

PAN HONG PROPERTY 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 2013

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 2013 (Unaudited)	Year ended 31 March 2012 (Unaudited) (Restated)	Increase/ (Decrease)
Revenue	567,543	577,384	(1.7%)
Cost of Sales	(375,589)	(330,483)	13.6%
Gross profit	191,954	246,901	(22.3%)
Other income and gains	49,857	120,889	(58.8%)
Selling and distribution expenses	(14,336)	(6,187)	131.7%
Administrative expenses	(34,227)	(34,364)	(0.4%)
Listing expenses of a subsidiary	-	(11,207)	(100.0%)
Other operating expenses	(577)	(5,874)	(90.2%)
Operating profit	192,671	310,158	(37.9%)
Finance costs	(1,374)	(3,170)	(56.7%)
Share of result of an associate	(48)	(3)	1,500.0%
Profit before income tax	191,249	306,985	(37.7%)
Income tax expense	(73,358)	(129,361)	(43.3%)
Profit for the year	117,891	177,624	(33.6%)
Other comprehensive income			
Exchange differences on translation of financial statements of foreign operations	(4,078)	2,264	(280.1%)
Total comprehensive income for the year	113,813	179,888	(36.7%)
Profit for the year attributable to:			
Owners of the Company	87,675	146,836	(40.3%)
Non-controlling interests	30,216	30,788	(1.9%)
	117,891	177,624	(33.6%)
Total comprehensive income attributable to:			
Owners of the Company	83,597	149,100	(43.9%)
Non-controlling interests	30,216	30,788	(1.9%)
	113,813	179,888	(36.7%)
Dividends	26,033	25,874	0.6%
Earnings per share for profit attributable to the owners of the Company during the year (in RMB cents)			
- Basic and Diluted	17.01	28.49	(40.3%)

NM: Not Meaningful

Note:

RMB '000	Group	
	Year ended 31 March 2013 (Unaudited)	Year ended 31 March 2012 (Unaudited) (Restated)
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	13,368	8,600
- Other loans wholly repayable within five years	4,790	10,822
Less: amount capitalised in properties held under development	(16,784)	(16,252)
	1,374	3,170
Depreciation of property, plant and equipment	2,036	2,362
Less: amount capitalised in properties held under development	(357)	(763)
	1,679	1,599
Cost of properties held for sale recognised as expense	344,076	298,418
Loss on disposal of property, plant and equipment	29	3
Exchange loss	164	1,201
Operating lease charge in respect of land and buildings	445	286
Less: amount capitalised in properties held under development	(70)	(152)
	375	134
Outgoings in respect of investment properties that generated rental income during the year	221	474
Staff costs, including directors' remuneration		
- Wages and salaries	21,147	17,302
- Retirement benefit scheme contributions - defined contribution plans	1,958	1,754
Less: amount capitalised in properties held under development	(7,654)	(3,978)
	15,451	15,078
Net fair value (gain)/loss on financial assets at fair value through profit or loss	(112)	5,727
and crediting:		
Consultancy fee income	1,131	1,120
Gain on disposal of properties held under development	-	90,377
Net fair value gain for investment properties	34,102	14,008
Interest income		
- from bank deposits	5,480	5,117
- from other receivables	4,287	4,458
Rental income	4,614	4,546

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 2013 Unaudited	31 March 2012 Unaudited (Restated)	31 March 2013 Unaudited	31 March 2012 Audited
RMB'000				
ASSETS AND LIABILITIES				
Non-current assets				
Property, plant and equipment	14,231	14,587	-	-
Investment properties	153,202	119,601	-	-
Investments in subsidiaries	-	-	564,060	564,060
Interest in a joint venture	174,149	95,149	-	-
Interest in an associate	5,952	-	-	-
Long-term pledged deposits	230,000	-	-	-
Deferred tax assets	29,726	26,451	-	-
	607,260	255,788	564,060	564,060
Current assets				
Properties held under development	1,351,100	1,344,697	-	-
Properties held for sale	386,496	418,998	-	-
Account receivables	602	1,628	-	-
Prepayments and other receivables	421,625	379,993	-	4
Amounts due from related parties	-	-	258,338	228,338
Amount due from an associate	37,867	-	-	-
Financial assets at fair value through profit or loss	533	5,418	-	-
Pledged deposits	63,148	62,825	-	-
Cash and bank balances	331,986	154,918	92	92
	2,593,357	2,368,477	258,430	228,434
Non-current assets held for sale				
Investment properties held for sale	7,474	-	-	-
	2,600,831	2,368,477	258,430	228,434
Current liabilities				
Account payables	35,049	29,247	-	-
Accruals, receipts in advance and other payables	525,804	488,772	261	518
Provision for tax	197,098	188,532	-	-
Amounts due to related parties	1,040	1,090	222,685	193,613
Bank and other loans	132,647	40,743	-	-
	891,638	748,384	222,946	194,131
Net current assets	1,709,193	1,620,093	35,484	34,303
Total assets less current liabilities	2,316,453	1,875,881	599,544	598,363
Non-current liabilities				
Bank and other loans	434,500	80,000	-	-
Deferred tax liabilities	27,609	19,058	-	-
	462,109	99,058	-	-
Net assets	1,854,344	1,776,823	599,544	598,363
EQUITY				
Equity attributable to the Company's owners				
Share capital	313,446	313,446	313,446	313,446
Reserves	1,052,176	994,612	260,065	259,043
Proposed final dividend	26,033	25,874	26,033	25,874
	1,391,655	1,333,932	599,544	598,363
Non-controlling interests	462,689	442,891	-	-
Total equity	1,854,344	1,776,823	599,544	598,363

**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 31/03/2013		As at 31/03/2012 (Restated)	
Secured	Unsecured	Secured	Unsecured
RMB'000	RMB'000	RMB'000	RMB'000
132,647	-	40,743	-

Amount repayable after one year

As at 31/03/2013		As at 31/03/2012 (Restated)	
Secured	Unsecured	Secured	Unsecured
RMB'000	RMB'000	RMB'000	RMB'000
434,500	-	80,000	-

Details of any collateral

Bank and other loans of approximately RMB318,784,000 were secured by the Group's land use rights which were classified as "Leasehold interest in land and buildings" and "Properties held under development" as at 31 March 2013. Bank and other loans of approximately RMB248,363,000 were secured by a deposit of RMB261,250,000 which was classified as "Pledged deposits" as at 31 March 2013.

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 2013	Year ended 31 March 2012
	(Unaudited)	(Unaudited)
		(Restated)
Cash flows from operating activities		
Profit before income tax	191,249	306,985
Adjustments for:		
Interest income	(9,767)	(9,575)
Interest expense	1,374	3,170
Depreciation of property, plant and equipment	1,679	1,599
Loss on disposal of property, plant and equipment	29	3
Gain on disposal of properties held under development	-	(90,377)
Share of result of an associate	48	-
Loss of deregistration of an associate	-	3
Fair value adjustment on investment properties	(34,102)	(14,008)
Operating profit before working capital changes	150,510	197,800
Decrease in properties held under development and properties held for sale	36,267	163,234
Increase in account and other receivables and prepayments	(35,446)	(213,370)
Decrease in financial assets at fair value through profit or loss	4,885	6,333
Increase/(decrease) in account and other payables, accruals and receipts in advance	39,375	(150,565)
Increase in amounts due to related parties	(50)	(861)
Cash generated from operations	195,541	2,571
Interest received	2,792	8,315
Income taxes paid	(59,516)	(115,686)
Net cash generated from/(used in) operating activities	138,817	(104,800)
Cash flows from investing activities		
Purchases of property, plant and equipment	(1,864)	(3,090)
Proceeds from disposal of property, plant and equipment	65	24
Proceeds from disposal of investment properties held for sale	-	29,000
Proceeds from deregistration of an associate	-	2,812
Acquisition of an associate, net	(6,000)	-
Advance to associate	(37,867)	-
Advance to a joint venture	(79,000)	(5,019)
(Increase)/decrease in pledged deposits with original maturity over three months	(230,323)	117,961
Net cash (used in)/generated from investing activities	(354,989)	141,688
Cash flows from financing activities		
Proceeds from shares issued to non-controlling interests by subsidiary companies	-	273,108
Prepayment for acquisition of additional equity interest in a subsidiary	-	(15,000)
Expenses paid for the listing of a subsidiary	-	(10,635)
Dividend paid	(36,292)	(26,745)
New borrowings	458,500	51,581
Repayment of borrowings	(12,387)	(360,617)
Interest paid	(14,915)	(19,422)
Net cash generated from/(used in) financing activities	394,906	(107,730)
Net increase/(decrease) in cash and cash equivalents	178,734	(70,842)
Effect of foreign exchange difference	(1,666)	2,691
Cash and cash equivalents at beginning of the year	154,918	223,069
Cash and cash equivalents at end of the year (note)	331,986	154,918
Note:		
Analysis of balances of cash and cash equivalents		
Cash and cash equivalents	331,986	154,918



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	Proposed final dividend			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	RMB'000
At 1 April 2011	313,446	(8,280)	203,250	(2,243)	47,060	3,838	-	(3,744)	559,262	26,745	1,139,334	221,873	1,361,207
Dividend paid	-	-	-	-	-	-	-	-	-	(26,745)	(26,745)	-	(26,745)
Deemed disposal of subsidiaries	-	-	-	-	(7,255)	-	82,217	(2,719)	-	-	72,243	190,230	262,473
Transactions with owners	-	-	-	(7,255)	-	-	82,217	(2,719)	-	(26,745)	45,498	190,230	235,728
Profit for the year	-	-	-	-	-	-	-	-	146,836	-	146,836	30,788	177,624
Other comprehensive income													
Exchange differences on translation of financial statements of foreign operations	-	-	-	-	-	-	-	2,264	-	-	2,264	-	2,264
Total comprehensive income for the year	-	-	-	-	-	-	-	2,264	146,836	-	149,100	30,788	179,888
Transfer to statutory reserves	-	-	-	-	18,934	-	-	-	(18,934)	-	-	-	-
Final dividend proposed for the year	-	-	-	-	-	-	-	-	(25,874)	25,874	-	-	-
At 31 March 2012 and 1 April 2012	313,446	(8,280)	203,250	(2,243)	58,739	3,838	82,217	(4,199)	661,290	25,874	1,333,932	442,891	1,776,823
Dividend paid	-	-	-	-	-	-	-	-	-	(25,874)	(25,874)	-	(25,874)
Dividend paid to non-controlling interest of subsidiaries	-	-	-	-	-	-	-	-	-	-	-	(10,418)	(10,418)
Transactions with owners	-	-	-	-	-	-	-	-	-	(25,874)	(25,874)	(10,418)	(36,292)
Profit for the year	-	-	-	-	-	-	-	-	87,675	-	87,675	30,216	117,891
Other comprehensive income													
Realisation of exchange reserves upon deregistration of subsidiaries	-	-	-	-	-	-	-	(589)	-	-	(589)	-	(589)
Exchange differences on translation of financial statements of foreign operations	-	-	-	-	-	-	-	(3,489)	-	-	(3,489)	-	(3,489)
Total comprehensive income for the year	-	-	-	-	-	-	-	(4,078)	87,675	-	83,597	30,216	113,813
Transfer from statutory reserves	-	-	-	-	10,706	-	-	-	(10,706)	-	-	-	-
Release upon deregistration of subsidiaries	-	-	-	-	(583)	-	-	-	583	-	-	-	-
Final dividend proposed for the year	-	-	-	-	-	-	-	-	(26,033)	26,033	-	-	-
At 31 March 2013 (unaudited)	313,446	(8,280)	203,250	(2,243)	68,862	3,838	82,217	(8,277)	712,809	26,033	1,391,655	462,689	1,854,344

Company	Share capital	Treasury shares	Share premium	Contributed surplus	Retained earnings	Proposed final dividend	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 1 April 2011	313,446	(8,280)	203,250	59,579	4,602	26,745	599,342
Profit for the year	-	-	-	-	25,766	-	25,766
Dividend paid	-	-	-	-	-	(26,745)	(26,745)
Final dividend proposed for the year	-	-	-	-	(25,874)	25,874	-
At 31 March 2012 and 1 April 2012 (audited)	313,446	(8,280)	203,250	59,579	4,494	25,874	598,363
Profit for the year	-	-	-	-	27,055	-	27,055
Dividend paid	-	-	-	-	-	(25,874)	(25,874)
Final dividend proposed for the year	-	-	-	-	(26,033)	26,033	-
At 31 March 2013 (unaudited)	313,446	(8,280)	203,250	59,579	5,516	26,033	599,544

- 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	Treasury share	Share Capital RMB'000	Treasury share RMB'000
01 April 2012 and 31 March 2013	Balance at beginning and the end of the year	518,855,024	(3,460,000)	313,446	(8,280)

- 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 2013 was 518,855,024 (31 March 2012: 518,855,024), of which 3,460,000 (31 March 2012: 3,460,000) 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's accounting policies and methods of computations adopted in preparing the unaudited result announcement were consistent with those applied for the audited financial statements of the Group for the year ended 31 March 2012, together with the new or revised International Financial Reporting Standards ("IFRSs") and interpretations that are first effective or early adoption for the current financial year of the Group.

The new or revised standards, IFRS 10, IFRS 11, IFRS 12, IAS 27 (2011) and IAS 28 (2011), which had been adopted earlier, are mandatorily effective for annual periods beginning on or after 1 January 2013 and should be applied in accordance with respective transition requirements and adjust the comparative period retrospectively. Early application is permitted so long as all of the five new or revised standards are applied early.

The Group has reassessed the classification of its interests in a jointly controlled entity having regards to the effects of the designated operating agreement signed between the Group and its joint venture partner. The jointly controlled entity has been separated into two activities. The first activity was conducted through a joint venture project with control shared by the Group and its joint venture partner. The second activity was a project with unilateral control by the Group. The Group accounts for its interest in the first activity using the equity method and consolidates the second activity in the consolidated financial statements. The comparative information for the year ended 31 March 2012 has been restated accordingly.

The following presents the effect on the consolidated statement of financial position and consolidated statement of comprehensive income regarding to the reassessment above comparing the restated 31 March 2012 amounts and the amounts previously reported:

Effect on the consolidated statement of financial position:

As at 31 March 2012	As Restated RMB'000	As Previously report RMB'000	Increase/ decrease in net assets RMB'000
Property, plant and equipment	14,587	14,207	380
Investment in a joint venture	95,149	176,649	(81,500)
Properties held under development	1,344,697	1,080,519	264,178
Prepayments and other receivables	379,993	368,101	11,892
Pledged deposits	62,825	61,755	1,070
Cash and bank balances	154,918	144,786	10,132
Account payables	(29,247)	(18,134)	(11,113)
Accruals, receipts in advance and other payables	(488,772)	(373,607)	(115,165)
Provision for tax	(188,532)	(188,658)	126
Bank and other loans	(120,743)	(40,743)	(80,000)
Net Assets	1,224,875	1,224,875	-

Effect on the consolidated statement of comprehensive income:

For the year ended 31 March 2012	As Restated RMB'000	As Previously reported RMB'000	Increase/ (decrease) in profit RMB'000
Other income and gains	120,889	120,887	2
Selling and distribution expenses	6,187	5,767	(420)
Administrative expenses	34,364	31,301	(3,063)
Share of result of a joint venture	-	3,481	3,481
Profit for the year	177,624	177,624	-

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.**

Please refer to part 4 above.

6. **Earning 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 2013	Year ended 31 March 2012
Earnings per ordinary share (in RMB cents):	(Unaudited)	(Audited)
- Basic and Diluted	17.01	28.49

Note:

The calculation of basic earnings per share was based on the profit attributable to equity holders of the Company of approximately RMB87,675,000 (2012: RMB146,836,000) divided by weighted average of 515,395,024 ordinary shares (excluding treasury shares) (2012: the weighted average of 515,395,024) 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 (2012: 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 31/03/2013	As at 31/03/2012 (Restated)	As at 31/03/2013	As at 31/03/2012
Net asset value per ordinary share (in RMB cents)	359.79	344.75	116.33	116.10

Note:

The number of ordinary shares of the Company as at 31 March 2013 was 515,395,024 (excluding treasury shares) (31 March 2012: 515,395,024).

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 2013 ("FY2013") COMPARED TO THE PREVIOUS CORRESPONDING YEAR ENDED 31 MARCH 2012 ("FY2012")

Revenue

	Year ended 31 March 2013	Year ended 31 March 2012
Revenue (RMB '000)		
Residential	419,978	391,720
Commercial and others	147,565	185,664
	567,543	577,384

The Group's revenue in FY2013 was RMB567.5 million compared to RMB577.4 million in FY2012, a slight decrease of 1.7%.

The revenue in FY2013 comprised mainly residential units sold in Fuzhou Hua Cui Ting Yuan Phase 1 (抚洲华萃庭院一期) and Yichun Royal Lake City Phase 1 (宜春御湖城一期), as well as commercial units sold in Nanchang Honggu Kaixuan (南昌红谷凯旋).

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.

Gross Profit Margin

Gross profit margin decreased from 42.8% in FY2012 to 33.8% in FY2013 due to the lower proportion of sales recognized from commercial units in FY2013 compared with FY2012. Commercial units have a significantly higher gross profit margin compared with residential units.

Other Income and Gains

Other income and gains decreased to RMB49.9 million in FY2013 from RMB120.9 million in FY2012 (restated), a decrease of 58.8% due to higher other income and gains in FY2012. The other income and gains in FY2012 was due mainly to a gain on disposal of Hailian Project (海联项目) of RMB90.4 million in FY2012. In FY2013, other income and gains comprised mainly net fair value gain of the Group's investment properties derived from the transfer of a new property to the Group's investment properties during the year.

Selling and Distribution Expenses

Selling and distribution expenses comprised mainly salaries and commission expenses of salesperson, agency fee and advertising expenses. Selling and distribution expenses increased by 131.7% from RMB6.2 million in FY2012 (restated) to RMB14.3 million in FY2013. The higher selling and distribution expenses in FY2013 were due mainly to the increase in marketing and promotional expenses from Yichun Royal Lake City.

Administrative Expenses

Administrative expenses in FY2013 decreased slightly by 0.4% to RMB34.2 million in FY2013 from RMB34.4 million in FY2012 (restated).

Listing expenses of a subsidiary

No listing expenses of a subsidiary in FY2013, compared to RMB11.2 million in FY2012. Listing expenses of a subsidiary in FY2012 represents the IPO listing expenses incurred for the listing of Sino Harbour Property Group Limited (“Sino Harbour”), a wholly-owned subsidiary of the Company. On 22 July 2011, the Group had successfully spun off Sino Harbour and its subsidiaries and Sino Harbour had been listed on the main board of The Hong Kong Stock Exchange Limited.

Other Operating Expenses

Other operating expenses decreased by 90.2% from RMB5.9 million in FY2012 to RMB577,000 in FY2013. The decrease was due mainly to an increase in net fair value loss of financial assets at fair value through profit or loss in FY2012. The financial assets at fair value through profit or loss included listed equity securities in Hong Kong and the People’s Republic of China (“PRC”). The financial assets are measured at fair value at the reporting date of the financial period. Due to market fluctuation, the market value of the listed equity securities held by the Group had decreased.

Finance Costs

Finance costs decreased by 56.7% from RMB3.2 million in FY2012 to RMB1.4 million in FY2013 due to a decrease in bank loans as the borrowing costs are not capitalised to properties held under development.

Profit for the Year

As a cumulative effect of the foregoing factors, the profit before income tax in FY2013 decreased by 37.7% to RMB191.2 million, compared to RMB307.0 million in FY2012 (restated).

Income Tax

Income tax expense decreased from RMB129.4 million in FY2012 to RMB73.4 million in FY2013. The decrease was attributable mainly to the decrease in income tax in line with the decrease in revenue in FY2013 and Land Appreciation Tax (“LAT”).

The decrease in LAT was attributable mainly to the lower assessable appreciated value of the property in FY2013 resulting from more ordinary residential property being delivered during the year. According to the Provisional Regulations of the PRC on LAT and relevant implementation rules, an entity which derives a profit from selling or transferring properties shall be liable to pay LAT at progressive rates ranging from 30% to 60%, of the appreciated value of the property, with certain exemptions available for the sale of ordinary residential properties if the appreciated value does not exceed 20% of the deductible items as defined in the relevant LAT regulations. Sales of commercial properties are not eligible for such exemption.

The Group posted a decrease of 33.6% profit after tax of RMB117.9 million in FY2013 from RMB177.6 million in FY2012.

(b) REVIEW OF FINANCIAL POSITION AS AT 31 MARCH 2013 AND CASH FLOW FOR FY2013

Investment Properties

As at 31 March 2013, the Group had investment properties at fair value and held for sale of RMB160.7 million, compared to RMB119.6 million at 31 March 2012. The increase comprised mainly net fair value gain of the Group's investment properties derived from the transfer of a new property to the Group's investment properties during the year.

Interest in a Joint Venture

Interest in a joint venture increased from RMB95.1 million as at 31 March 2012 (restated) to RMB174.1 million as at 31 March 2013. The increase was attributable mainly to cash advance to a joint venture for the construction cost of Yichun Royal Lake City Phase 3.

Interest in an Associate

The Group has interest in an associate of RMB6.0 million as at 31 March 2013 represents the purchase consideration of RMB6.0 million to acquire a 30% equity interest in an associated company, Huzhou Delong Real Estate Co., Limited ("Huzhou Delong") and share of result of an associate for the year.

Properties Held Under Development

As at 31 March 2013, the Group's properties held under development increased by RMB6.4 million from RMB1.34 billion as at 31 March 2012 (restated) to RMB1.35 billion as at 31 March 2013. The increase was in tandem with the construction progress of the Group's property projects in FY2013 which included the construction cost of Fuzhou Hua Cui Ting Yuan Phase 2 and Phase 3 as well as Nanchang Sino Harbour Island Villa Project Phase 1 (南昌漢港林島項目一期).

Properties Held for Sale

Properties held for sale decreased to RMB386.5 million as at 31 March 2013, from RMB419.0 million as at 31 March 2012 due mainly to property units recognised as cost of sales for the completion and handover of sold properties of Fuzhou Hua Cui Ting Yuan Phase 1 and Yichun Royal Lake City Phase 1 to the buyers.

Account Receivables

Account receivables decreased to RMB602,000 as at 31 March 2013, from RMB1.6 million as at 31 March 2012. The decrease was due mainly to improvements in collection of outstanding balances.

Prepayments and Other Receivables

Group prepayments and other receivables increased from RMB380.0 million as at 31 March 2012 (restated) to RMB421.6 million as at 31 March 2013 out of which RMB234.4 million was attributable to the receivable from the disposal of Hailian Project classified as "Other Receivables". The remaining RMB187.2 million was attributable mainly to an increase in the prepayments to contractors for the construction of Fuzhou Hua Cui Ting Yuan Phase 2.

Amount due from an associate

Amount due from an associate of RMB37.9 million as at 31 March 2013 represents the cash advance to an associate – Huzhou Delong.

Financial Assets at Fair Value Through Profit or Loss

Financial assets at fair value through profit or loss include listed equity securities in Hong Kong and the PRC. Financial assets at fair value through profit or loss decreased to RMB533,000 as at 31 March 2013 from RMB5.4 million as at 31 March 2012 due mainly to the disposal of listed equity securities in FY2013.

Pledged Deposits

Long-term and Short-term pledged deposits increased from RMB62.8 million as at 31 March 2012 (restated) to RMB293.1 million as at 31 March 2013. The increase was due mainly to the increase in deposits pledged against the bank and other loans to the Group.

Account Payables, Accruals, Receipts in Advance and Other Payables

Account payables increased to RMB35.0 million as at 31 March 2013 from RMB29.2 million as at 31 March 2012 (restated) due to increase in amounts payable to suppliers for construction cost incurred in respect of the Group's properties held under development.

Accruals, receipts in advance and other payables increased to RMB525.8 million as at 31 March 2013 from RMB488.8 million as at 31 March 2012 (restated). Accruals, receipts in advance and other payables comprised mainly of receipts from deposit and prepayments relating to the Group's property pre-sales, accrued construction costs, guarantee deposit by the subcontractor and project-related expenses that were based on the progress of the project development but were not due for payment as at 31 March 2013. The increase in accruals, receipts in advance and other payables was due mainly to the increase in guarantee deposit by the subcontractor for the construction of Huzhou Run Yuan Project (湖州潤源項目).

Bank and Other Loans

As at 31 March 2013, the Group had total borrowings of RMB567.1 million, a significant increase from RMB120.7 million as at 31 March 2012 (restated) due mainly to new borrowings in FY2013 for the purpose of development cost in future project.

Of these borrowings, a bank loan and other loans of approximately RMB248.4 million were secured by a deposit of RMB261.3 million which was classified as "Pledged deposits" as at 31 March 2013.

Based on the Group's total equity of RMB1.85 billion and a deposit collateral of RMB261.3 million, the Group recorded a higher gearing ratio (total borrowings less deposit collateral / total equity) of 16.5% as at 31 March 2013, compared to 4.7% as at 31 March 2012 (restated).

Deferred Tax Liabilities

Deferred Tax Liabilities increased to RMB27.6 million as at 31 March 2013 from RMB19.1 million as at 31 March 2012 due mainly to the provision of deferred tax liabilities in respect of fair value gain of investment properties.

Cash Flow Analysis

In FY2013, the Group recorded RMB138.8 million of cash generated from operating activities which was attributable mainly to an operating profit before working capital changes, decrease in properties held for sale as well as increase in receipts in advance in FY2013.

Net cash used in investing activities in FY2013 amounted to RMB355.0 million due mainly to the increase in deposits pledged to banks against the bank loans as well as cash advance to a joint venture.

Net cash generated from financing activities in FY2013 amounted to RMB394.9 million due mainly to the new borrowings for the year.

As at 31 March 2013, the Group had cash and cash equivalents of RMB332.0 million.

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

The Group's performance for FY2013 is in line with the previous results announcement made.

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 PRC government has been enforcing tighter control on the PRC property market since the end of 2012. In the State Council Executive Meeting held on 20 February 2013, the PRC government expressed its determination to implement "The Five New Measures" to strengthen control over the property market, stating repeatedly its intention to eliminate residential property purchases for speculation and investment purposes, refine the home purchase quota policy and implement differential housing credit policies. At the same time, it has expressly stated a general policy direction of non-relaxation of property market restrictions.

In spite of tighter control policy on the property market, prices of new homes continue to rise in the PRC cities. Official data from the National Bureau of Statistics indicated that 68 out of 70 cities saw higher new home prices in March 2013, compared to 66 cities in February 2013. On a year-on-year basis, 67 cities registered higher prices in March 2013 (Xinhua, 18 April 2013).

Overall, the Group expects the PRC property market to remain challenging in 2013. The Group is of the view that the series of PRC government policies to curb the excessive growth of housing prices will continue and help stabilise the market in the long-term. Furthermore, ongoing urbanisation in the PRC will generate constant demand for improved housing.

Company Update

Property Pre-sales

The property pre-sales activity for the Group's projects in Nanchang, Fuzhou and Yichun cities remained strong. Results of Property Pre-sale Launches (as at 20May 2013) are summarised in the tables below:

Residential Units

	Nanchang Honggu Kaixuan Phase 2	Fuzhou Hua Cui Ting Yuan Phase 1	Fuzhou Hua Cui Ting Yuan Phase 2	Yichun Royal Lake City Phase 1
Est. total GFA released for sale (total units)	116,214 sqm (1,007 units)	91,853 sqm (633 units)	71,628 sqm (525 units)	72,882 sqm (770 units)
Est. total GFA pre-sold (total units)	113,954 sqm (999 units)	79,587 sqm (572 units)	49,611 sqm (428 units)	60,239 sqm (619 units)
Percentage of pre-sold	98%	87%	69%	83%
Pre-sale GFA (units pre-sold) not handed over to buyers as at 31 March 2013 ^	728 sqm (6 units)	4,520 sqm (23 units)	49,611 sqm (428 units)	17,564 sqm (187 units)
Pre-sale value not handed over to buyers as at 31 March 2013 ^	RMB5.47 m	RMB26.80 m	RMB242.23 m	RMB76.39 m
ASP per sqm*	RMB7,514	RMB5,959	RMB4,883	RMB4,349

Commercial Units

	Nanchang Honggu Kaixuan Phase 1 and 2
Est. total GFA released for sale	16,215 sqm
Est. total GFA pre-sold	13,785 sqm
Percentage of pre-sold	85%
Pre-sale GFA not handed over to buyers as at 31 March 2013 ^	34 sqm
Pre-sale value not handed over to buyers as at 31 March 2013 ^	RMB830,000
ASP per sqm*	RMB24,412

*: 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 2013.

Company Strategies

Having established its pioneering position in the Zhejiang and Jiangxi Province property market, the Group aims to accelerate its growth by developing residential and commercial projects in the PRC that generate high returns. Consistent with this aim, the Group will replicate its successful investment model in property projects to expand its presence in other provinces in the PRC.

Apart from domestic market, the Group is actively exploring the emerging overseas markets to benefit from an early-mover advantage. The Group will also intensify efforts at identifying property projects with high investment potential by leveraging on its extensive network.

11. Dividend

(a) Current Financial Period Reported On

Name of dividend:	First and final
Dividend Type:	Cash
Dividend amount per share:	S\$0.01 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?

Yes. A first and final dividend of S\$0.01 per ordinary share (tax not applicable) had been declared for the financial year ended 31 March 2012.

(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.

PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT (This part is not applicable to Q1, Q2, Q3 or Half Year Results)

13. 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 2013				
Revenue from external customers				
Sales of properties held for sale	7,625	559,918	-	567,543
Reportable segment revenue	7,625	559,918	-	567,543
Reportable segment (loss)/profit	(3,983)	125,220	(3,346)	117,891
Year ended 31 March 2012				
Revenue from external customers				
Sales of properties held for sale	62,203	515,181	-	577,384
Reportable segment revenue	62,203	515,181	-	577,384
Reportable segment profit	89,922	100,751	(13,049)	177,624

14. 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.

15. A breakdown of sales.

(RMB'000)	Year ended 31 March 2013	Year ended 31 March 2012	% increase/ (decrease)
(a) Sales reported for the first half year	222,340	228,400	(2.7%)
(b) Operating profit after tax before deducting non-controlling interests reported for the first half year	57,743	49,679	16.2%
(c) Sales reported for the second half year	345,203	348,984	1.1%
(d) Operating profit after tax before deducting non-controlling interests reported for the second half year	60,148	127,945	(53.0%)

16. **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 2013	Full year ended 31 March 2012
	RMB'000	RMB'000
Ordinary	26,033	25,874
Preference	Nil	Nil
Total annual dividend	26,033	25,874

17. **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.

18. **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
Chan Heung Ling	54	Spouse of Mr. Wong Lam Ping, Executive Chairman and a Substantial Shareholder of the Group.	Non-Executive Director of Sino Harbour Property Group Limited, a subsidiary of the Group since 4 July 2011, which is listed on the Stock Exchange of Hong Kong. Ms. Chan is responsible for the formulation of the overall strategy of Sino Harbour Property Group.	Nil
Wong Lui	29	Son of Mr. Wong Lam Ping, Executive Chairman and a Substantial Shareholder of the Group and Ms. Chan Heung Ling, a Substantial Shareholder of the Group.	Executive Director of Sino Harbour Property Group Limited, a subsidiary of the Group since 4 July 2011, which is listed on the Stock Exchange of Hong Kong. Mr. Wong is responsible for the operational management and development of the projects of Sino Harbour Property Group.	Nil

BY ORDER OF THE BOARD

Wong Lam Ping
Chairman
27 May 2013