are settled in accordance with the terms stipulated in the sales and purchase agreements. As at 30 June 2015 and 31 December 2014, the ageing analysis of the trade receivables is as follows:

	30 June 2015 <i>(RMB'000)</i>	31 December 2014 <i>(RMB'000)</i>
Within 90 days	3,301,421	3,505,485
Over 90 days and within 365 days	946,639	1,352,159
Over 365 days and within 2 years	312,903	341,284
Over 2 years	108,154	48,803
	<hr/>	<hr/>
	4,669,117	5,247,731
	<hr/> <hr/>	<hr/> <hr/>

10 Trade and other payables

	30 June 2015 <i>(RMB'000)</i>	31 December 2014 <i>(RMB'000)</i>
Trade payables (note (a))	11,441,300	13,489,633
Other payables due to:		
- Related parties	683,864	558,009
- Third parties	1,770,056	1,700,029
Dividend payable due to:		
- Related parties	483,627	-
- Third parties	282,032	226
Staff welfare benefit payable	36,951	41,665
Accruals	1,002,336	966,349
Other taxes payable	416,443	577,454
	<u>16,116,609</u>	<u>17,333,365</u>

Note:

- (a) The ageing analysis of trade payables of the Group as at 30 June 2015 and 31 December 2014 is as follows:

	30 June 2015 <i>(RMB'000)</i>	31 December 2014 <i>(RMB'000)</i>
Within 90 days	8,511,262	11,026,173
Over 90 days and within 180 days	1,596,489	1,303,306
Over 180 days and within 365 days	671,208	663,625
Over 365 days	662,341	496,529
	<u>11,441,300</u>	<u>13,489,633</u>

MANAGEMENT DISCUSSION AND ANALYSIS

Overall performance

During the Review Period, the Group's revenue was RMB17,300 million, which was comparable with RMB17,281 million in the corresponding period of 2014. The operating profit was RMB3,425 million, representing a decrease of 34.5% when compared with RMB5,233 million in the corresponding period in 2014. Profit attributable to shareholders of the Company was RMB965 million, representing a decrease of 52.8% when compared with RMB2,043 million in the corresponding period in 2014. Core profit attributable to shareholders of the Company (excluding fair value adjustments) was RMB924 million, representing a decrease of 50.9% when compared with RMB1,882 million in the corresponding period in 2014. Basic earnings per share was RMB0.248, representing a decrease of 58.2% when compared with RMB0.593 in the corresponding period in 2014.

Land bank

Given its sufficient land bank, the Group had slowed down the pace of land acquisition during the Review Period. As at 26 August 2015, the Group had an aggregate land bank with a total GFA of 38.58 million sq.m. in 41 cities and districts, located in Southern China Region, Eastern China Region, Western China Region, Central China Region, Hainan Province Region, Yunnan Province Region, Northeast China Region, Northern China Region and Kuala Lumpur of Malaysia. The average land cost was RMB1,133 per sq.m..

During the Review Period, the Group only acquired land parcels with a planned GFA of nearly 150,000 sq.m. in Changsha. Total consideration attributable by the Group was RMB66.43 million.

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

Land parcel name	City/District	Attributable Interest(%)	GFA (sq.m.)
Central China Region			
Site in Agile Evian Town Changsha	Changsha	100	148,026

Property development and sales

During the Review Period, the Group's total recognised sales of property development was RMB16,550 million, which was comparable with RMB16,655 million in the corresponding period in 2014, and the total recognised GFA sold was 1.79million sq.m., representing an increase of 2% when compared with the corresponding period in 2014. The recognised average selling price of the Group's projects on sale decreased by 2.6% from RMB9,490 per sq.m. in the first half of 2014 to RMB9,243 per sq.m. in the first half of 2015, mainly due to the change of geographical distribution and product mix of recognised sales.

Property management

During the Review Period, the property management fee income of the Group was RMB385 million, representing an increase of 17.9% when compared with RMB326 million in the corresponding period in 2014, which was mainly attributable to an increase in the total GFA managed to 24.48 million sq.m. (the corresponding period in 2014: 21.26 million sq.m.) and serving approximately 640,000 residents.

Hotel operations

The Group continued to develop its hotel business in a prudent and cautious manner with a view to generating a stable and reliable recurring revenue stream for the Group and enhancing the value of nearby property projects. During the Review Period, the Group recorded the revenue from hotel operations of RMB328 million, representing an increase of 25.4% when compared with RMB261 million in the corresponding period in 2014. Revenue of hotel operation was primarily generated from Shanghai Marriott Hotel City Centre, Raffles Hainan, Sheraton Bailuhu Resort Huizhou and Guangzhou Agile Hotel.

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 Review Period, revenue of property investment of the Group was RMB37 million, representing a decrease of 4.4% when compared with the corresponding period in 2014.

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.

During the Review Period, the Group recorded cost of sales of RMB12,172 million, representing an increase of 9.0% when compared with RMB11,170 million in the corresponding period in 2014, which was mainly due to the increase in the unit cost of sales, in particular costs of construction, fitting-out and land use rights.

Gross profit

During the Review Period, the Group recorded gross profit of RMB5,128 million, representing a decrease of 16.1% when compared with RMB6,111 million in the corresponding period in 2014. Gross profit margin for the Review Period was 29.6%. The fall in gross profit margin was mainly attributable to (i) the change in the proportion of the Group's recognised sales as contributed by different cities/districts, with increased weightings by projects with relatively low gross profit margin, and (ii) the increase in unit cost of sales, in particular new projects with higher unit land cost.

Fair value gains on investment properties

During the Review Period, the Group recorded the fair value gains on investment properties amounting to RMB48 million. After deducting RMB12 million for the deferred income tax on fair value gains, the net amount of the fair value gains was RMB36 million.

Other income

During the Review Period, the Group recorded other income of RMB69 million, representing a decrease of 92.4% when compared with RMB908 million in the corresponding period in 2014, which was mainly due to a net income of RMB800 million from a project of initial land development was recorded in the corresponding period in 2014, but no such relevant income during the Review Period. Other income mainly included interest income of bank deposits and forfeited deposits from customers.

Selling and marketing costs

During the Review Period, the Group recorded selling and marketing costs of RMB1,002 million, representing an increase of 5.4% when compared with RMB951 million in the corresponding period in 2014, which was mainly attributable to the increase in sales commission fee and agency service charge caused by a series of sales promotional activities.

Administrative expenses

During the Review Period, the Group recorded administrative expenses of RMB 735 million, representing a decrease of 7.3% when compared with RMB793 million in the corresponding period in 2014, which was mainly attributable the Group's optimisation of human resources and the effective control of administrative costs.

Other expenses

During the Review Period, the Group recorded other expenses of RMB30 million. It mainly included the charitable donation of RMB13 million.

Finance costs, net

During the Review Period, the Group recorded net finance costs of RMB188 million, representing a decrease of 47.3% when compared with RMB356 million in the corresponding period in 2014, which was mainly due to the lower average balance of borrowings during the Review Period, resulting in a decrease of interest expenses, and also due to the exchange gain from retranslation of foreign currency borrowings on balance sheet date.

Share of post-tax loss of joint ventures

During the Review Period, the Group recorded share of post-tax loss of joint ventures of RMB48 million, representing an increase of RMB25 million when compared with RMB23 million in the corresponding period in 2014.

Profit attributable to shareholders of the Company

During the Review Period, the Group recorded profit attributable to shareholders of the Company of RMB965 million, representing a decrease of 52.8% when compared with RMB2,043 million in the corresponding period in 2014. After excluding fair value adjustment, the core profit attributable to shareholders of the Company was RMB924 million during the Review Period, representing a decrease of 50.9% when compared with RMB1,882 million in the corresponding period in 2014.

Liquidity, financial and capital resources

Cash position and fund available

As at 30 June 2015, the total cash and bank balances of the Group were RMB12,469 million (31 December 2014: RMB11,430 million), comprising cash and cash equivalents of RMB7,273 million (31 December 2014: RMB6,068 million) and restricted cash of RMB5,196 million (31 December 2014: RMB5,362 million).

As at 30 June 2015, the Group's undrawn borrowing facilities were RMB3,375 million (31 December 2014: RMB3,501 million).

As at 30 June 2015, the Group's available financial resources amounted to RMB15,844 million (31 December 2014: RMB14,931 million). The Group has adequate financial resources to meet future funding requirements.

Borrowings

During the Review Period, given the volatile capital market environment, the Group has proactively diversified its funding sources to lengthen its debt maturity profile and properly minimised refinancing risk. By way of various onshore and offshore funding sources, the Group has successfully raised new borrowings amounting to RMB8,904 million, of which RMB5,766 million from onshore borrowings and RMB3,138 million from offshore borrowings. Borrowings of RMB8,642 million were repaid during the Review Period.

During the Review Period, the Company issued US\$500 million 9.0% Senior Notes due 2020 in order to optimise its debt structure effectively.

As at 30 June 2015, the Group's total borrowings amounted to RMB42,566 million, of which bank borrowings, senior notes and other borrowings amounted to RMB17,817 million, RMB16,136 million and RMB8,613 million respectively.

Repayment schedule	As at 30 June 2015 (RMB million)	As at 31 December 2014 (RMB million)
Bank Borrowing		
Within 1 year	8,252	11,448
Over 1 year and within 2 years	4,422	4,406
Over 2 years and within 5 years	4,522	3,541
Over 5 years	621	631
Subtotal	17,817	20,026
Senior notes		
Over 1 year and within 2 years	10,139	-
Over 2 years and within 5 years	5,997	13,155
Subtotal	16,136	13,155
Other borrowings		
Within 1 year	8,111	5,023
Over 1 year and within 2 years	154	3,649
Over 2 years and within 5 years	348	469
Subtotal	8,613	9,141
Total	42,566	42,322

As at 30 June 2015, the Group's bank borrowings (including syndicated loans) of RMB11,991 million (31 December 2014: RMB10,475 million) and other borrowings of RMB5,582 million (31 December 2014: RMB5,580 million) were secured by its land use rights, property, plant and equipment, bank deposits, investment properties and the shares of a subsidiary. The senior notes were guaranteed by certain subsidiaries of the Group and were secured by the pledges of their shares. The net assets of these subsidiaries were RMB4,975 million as at 30 June 2015 (31 December 2014: RMB5,250 million).

The gearing ratio is the ratio of net borrowings (total borrowings less total cash and cash equivalents and restricted cash) to total equity. As at 30 June 2015, the gearing ratio was 72.4% (31 December 2014: 75.2%), still at a reasonable level.

Currency risk

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

Cost of borrowings

During the Review Period, the cost of borrowings of the Group was RMB1,688 million, representing a decrease of RMB255 million when compared with RMB1,943 million in the corresponding period in 2014. The decrease was mainly attributable to lower average balance of borrowings during the Review Period. The effective rate of borrowings decreased from 8.2% in the corresponding period in 2014 to 8.0% in the Review Period.

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 2015, the outstanding guarantees were RMB17,967 million (31 December 2014: RMB14,658 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; and (ii) the satisfaction of relevant mortgage loans 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 realizable 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, several subsidiaries of the Group have provided certain guarantees to an associate and certain joint ventures in respect of loan facilities amounting to RMB11,798 million (31 December 2014: RMB14,237 million). The Group's share of the guarantees amounted to RMB2,534 million (31 December 2014: RMB3,033 million).

Commitments

As at 30 June 2015, the commitments of the Group in connection with the property development activities were RMB19,688 million (31 December 2014: RMB21,804 million). The Group has also committed to pay outstanding land premium resulting from land acquisitions in the amount of RMB448 million (31 December 2014: RMB951 million).

Human resources

As at 30 June 2015, the Group had a total of 13,270 employees, among which 117 were senior management and 339 were middle management. By geographical locations, there were 13,190 employees in mainland China and 80 employees in Hong Kong, Macau and Malaysia. For the six months ended 30 June 2015, employee benefit expenses, including directors' emoluments, were RMB1,021 million (the corresponding period in 2014: RMB959 million).

INTERIM DIVIDEND

The Board has resolved not to declare any interim dividend in respect of the six months ended 30 June 2015 (2014: HK14.5 cents per share).

REVIEW OF ACCOUNTS

The Company's audit committee had reviewed the interim results for the six months ended 30 June 2015.

The interim results for the six months ended 30 June 2015 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.

COMPLIANCE WITH THE 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 as set out in Appendix 10 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("Listing Rules"). In response to enquiries made, all Directors confirmed that they have complied with the Securities Dealing Code for Directors during the six months ended 30 June 2015.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

During the six months ended 30 June 2015, the Company has complied with all code provisions of the Corporate Governance Code ("CG Code") contained in Appendix 14 to the Listing Rules except for the deviation as specified with considered reasons below.

The code provision A.2.1 of the CG Code requires the roles of chairman and chief executive be separate and should not be performed by the same individual. However, in view of present composition of the Board, the in-depth knowledge of Chen Zhuo Lin of the operations of the Group and of the industry, his extensive business network and connections in the sector and the scope of operations of the Group, the Board believes that Chen Zhuo Lin, in his dual capacity as the Chairman and President, will provide strong and consistent leadership for the development of the Group. The Board also considers that this structure is in the best interest of the Company and will not impair the balance of power and authority of the Board and such arrangement will be subject to review from time to time.

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 2015.

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

This announcement is published on the websites of the Company (www.agile.com.cn), Hong Kong Exchanges and Clearing Limited (www.hkex.com.hk) and Singapore Exchange Limited (www.sgx.com). The interim report of the Company for the six months ended 30 June 2015 containing all the information required by the Listing Rules will be dispatched to the Company's shareholders and will be posted on the said websites in due course.

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

Hong Kong, 26 August 2015

As at the date of this announcement, the Board comprises fourteen members, which are Mr. Chen Zhuo Lin (Chairman and President), Mr. Chan Cheuk Yin** (Vice Chairperson), Madam Luk Sin Fong, Fion** (Vice Chairperson), Mr. Chan Cheuk Hung*, Mr. Huang Fengchao*, Mr. Liang Zhengjian*, Mr. Chen Zhongqi*, Mr. Chan Cheuk Hei**, Mr. Chan Cheuk Nam**, Dr. Cheng Hon Kwan#, Mr. Kwong Che Keung, Gordon#, Mr. Cheung Wing Yui, Edward#, Mr. Hui Chiu Chung, Stephen# and Mr. Wong Shiu Hoi, Peter#.*

* *Executive Directors*

** *Non-executive Directors*

Independent Non-executive Directors