



PAN HONG HOLDINGS GROUP LIMITED

(Incorporated in Bermuda on 20 December 2005)

(Co. Reg. No: 37749)

FULL YEAR FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR THE YEAR ENDED 31 MARCH 2016

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2, Q3 & Q4), HALF-YEAR AND FULL YEAR RESULTS

1(a) An income statement (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year.

RMB'000	Group		
	Year ended 31 March 2016 (Unaudited)	Year ended 31 March 2015 (Audited)	Increase/ (Decrease)
Revenue	606,416	505,224	20.0%
Cost of Sales	(525,704)	(369,020)	42.5%
Gross profit	80,712	136,204	(40.7%)
Other income and other gains and losses	164,592	67,472	143.9%
Selling and distribution expenses	(29,183)	(25,049)	16.5%
Administrative expenses	(53,462)	(44,535)	20.0%
Other operating expenses	-	(230)	(100.0%)
Operating profit	162,659	133,862	21.5%
Finance costs	(2,895)	(3,233)	(10.5%)
Share of results of joint ventures	(916)	(1,219)	(24.9%)
Share of results of associates	(408)	-	NM
Profit before income tax	158,440	129,410	22.4%
Income tax expense	(47,073)	(58,307)	(19.3%)
Profit for the year	111,367	71,103	56.6%
Other comprehensive income, net of tax			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of financial statements of foreign operations	(11,767)	1,915	(714.5%)
Other comprehensive income for the year	(11,767)	1,915	(714.5%)
Total comprehensive income for the year	99,600	73,018	36.4%
Profit for the year attributable to:			
Owners of the Company	80,533	50,965	58.0%
Non-controlling interests	30,834	20,138	53.1%
	<u>111,367</u>	<u>71,103</u>	56.6%
Total comprehensive income attributable to:			
Owners of the Company	70,087	52,496	33.5%
Non-controlling interests	29,513	20,522	43.8%
	<u>99,600</u>	<u>73,018</u>	36.4%
Earnings per share for profit attributable to the owners of the Company during the year (in RMB cents)			
- Basic and Diluted	<u>15.72</u>	<u>9.95</u>	58.0%

NM: Not Meaningful



Note:

RMB '000	Group	
	Year ended 31 March 2016 (Unaudited)	Year ended 31 March 2015 (Audited)
Profit before income tax is arrived at after charging/(crediting):		
Interest charges on financial liabilities stated at amortised cost		
- Bank loans wholly repayable within five years	54,356	43,276
- Other loans wholly repayable within five years	31,581	48,544
Less: amount capitalised in properties held under development	(83,042)	(88,587)
	2,895	3,233
Depreciation of property, plant and equipment	4,678	2,633
Less: amount capitalised in properties held under development	(527)	(544)
	4,151	2,089
Cost of properties held for sale recognised as expense	491,384	339,596
Operating lease charge in respect of land and buildings	450	642
Less: amount capitalised in properties held under development	(69)	(82)
	381	560
Outgoings in respect of investment properties that generated rental income during the year	568	722
Staff costs, including directors' remuneration		
- Wages and salaries	36,856	32,523
- Retirement benefit scheme contributions - defined contribution plans	5,045	3,221
Less: amount capitalised in properties held under development	(12,402)	(12,011)
	29,499	23,733
Other taxes	8,091	7,962
and crediting:		
Exchange (loss)/gain, net	(214)	169
Net fair value (loss)/gain for financial assets at fair value through profit or loss	(4,402)	626
Net fair value change of investment properties	72,852	36,971
Interest income		
- from bank deposits	13,152	10,278
- from other receivables	2,350	-
Rental income	19,954	18,679
(Loss)/gain on disposal of property, plant and equipment	(14)	53
Land consideration premium from a local authority	60,000	-
Sundry income	914	696



1(b)(i) A balance sheet (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

	Group		Company	
	31 March 2016 (Unaudited)	31 March 2015 (Audited)	31 March 2016 (Unaudited)	31 March 2015 (Audited)
RMB'000				
ASSETS AND LIABILITIES				
Non-current assets				
Property, plant and equipment	80,249	29,117	-	-
Investment properties	513,254	405,654	-	-
Investments in subsidiaries	-	-	564,060	564,060
Interests in joint ventures	185,264	184,654	-	-
Interests in associates	6,087	-	-	-
Other financial assets	20,000	20,000	20,000	20,000
Financial assets at fair value through profit or loss	4,778	-	-	-
Long-term pledged deposits	246,900	100,000	-	-
Deferred tax assets	25,164	25,164	-	-
	1,081,696	764,589	584,060	584,060
Current assets				
Properties held under development	2,220,453	2,285,262	-	-
Properties held for sale	762,084	733,296	-	-
Accounts receivable	3,151	2,361	-	-
Prepayments and other receivables	588,331	485,570	110	110
Amounts due from subsidiaries	-	-	258,893	260,838
Financial assets at fair value through profit or loss	2,962	7,364	-	-
Tax recoverable	32,560	-	-	-
Structured bank deposit	-	154,000	-	-
Pledged deposits	160,960	349,403	-	-
Cash and bank balances	221,753	309,501	131	132
	3,992,254	4,326,757	259,134	261,080
Non-current assets held for sale				
Investment property held for sale	-	7,050	-	-
	3,992,254	4,333,807	259,134	261,080
Current liabilities				
Accounts and bill payables	54,478	69,413	-	-
Accruals, receipts in advance and other payables	1,452,394	1,108,757	269	255
Provision for tax	195,017	182,379	-	-
Amounts due to related parties	30,239	116,598	248,646	248,350
Bank and other loans	514,370	848,141	-	-
	2,246,498	2,325,288	248,915	248,605
Net current assets	1,745,756	2,008,519	10,219	12,475
Total assets less current liabilities	2,827,452	2,773,108	594,279	596,535
Non-current liabilities				
Bank and other loans	566,009	667,500	-	-
Deferred tax liabilities	75,903	57,690	-	-
	641,912	725,190	-	-
Net assets	2,185,540	2,047,918	594,279	596,535
EQUITY				
Equity attributable to the Company's owners				
Share capital	313,446	313,446	313,446	313,446
Reserves	1,287,266	1,212,076	280,833	283,089
	1,600,712	1,525,522	594,279	596,535
Non-controlling interests	584,828	522,396	-	-
Total equity	2,185,540	2,047,918	594,279	596,535

**1(b)(ii) Aggregate amount of group's borrowings and debt securities. Amount repayable in one year or less, or on demand****Amount repayable in one year or less, or on demand**

As at 31/03/2016		As at 31/03/2015	
Secured	Unsecured	Secured	Unsecured
RMB'000	RMB'000	RMB'000	RMB'000
514,370	-	848,141	-

Amount repayable after one year

As at 31/03/2016		As at 31/03/2015	
Secured	Unsecured	Secured	Unsecured
RMB'000	RMB'000	RMB'000	RMB'000
566,009	-	667,500	-

Details of any collateral

Bank and other loans of approximately RMB731,209,000 were secured by the Group's properties and land use rights which were classified as "Leasehold interest in land and buildings", "Investment properties", "Properties held under development" as well as "Properties held for sale" as at 31 March 2016. Bank and other loans of approximately RMB349,170,000 were mainly secured by deposits of RMB346,900,000 which were classified as "Long-term pledged deposits" and "Pledged deposits" as at 31 March 2016.



1(c) A statement of cash flow (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

RMB'000	Group	
	Year ended 31 March 2016	Year ended 31 March 2015
	(Unaudited)	(Audited)
Cash flows from operating activities		
Profit before income tax	158,440	129,410
Adjustments for:		
Interest income	(15,502)	(10,278)
Interest expense	2,895	3,233
Depreciation of property, plant and equipment	4,151	2,089
Loss/(gain) on disposal of property, plant and equipment	14	(53)
Share of results of associates	408	-
Share of results of joint ventures	916	1,219
Net fair value loss/(gain) for financial assets at fair value through profit or loss	4,402	(626)
Fair value adjustment on investment properties	(72,852)	(36,971)
Operating profit before working capital changes	82,872	88,023
Decrease/(increase) in properties held under development and properties held for sale	112,149	(444,163)
Increase in accounts and other receivables and prepayments	(181,919)	(90,551)
Increase in financial assets at fair value through profit or loss	-	(589)
Increase in accounts and other payables, accruals and receipts in advance	332,538	421,322
Cash generated from/(used in) operations	345,640	(25,958)
Interest received	15,502	13,265
Income taxes paid	(48,782)	(34,674)
Net cash generated from/(used in) operating activities	312,360	(47,367)
Cash flows from investing activities		
Purchases of property, plant and equipment	(3,925)	(2,215)
Proceeds from disposal of property, plant and equipment	121	536
Proceeds from disposal of an investment property	3,214	-
Advance to a joint venture	(1,526)	(3,436)
Acquisition of an associate	(6,495)	-
Purchase of financial assets at fair value through profit or loss	(4,778)	-
Increase in prepayments and other receivables	-	(23,097)
Decrease/(increase) in structured bank deposits	154,000	(154,000)
Decrease in pledged deposits with original maturity over three months	41,543	175,792
Net cash generated from/(used in) investing activities	182,154	(6,420)
Cash flows from financing activities		
Proceeds from shares issued to non-controlling interests by subsidiary	40,820	-
Share issue expenses	(2,798)	-
(Repayment to)/advance from related companies	(87,443)	18,396
New borrowings	630,986	607,660
Repayment of borrowings	(1,076,646)	(248,449)
Interest paid	(87,774)	(90,041)
Net cash (used in)/generated from financing activities	(582,855)	287,566
Net (decrease)/increase in cash and cash equivalents	(88,341)	233,779
Effect of foreign exchange difference	593	1,486
Cash and cash equivalents at beginning of the year	309,501	74,236
Cash and cash equivalents at end of the year (note)	221,753	309,501
Note:		
Analysis of balances of cash and cash equivalents		
Cash and cash equivalents	221,753	309,501



1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalization issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

Group	Equity attributable to equity holders of the Company										Non - Controlling interests	Total equity
	Share capital	Treasury shares	Share premium	Merger reserve	Statutory reserve	Capital reserve	Other reserve	Exchange reserve	Retained earnings	Total		
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 1 April 2014 (audited)	313,446	(12,817)	203,250	(2,243)	78,107	3,838	82,217	(3,857)	811,085	1,473,026	501,874	1,974,900
Profit for the year	-	-	-	-	-	-	-	-	50,965	50,965	20,138	71,103
Other comprehensive income												
Exchange differences on translation of financial statements of foreign operations	-	-	-	-	-	-	-	1,531	-	1,531	384	1,915
Total comprehensive income for the year	-	-	-	-	-	-	-	1,531	50,965	52,496	20,522	73,018
Transfer to statutory reserves	-	-	-	-	6,331	-	-	-	(6,331)	-	-	-
At 31 March 2015 and 1 April 2015 (audited)	313,446	(12,817)	203,250	(2,243)	84,438	3,838	82,217	(2,326)	855,719	1,525,522	522,396	2,047,918
Profit for the year	-	-	-	-	-	-	-	-	80,533	80,533	30,834	111,367
Other comprehensive income												
Exchange differences on translation of financial statements of foreign operations	-	-	-	-	-	-	-	(10,446)	-	(10,446)	(1,321)	(11,767)
Total comprehensive income for the year	-	-	-	-	-	-	-	(10,446)	80,533	70,087	29,513	99,600
Transfer to statutory reserves	-	-	-	-	3,947	-	-	-	(3,947)	-	-	-
Deemed disposal of subsidiaries arisen from shares placement of a subsidiary	-	-	-	-	-	-	4,911	192	-	5,103	32,919	38,022
At 31 March 2016 (unaudited)	313,446	(12,817)	203,250	(2,243)	88,385	3,838	87,128	(12,580)	932,305	1,600,712	584,828	2,185,540

Company	Share capital	Treasury shares	Share premium	Contributed surplus	Retained earnings	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 1 April 2014 (audited)	313,446	(12,817)	203,250	59,579	32,738	596,196
Profit for the year	-	-	-	-	339	339
At 31 March 2015 and 1 April 2015 (audited)	313,446	(12,817)	203,250	59,579	33,077	596,535
Loss for the year	-	-	-	-	(2,256)	(2,256)
At 31 March 2016 (unaudited)	313,446	(12,817)	203,250	59,579	30,821	594,279

- 1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on.**

State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

SHARE CAPITAL

Date	Particulars	Number of shares		Amount	
		Issued share capital (including treasury shares)	Treasury shares	Share capital RMB'000	Treasury shares RMB'000
01 April 2015 and 31 March 2016	Balance at beginning and the end of the period	518,855,024	(6,544,000)	313,446	(12,817)

- 1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.**

The total number of issued ordinary shares as at 31 March 2016 was 518,855,024 (31 March 2015: 518,855,024), of which 6,544,000 (31 March 2015: 6,544,000) were held by the Company as treasury shares.

- 1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.**

NIL

- 2. Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.**

The figures have not been audited or reviewed by the Company's auditors.

- 3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).**

Not applicable.

- 4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.**

The Group had applied the same accounting policies and methods of computation in the financial statements for the current reporting period as in those of the audited financial statement for the year ended 31 March 2015.

- 5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.**

The Group has adopted the new and revised International Financial Reporting Standards (IFRSs) which became effective for financial periods beginning on 1 April 2015. The adoption of these new and amended IFRSs did not give rise to significant change to the financial statements.

6. Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

	Group	
	Year ended 31 March 2016	Year ended 31 March 2015
Earnings per ordinary share (in RMB cents):	(Unaudited)	(Audited)
- Basic and Diluted	15.72	9.95

Note:

The calculation of basic earnings per share was based on the profit attributable to equity holders of the Company of approximately RMB80,533,000 (2015: RMB50,965,000) divided by weighted average of 512,311,024 ordinary shares (excluding treasury shares) (2015: the weighted average of 512,311,024) during the year.

Diluted earnings per share for the year is the same as the basic earnings per share as there is no dilutive potential share (2015: Nil).

7. Net asset value (for the issuer and group) per ordinary share based on of the total number of issued shares excluding treasury shares of the issuer at the end of the:
(a) current financial period reported on; and
(b) immediately preceding financial year.

	Group		Company	
	As at 31/03/2016	As at 31/03/2015	As at 31/03/2016	As at 31/03/2015
Net asset value per ordinary share (in RMB cents)	426.60	399.74	116.00	116.44

Note:

- (1) The number of ordinary shares of the Company as at 31 March 2016 was 512,311,024 (excluding treasury shares) (31 March 2015: 512,311,024).
- (2) For information purposes, the net asset value per ordinary share attributable to the Company's owners of the Group (excluding non-controlling interests) as at 31 March 2016 was RMB312.45 cents (31 March 2015: RMB297.77 cents).

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:

- (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and**
- (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period report on.**

(a) REVIEW OF FINANCIAL RESULTS FOR THE YEAR ENDED 31 MARCH 2016 ("FY2016") COMPARED TO THE PREVIOUS CORRESPONDING YEAR ENDED 31 MARCH 2015 ("FY2015")

Revenue

	Year ended 31 March 2016	Year ended 31 March 2015
Revenue (RMB '000)	(Unaudited)	(Audited)
Residential	587,177	433,782
Commercial and others	19,239	71,442
	606,416	505,224

The Group's revenue in FY2016 was RMB606.4 million compared to RMB505.2 million in FY2015, an increase of 20.0%. The increase was mainly attributable to more handover of property units of Yichun Royal Lake City (宜春御湖城) Phase 2 and Fuzhou Hua Cui Ting Yuan (撫州華萃庭院) Phase 3.

The revenue in FY2016 mainly comprised residential units sold in Yichun Royal Lake City Phase 2 and Fuzhou Hua Cui Ting Yuan Phase 3. In FY2015, the revenue was mainly derived from the handover of residential units sold in Fuzhou Hua Cui Ting Yuan Phases 2 and 3, Yichun Royal Lake City Phase 1 as well as Nanchang Sino Harbour Kaixuan City (南昌漢港凱旋城) Phase 1.

As the Group is primarily engaged in property development business, revenue recognition is dependent on the launch of new projects and completion of handover of sold properties. Consequently, revenue and profit for the Group looking across quarters will appear irregular.

Cost of Sales and Gross Profit Margin

In line with the increase in revenue, cost of sales increased from RMB369.0 million in FY2015 to RMB525.7 million in FY2016 due to more handover of residential units.

A greater proportion of revenue came from sale of commercial units in FY2015 compared to FY2016. Commercial unit has a higher profit margin compared to residential unit. In addition, the lower gross profit margin in FY2016 was due to the handover of residential units of Yichun Royal Lake City Phase 2 with lower gross profit margin. Consequently, gross profit margin in FY2016 decreased to 13.3% from 27.0% in FY2015.

Other Income and Other Gains and Losses

Other income and other gains and losses increased 143.9% to RMB164.6 million in FY2016 from RMB67.5 million in FY2015. The increase was mainly due to a land consideration premium of RMB60.0 million from a local regional government committee in respect of a long outstanding receivable of approximately RMB234.4 million ("Initial Receivable") from the disposal of the six parcels of land located at Jiashanyang, Zhonggeng Village, Daochang Town in Huzhou City, Zhejiang Province, the PRC in January 2012 ("Disposal"). Accordingly, the total receivable from the Disposal is RMB294.4 million. During the financial period, the Group had received a partial payment of RMB173.5 million for the Initial Receivable. In addition, the increase in fair value gain on investment properties of RMB72.9 million in FY2016 compared to RMB37.0 million in FY2015 also led to the increase in other income and other gains and losses.

Selling and Distribution Expenses

Selling and distribution expenses increased by 16.5% from RMB25.0 million in FY2015 to RMB29.2 million in FY2016. The higher selling expenses in FY2016 was mainly due to the increase in sales commission and staff costs in respect of the pre-sale of Huzhou Hua Cui Ting Yuan (湖州華萃庭院) Phase 2 and Huzhou Run Yuan Project (湖州潤源項目) Phase 1.

Administrative Expenses

Administrative expenses increased by 20.0% from RMB44.5 million in FY2015 to RMB53.5 million in FY2016, mainly due to the increase in staff costs and depreciation for property, plant and equipment.

Other Operating Expenses

Other operating expenses decreased from RMB230,000 in FY2015 to nil in FY2016, mainly due to a decrease in donation in the PRC.

Finance Costs

The decrease in finance costs from RMB3.2 million in FY2015 to RMB2.9 million in FY2016 was attributable to a decrease in interest expenses because of repayment of bank and other loans during the financial year.

Share of Results of Joint Ventures

Share of results of joint ventures decreased from RMB1.2 million in FY2015 to RMB916,000 in FY2016, mainly due to a decrease in expenses incurred by joint ventures.

Share of Results of Associates

The share of results of associates increased to RMB408,000 in FY2016 from nil in FY2015 was mainly due to the share of result of an associate in respect of an investment in equity interest of the said associate (the "Associate") in the financial year. Please refer to the announcement dated 27 November 2015 in relation to the entering into of a subscription agreement ("Subscription Agreement") for the investment details. Please also refer to the details under "Interests in Associates" below for more information.

Income Tax Expense

Income tax expense decreased from RMB58.3 million in FY2015 to RMB47.1 million in FY2016. The lower income tax is mainly attributable to an overprovision of the People's Republic of China ("PRC") Land Appreciation Tax ("LAT") in prior years as well as a lower provision of LAT in FY2016 in line with higher proportion of turnover in FY2016 recognized from handover of ordinary residential properties in which under exemption of LAT payment. The decrease in LAT was offset mainly by the increase in deferred tax liabilities in respect of fair value gain in investment properties and as a result, a decrease of 19.3% in income tax expense was noted.

Profit for the Year

As a result of the foregoing factors, the Group recorded an increase of 56.6% profit after tax of RMB111.4 million in FY2016 from RMB71.1 million in FY2015.

Exchange Differences on Translation of Financial Statements of Foreign Operations

Exchange differences on translation of financial statements of foreign operations decreased from a gain of RMB1.9 million in FY2015 to a loss of RMB11.8 million in FY2016. The decrease was mainly due to the depreciation of RMB against Hong Kong Dollar ("HKD") during the financial period that resulted in a translation loss of the Group's subsidiaries which were denominated in HKD.

Total Comprehensive Income for the Year

As a cumulative effect of the above factors, the Group recorded a total comprehensive income for the year of RMB99.6 million in FY2016, compared to a total comprehensive income for the year of RMB73.0 million in FY2015.

(b) REVIEW OF FINANCIAL POSITION AS AT 31 MARCH 2016 AND CASH FLOW FOR FY2016

Property, Plant and Equipment

As at 31 March 2016, the Group had property, plant and equipment of RMB80.2 million, compared to RMB29.1 million as at 31 March 2015. The increase was mainly attributable to the transfer of properties occupied by the Group to property, plant and equipment during the financial year.

Investment Properties and Investment Property Held for Sale

As at 31 March 2016, the Group had investment properties of RMB513.3 million, compared to RMB405.7 million as at 31 March 2015. The increase mainly comprised net fair value gain of the Group's investment properties derived from the transfer of properties to the Group's investment properties during the financial year.

Investment property held for sale decreased from RMB7.1 million as at 31 March 2015 to nil as at 31 March 2016 due to the completion of transfer of title of the investment property to the customer during the financial year.

Interests in Joint Ventures

Interests in joint ventures increased from RMB184.7 million as at 31 March 2015 to RMB185.3 million as at 31 March 2016. The increase was mainly attributable to a cash advance to a joint venture.

Interests in Associates

Despite a share of result of RMB408,000 which was recognized in FY2016, interests in associates increased from nil as at 31 March 2015 to RMB6.1 million as at 31 March 2016. The increase was mainly attributable to the investment cost in the equity interests of the Associate during the financial year. According to the Subscription Agreement, the Group was granted an option to resell the entire equity interests of the said Associate and there was also a contingent consideration receivable which were measured at fair value and recorded as financial assets at fair value through profit or loss.

Financial Assets at Fair Value Through Profit or Loss

Non-current assets relating to the financial assets at fair value through profit or loss of RMB4.8 million as at 31 March 2016 was mainly attributable to the option granted to resell the entire equity interests of the said Associate and the contingent consideration receivable in relation to the investment in equity interests of the said Associate during the financial year. There were no non-current assets relating to financial assets at fair value through profit or loss in FY2015.

Current assets relating to the financial assets at fair value through profit or loss included listed equity securities in Hong Kong and the PRC. Current assets relating to the financial assets at fair value through profit or loss decreased to RMB3.0 million as at 31 March 2016 from RMB7.4 million as at 31 March 2015. The decrease was mainly attributable to the fair value loss recognised during the financial year.

Properties Held Under Development

The Group's properties held under development decreased by RMB64.8 million from RMB2.29 billion as at 31 March 2015 to RMB2.22 billion as at 31 March 2016. The decrease was mainly attributable to the net effect of re-classification of properties of Yichun Royal Lake City Phase 2 which were completed and transferred to properties held for sale during the financial period, as well as progress in the construction of projects such as Huzhou Hua Cui Ting Yuan Phase 2, Nanchang Sino Harbour Kaixuan City Phase 1 and Huzhou Run Yuan Project Phase 1.

Properties Held for Sale

Properties held for sale increased from RMB733.3 million as at 31 March 2015 to RMB762.1 million as at 31 March 2016, mainly due to the re-classification of properties of Yichun Royal Lake City Phase 2 and Nanchang Sino Harbour Kaixuan City Phase 1 which were completed and transferred from properties held under development during the financial period.

Accounts Receivable

Accounts receivable increased from RMB2.4 million as at 31 March 2015 to RMB3.2 million as at 31 March 2016, mainly due to the receivable for the delivery of Fuzhou Hua Cui Ting Yuan residential units.

Prepayments and Other Receivables

The Group's prepayments and other receivables increased from RMB485.6 million as at 31 March 2015 to RMB588.3 million as at 31 March 2016. The increase was mainly due to the net effect of the deposit paid for acquisition of land use rights in Huzhou City, Zhejiang Province, the PRC, and the partial settlement of receivable arising from the disposal of six parcels of land located in Huzhou City, Zhejiang Province, the PRC.

Tax Recoverable

Tax recoverable of RMB32.6 million as at 31 March 2016 was mainly attributable to prepayment of PRC LAT and corporate income tax during the financial year.

Pledged and Structured Bank Deposits

Long-term and short-term pledged deposits decreased from RMB449.4 million as at 31 March 2015 to RMB407.9 million as at 31 March 2016. Structured bank deposits decreased from RMB154.0 million as at 31 March 2015 to nil as at 31 March 2016. The decreases were mainly due to the decrease in deposits pledged against and secured for the bank and other loans to the Group.

Accounts and Bill Payables, Accruals, Receipts in Advance and Other Payables

Account and bill payables decreased from RMB69.4 million as at 31 March 2015 to RMB54.5 million as at 31 March 2016 due to an increase in settlement of amounts payable to suppliers for construction costs incurred in respect of the Group's properties held under development and properties held for sale.

Accruals, receipts in advance and other payables increased from RMB1.11 billion as at 31 March 2015 to RMB1.45 billion as at 31 March 2016. Accruals, receipts in advance and other payables mainly comprised advance receipts from customers in respect of the Group's property pre-sales, accrued construction costs and project-related expenses that were based on the progress of the project development but were not due for payment, as well as guarantee deposits by the contractors as at 31 March 2016. The increase in accruals, receipts in advance and other payables was mainly due to the increase in advance receipts from the customers of Huzhou Hua Cui Ting Yuan Phase 2, Nanchang Sino Harbour Kaixuan City Phase 1 and Huzhou Run Yuan Project Phase 1.

Amounts Due to Related Parties

Amounts due to related parties decreased from RMB116.6 million as at 31 March 2015 to RMB30.2 million as at 31 March 2016. The decrease was mainly attributable to repayment of cash advance from a related company, Pan Hong Company Limited.

Bank and Other Loans

As at 31 March 2016, the Group had total borrowings of RMB1.08 billion, a decrease from RMB1.52 billion as at 31 March 2015, mainly due to repayment of bank and other borrowings during the period.

Of these borrowings, bank and other loans of approximately RMB349.2 million were secured by deposits of RMB346.9 million which were classified as “Long-term pledged deposits” and “Pledged deposits” as at 31 March 2016.

Based on the Group’s total equity of RMB2.19 billion and deposit collateral of RMB346.9 million, the Group recorded a net gearing ratio (total bank and other loans less deposit collateral / total equity) of 33.6% as at 31 March 2016, compared to 47.9% as at 31 March 2015.

Deferred Tax Liabilities

Deferred tax liabilities increased to RMB75.9 million as at 31 March 2016 from RMB57.7 million as at 31 March 2015, mainly due to the provision of deferred tax liabilities in respect of fair value gain of investment properties.

Cash Flow Analysis

In FY2016, the Group recorded RMB312.4 million of net cash generated from operating activities which was mainly attributable to the increase in advance receipts from customers for pre-sale of properties.

Net cash generated from investing activities in FY2016 amounted to RMB182.2 million, mainly due to the decrease in pledged deposits and structured bank deposits.

Net cash used in financing activities in FY2016 amounted to RMB582.9 million, mainly due to repayment of borrowings.

As at 31 March 2016, the Group had cash and cash equivalents of RMB221.8 million.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

The financial results for the year ended 31 March 2016 is in line with the statement made in Paragraph 10 disclosed in its previous results announcement. There was no forecast or prospect statement previously disclosed to shareholders.

10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

Industry Outlook

The property market in the PRC has been improving gradually as evidenced by official data. Data published by the National Bureau of Statistics indicated that new home prices of 65 out of a statistical pool of 70 major PRC cities recorded a month-on-month increase in April 2016, up from 62 cities in March 2016, while 5 cities experienced decline in prices in April 2016, down from 8 cities in March 2016.

The People's Bank of China ("PBOC") and the China Banking Regulatory Commission had released a joint-announcement in February 2016 to ease the mortgage rule. According to the joint-announcement, the first down payment requirement will be decreased from 25% to 20% for family property buyers who wish to purchase their first residential property. The new rule will be applicable to all the cities in the PRC except those with limited property purchase policy such as Beijing, Shanghai, Shenzhen, Guangzhou and Sanya. In addition, minimum down payment levels for second home buyers were lowered to 30% from 40%.

PBOC also announced the cut of reserve requirement rate by 50 basis points in February 2016.

Supported by the changes in the PRC government's macro policies, the Group believes that the property market will remain relatively stable in 2016.

Company Update

Property Pre-sales

The cumulative results for the pre-sale and delivery of properties under each project up to 19 May 2016 are summarized as follows:

Residential Units

	Huzhou Run Yuan Project Phase 1	Huzhou Hua Cui Ting Yuan Phase 2	Nanchang Sino Harbour Kaixuan City Phase 1	Fuzhou Hua Cui Ting Yuan Phase 3	Yichun Royal Lake City Phase 2
Est. total GFA released for sale (total units)	103,912 sq. m. (944 units)	50,527 sq. m. (430 units)	80,686 sq. m. (768 units)	117,177 sq. m. (1,127 units)	93,805 sq. m. (993 units)
Est. total GFA pre-sold (total units)	102,027 sq. m. (925 units)	26,369 sq. m. (178 units)	79,987 sq. m. (762 units)	115,747 sq. m. (1,114 units)	82,142 sq. m. (885 units)
Percentage of pre-sold	98%	52%	99%	99%	88%
Pre-sale GFA (units pre-sold) not handed over to buyers as at 31 March 2016 ^	102,027 sq. m. (925 units)	26,369 sq. m. (178 units)	62,420 sq. m. (625 units)	33,110 sq. m. (318 units)	17,541 sq. m. (178 units)
Pre-sale value not handed over to buyers as at 31 March 2016 ^	RMB665.20m	RMB218.77m	RMB315.19m	RMB167.42m	RMB76.10m
ASP per sq m*	RMB6,520	RMB8,296	RMB5,050	RMB5,057	RMB4,338
Expected completion date	Q4CY2016	Q4CY2016	Completed	Completed	Completed

*: Average Sales Price ("ASP") of the projects is computed as follows: Pre-sale value not handed over to buyer divided by Pre-sale GFA not handed over to buyer.

^: Pre-sale value not handed over to buyer is computed as follows: Beginning period pre-sales plus New pre-sales during the period less those handed over to buyers as at 31 March 2016.

Company Strategies

Focusing on pre-sales and quickening its pace of property development will continue to be the key strategies of the Group. The Group will continue seeking opportunities to acquire land parcels in second- to third-tier cities and consider expanding its property investments portfolio to provide more stable returns through rental income in the longer term.

The Group may also consider exploring suitable business opportunities to broaden its revenue base and diversifying its core business.

11. Dividend

(a) Current Financial Period Reported On

Name of dividend: First and final
Dividend Type: Cash
Dividend amount per share: S\$0.015 per ordinary share (tax not applicable)
Par value per share: HK\$0.60
Tax rate: Tax not applicable

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year?

Nil.

(c) Date payable

To be announced later.

(d) Books closure date

To be announced later.

12. If no dividend has been declared/recommended, a statement to that effect.

Not applicable.

13. Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1) of the SGX-ST Listing Manual

The Company confirms that the undertakings under Rule 720(1) of the Listing Manual have been obtained from all its directors and executive officers in the format set out in Appendix 7.7 under Rule 720(1) of the SGX-ST Listing Manual.

PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT (This part is not applicable to Q1, Q2, Q3 or Half Year Results)
14. Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.

The Group has identified the following reportable segments:

- Northern Region, which includes the Group's business in Zhejiang, Xinjiang, Tibet, Gansu, Shaanxi, Qinghai, Inner Mongolia, Ningxia, Shanxi, Henan, Hebei, Shandong, Jiangsu, Anhui, Liaoning, Jilin, Heilongjiang, Beijing, Tianjin and Shanghai of the PRC
- Southern Region, which includes the Group's business in Jiangxi, Sichuan, Chongqing, Hubei, Fujian, Yunnan, Guangxi, Hunan, Guangdong, Guizhou and Hainan of the PRC

<u>UNAUDITED SEGMENTAL ANALYSIS</u>	Northern Region RMB'000	Southern Region RMB'000	Unallocated Expenses RMB'000	Total RMB'000
By Geographical segment				
Year ended 31 March 2016				
Revenue from external customers				
Sales of properties held for sale	9,393	597,023	-	606,416
Reportable segment revenue	9,393	597,023	-	606,416
Reportable segment profit/(loss)	24,979	93,105	(6,717)	111,367
Year ended 31 March 2015				
Revenue from external customers				
Sales of properties held for sale	4,350	500,874	-	505,224
Reportable segment revenue	4,350	500,874	-	505,224
Reportable segment (loss)/profit	(12,824)	89,873	(5,946)	71,103

15. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.

Please refer to Section 8.

16. A breakdown of sales.

(RMB'000)	Year ended 31 March 2016	Year ended 31 March 2015	% increase/ (decrease)
(a) Sales reported for the first half year	389,848	172,759	125.7%
(b) Operating profit after tax before deducting non-controlling interests reported for the first half year	18,220	23,435	(22.3%)
(c) Sales reported for the second half year	216,568	332,465	(34.9%)
(d) Operating profit after tax before deducting non-controlling interests reported for the second half year	93,147	47,668	95.4%

17. **A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year.**

	Full year ended 31 March 2016	Full year ended 31 March 2015
	RMB'000	RMB'000
Ordinary	36,733	Nil
Preference	Nil	Nil
Total annual dividend	36,733	Nil

18. **If the Group has obtained a general mandate from shareholders for Interested Parties Transactions (IPTs), the aggregate value of such transactions as required under Rule 920(1)(a)(II). If no IPT mandate has been obtained, a statement to that effect.**

The Group does not have any general mandate from shareholders for IPTs.

19. **Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(13). If there are no such persons, the issuer must make an appropriate negative statement.**

Name	Age	Family Relationship with any director and/or CEO and/or substantial shareholder	Current position and duties, and the year position was first held	Details of changes in duties and position held, if any, during the year
Wong Lam Ping	61	<ul style="list-style-type: none"> • Spouse of Ms. Chan Heung Ling, a Substantial Shareholder of the Company. • Father of Mr. Wong Ching, an Executive Director of the Company. 	Executive Chairman and Chief Executive Officer ("CEO") of the Company since 3 January 2006. Mr. Wong Lam Ping is responsible for the formulation and execution of overall business strategies and policies as well as the overall management of the Group.	Nil
Wong Ching	30	<ul style="list-style-type: none"> • Son of Mr. Wong Lam Ping, the Executive Chairman and CEO (who is also a Substantial Shareholder) of the Company. • Son of Ms. Chan Heung Ling, a Substantial Shareholder of the Company. 	Executive Director of the Company since 14 August 2014. Mr. Wong Ching is responsible for the Group's Investor Relations and related matters.	Nil
Chan Heung Ling	57	<ul style="list-style-type: none"> • Spouse of Mr. Wong Lam Ping, the Executive Chairman and CEO (who is also a Substantial Shareholder of the Company). • Mother of Mr. Wong Ching, an Executive Director of the Company. 	Non-Executive Director of Sino Harbour Holdings Group Limited, a subsidiary of the Group since 4 July 2011, which is listed on the Stock Exchange of Hong Kong ("Sino Harbour"). Ms. Chan Heung Ling is responsible for the formulation of the overall strategy of Sino Harbour.	Nil

Wong Lui	32	<ul style="list-style-type: none"> • Son of Mr. Wong Lam Ping, the Executive Chairman and CEO (who is also a Substantial Shareholder) of the Company. • Son of Ms. Chan Heung Ling, a Substantial Shareholder of the Company. • Brother of Mr. Wong Ching, an Executive Director of the Company. 	<p>Executive Director of Sino Harbour since 4 July 2011.</p> <p>Mr. Wong Lui is responsible for the operational management and development of the projects of Sino Harbour.</p>	Nil
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BY ORDER OF THE BOARD

Wong Lam Ping
 Chairman
 27 May 2016