



**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 2017**

**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 2017 (Unaudited)	Year ended 31 March 2016 (Audited)	Increase/ (Decrease)
Revenue	1,402,430	606,416	131.3%
Cost of Sales	(1,137,602)	(525,704)	116.4%
<b>Gross profit</b>	<b>264,828</b>	<b>80,712</b>	<b>228.1%</b>
Other income and other gains and losses	56,833	164,592	(65.5%)
Selling and distribution expenses	(27,337)	(29,183)	(6.3%)
Administrative expenses	(55,080)	(53,462)	3.0%
<b>Operating profit</b>	<b>239,244</b>	<b>162,659</b>	<b>47.1%</b>
Finance costs	(8,139)	(2,895)	181.1%
Share of results of joint ventures	(500)	(916)	(45.4%)
Share of results of associates	(414)	(408)	1.5%
<b>Profit before income tax</b>	<b>230,191</b>	<b>158,440</b>	<b>45.3%</b>
Income tax expense	(87,446)	(47,073)	85.8%
<b>Profit for the year</b>	<b>142,745</b>	<b>111,367</b>	<b>28.2%</b>
<b>Other comprehensive income, net of tax Item that may be reclassified subsequently to profit or loss:</b>			
Exchange differences on translation of financial statements of foreign operations	(6,887)	(11,767)	(41.5%)
<b>Other comprehensive income for the year</b>	<b>(6,887)</b>	<b>(11,767)</b>	<b>(41.5%)</b>
<b>Total comprehensive income for the year</b>	<b>135,858</b>	<b>99,600</b>	<b>36.4%</b>
<b>Profit for the year attributable to:</b>			
Owners of the Company	100,937	80,533	25.3%
Non-controlling interests	41,808	30,834	35.6%
	<u>142,745</u>	<u>111,367</u>	28.2%
<b>Total comprehensive income attributable to:</b>			
Owners of the Company	94,203	70,087	34.4%
Non-controlling interests	41,655	29,513	41.1%
	<u>135,858</u>	<u>99,600</u>	36.4%
<b>Earnings per share for profit attributable to the owners of the Company during the year (in RMB cents)</b>			
- Basic and Diluted	<u>19.70</u>	<u>15.72</u>	25.3%



Note:

RMB'000	Group	
	Year ended 31 March 2017 (Unaudited)	Year ended 31 March 2016 (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	49,670	54,356
- Other loans wholly repayable within five years	8,691	31,581
Less: amount capitalised in properties held under development	(50,222)	(83,042)
	8,139	2,895
Depreciation of property, plant and equipment	5,182	4,678
Less: amount capitalised in properties held under development	(621)	(527)
	4,561	4,151
Cost of properties held for sale recognised as expense	1,081,804	491,384
Operating lease charge in respect of land and buildings	580	450
Less: amount capitalised in properties held under development	(54)	(69)
	526	381
Outgoings in respect of investment properties that generated rental income during the year	332	568
Staff costs, including directors' remuneration		
- Wages and salaries	37,297	36,856
- Retirement benefit scheme contributions - defined contribution plans	4,791	5,045
Less: amount capitalised in properties held under development	(9,825)	(12,402)
	32,263	29,499
and (charging)/crediting:		
Exchange loss, net	(10,771)	(214)
Net fair value gain/(loss) for financial assets at fair value through profit or loss	629	(4,402)
Net fair value change of investment properties	31,174	72,852
Interest income		
- from bank deposits	5,591	13,152
- from structured bank balances	993	-
- from other receivables	1,600	2,350
Rental income	21,751	19,954
Loss on disposal of property, plant and equipment	(1)	(14)
Land consideration premium from a local authority	-	60,000
Government grants	4,187	-
Sundry income	1,680	914



**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 2017 (Unaudited)	31 March 2016 (Audited)	31 March 2017 (Unaudited)	31 March 2016 (Audited)
<b>RMB'000</b>				
<b>ASSETS AND LIABILITIES</b>				
<b>Non-current assets</b>				
Property, plant and equipment	76,533	80,249	-	-
Investment properties	557,247	513,254	-	-
Investments in subsidiaries	-	-	564,060	564,060
Interests in joint ventures	184,764	185,264	-	-
Interests in associates	5,673	6,087	-	-
Other financial assets	28,627	20,000	20,000	20,000
Financial assets at fair value through profit or loss	7,070	4,778	-	-
Long-term pledged deposits	5,500	246,900	-	-
Deferred tax assets	22,810	25,164	-	-
	<b>888,224</b>	<b>1,081,696</b>	<b>584,060</b>	<b>584,060</b>
<b>Current assets</b>				
Properties held under development	1,721,126	2,220,453	-	-
Properties held for sale	790,884	762,084	-	-
Accounts receivable	3,077	3,151	-	-
Prepayments and other receivables	405,928	588,331	116	110
Amounts due from subsidiaries	-	-	328,892	258,893
Financial assets at fair value through profit or loss	11,327	2,962	-	-
Tax recoverable	25,647	32,560	-	-
Structured bank balances	120,100	-	-	-
Pledged deposits	373,488	160,960	-	-
Cash and bank balances	288,122	221,753	131	131
	<b>3,739,699</b>	<b>3,992,254</b>	<b>329,139</b>	<b>259,134</b>
<b>Current liabilities</b>				
Accounts payable	92,172	54,478	-	-
Accruals, receipts in advance and other payables	1,090,430	1,452,394	276	269
Provision for tax	171,837	195,017	-	-
Amounts due to related parties	33,006	30,239	312,922	248,646
Bank and other loans	332,253	514,370	-	-
	<b>1,719,698</b>	<b>2,246,498</b>	<b>313,198</b>	<b>248,915</b>
<b>Net current assets</b>	<b>2,020,001</b>	<b>1,745,756</b>	<b>15,941</b>	<b>10,219</b>
<b>Total assets less current liabilities</b>	<b>2,908,225</b>	<b>2,827,452</b>	<b>600,001</b>	<b>594,279</b>
<b>Non-current liabilities</b>				
Bank and other loans	604,565	566,009	-	-
Deferred tax liabilities	83,697	75,903	-	-
	<b>688,262</b>	<b>641,912</b>	<b>-</b>	<b>-</b>
<b>Net assets</b>	<b>2,219,963</b>	<b>2,185,540</b>	<b>600,001</b>	<b>594,279</b>
<b>EQUITY</b>				
<b>Equity attributable to the Company's owners</b>				
Share capital	313,446	313,446	313,446	313,446
Reserves	1,319,212	1,287,266	286,555	280,833
	1,632,658	1,600,712	600,001	594,279
<b>Non-controlling interests</b>	587,305	584,828	-	-
<b>Total equity</b>	<b>2,219,963</b>	<b>2,185,540</b>	<b>600,001</b>	<b>594,279</b>

**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 31/03/2017		As at 31/03/2016	
Secured	Unsecured	Secured	Unsecured
RMB'000	RMB'000	RMB'000	RMB'000
332,253	-	514,370	-

**Amount repayable after one year**

As at 31/03/2017		As at 31/03/2016	
Secured	Unsecured	Secured	Unsecured
RMB'000	RMB'000	RMB'000	RMB'000
604,565	-	566,009	-

**Details of any collateral**

Bank and other loans of approximately RMB660,406,000 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 2017. Bank and other loans of approximately RMB276,412,000 were mainly secured by deposits of RMB262,114,000 which were classified as "Long-term pledged deposits" and "Pledged deposits" as at 31 March 2017.



**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 2017	Year ended 31 March 2016
	(Unaudited)	(Audited)
<b>Cash flows from operating activities</b>		
Profit before income tax	230,191	158,440
Adjustments for:		
Interest income	(8,184)	(15,502)
Interest expense	8,139	2,895
Depreciation of property, plant and equipment	4,561	4,151
Loss on disposal of property, plant and equipment	1	14
Share of results of associates	414	408
Share of results of joint ventures	500	916
Net fair value (gain)/loss for financial assets at fair value through profit or loss	(629)	4,402
Fair value adjustment on investment properties	(31,174)	(72,852)
<b>Operating profit before working capital changes</b>	<b>203,819</b>	<b>82,872</b>
Decrease in properties held under development and properties held for sale	550,286	112,149
Decrease/(increase) in accounts and other receivables and prepayments	141,177	(181,919)
Increase in financial assets at fair value through profit or loss	(10,028)	-
(Decrease)/increase in accounts and other payables, accruals and receipts in advance	(326,318)	332,538
<b>Cash generated from operations</b>	<b>558,936</b>	<b>345,640</b>
Interest received	8,184	15,502
Income taxes paid	(93,731)	(48,782)
<b>Net cash generated from operating activities</b>	<b>473,389</b>	<b>312,360</b>
<b>Cash flows from investing activities</b>		
Purchases of property, plant and equipment	(746)	(3,925)
Proceeds from disposals of property, plant and equipment	1	121
Proceeds from disposals of investment properties	-	3,214
Advance to a joint venture	-	(1,526)
Acquisition of an associate	-	(6,495)
Purchase of other financial assets	(8,627)	-
Purchase of financial assets at fair value through profit or loss	-	(4,778)
(Increase)/decrease in structured bank balances	(120,100)	154,000
Decrease in pledged deposits with original maturity over three months	28,872	41,543
<b>Net cash (used in)/generated from investing activities</b>	<b>(100,600)</b>	<b>182,154</b>
<b>Cash flows from financing activities</b>		
Proceeds from shares issued to non-controlling interests by subsidiary	400	40,820
Share issue expenses	-	(2,798)
Advance from /(repayment to) related parties	2,758	(87,443)
Proceeds from new borrowings	398,918	630,986
Repayment of borrowings	(548,965)	(1,076,646)
Distributions to non-controlling interests by subsidiary	(39,578)	-
Dividend paid	(62,257)	-
Interest paid	(58,361)	(87,774)
<b>Net cash used in financing activities</b>	<b>(307,085)</b>	<b>(582,855)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>65,704</b>	<b>(88,341)</b>
<b>Effect of foreign exchange difference</b>	<b>665</b>	<b>593</b>
<b>Cash and cash equivalents at beginning of the year</b>	<b>221,753</b>	<b>309,501</b>
<b>Cash and cash equivalents at end of the year (note)</b>	<b>288,122</b>	<b>221,753</b>
<b>Note:</b>		
<b>Analysis of balances of cash and cash equivalents</b>		
Cash and cash equivalents	288,122	221,753



**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
<b>At 1 April 2015 (audited)</b>	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
<b>Transaction with owners</b>												
Deemed disposal of subsidiaries arisen from shares placement of a subsidiary	-	-	-	-	-	-	4,911	192	-	5,103	32,919	38,022
Profit for the year	-	-	-	-	-	-	-	-	80,533	80,533	30,834	111,367
<b>Other comprehensive income</b>												
Exchange differences on translation of financial statements of foreign operations	-	-	-	-	-	-	-	(10,446)	-	(10,446)	(1,321)	(11,767)
<b>Total comprehensive income for the year</b>	-	-	-	-	-	-	-	(10,446)	80,533	70,087	29,513	99,600
Transfer to statutory reserves	-	-	-	-	3,947	-	-	-	(3,947)	-	-	-
<b>At 31 March 2016 and 1 April 2016 (audited)</b>	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
<b>Transaction with owners</b>												
Dividend declared	-	-	-	-	-	-	-	-	(62,257)	(62,257)	-	(62,257)
Distribution to non-controlling interests	-	-	-	-	-	-	-	-	-	-	(39,578)	(39,578)
Capital contribution to a subsidiary	-	-	-	-	-	-	-	-	-	-	400	400
Profit for the year	-	-	-	-	-	-	-	-	100,937	100,937	41,808	142,745
<b>Other comprehensive income</b>												
Exchange differences on translation of financial statements of foreign operations	-	-	-	-	-	-	-	(6,734)	-	(6,734)	(153)	(6,887)
<b>Total comprehensive income for the year</b>	-	-	-	-	-	-	-	(6,734)	100,937	94,203	41,655	135,858
Transfer to statutory reserves	-	-	-	-	12,144	-	-	-	(12,144)	-	-	-
<b>At 31 March 2017 (unaudited)</b>	313,446	(12,817)	203,250	(2,243)	100,529	3,838	87,128	(19,314)	958,841	1,632,658	587,305	2,219,963

Company	Share capital	Treasury shares	Share premium	Contributed surplus	Retained earnings	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
<b>At 1 April 2015 (audited)</b>	313,446	(12,817)	203,250	59,579	33,077	596,535
Loss for the year	-	-	-	-	(2,256)	(2,256)
<b>At 31 March 2016 and 1 April 2016 (audited)</b>	313,446	(12,817)	203,250	59,579	30,821	594,279
Dividend declared	-	-	-	-	(62,257)	(62,257)
Profit for the year	-	-	-	-	67,979	67,979
<b>At 31 March 2017 (unaudited)</b>	313,446	(12,817)	203,250	59,579	36,543	600,001

- 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 and the number of subsidiary holdings, 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 2016 and 31 March 2017	Balance at beginning and the end of the period	518,855,024	(6,544,000)	313,446	(12,817)

There are no subsidiary holdings at the beginning and the end of the period.

- 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 2017 was 518,855,024 (31 March 2016: 518,855,024), of which 6,544,000 (31 March 2016: 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

- 1(d)(v) A statement showing all sales, transfer, cancellation and/or use of subsidiary holdings 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 2016.

- 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 2016. 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.**

	<b>Group</b>	
	Year ended 31 March 2017	Year ended 31 March 2016
Earnings per ordinary share (in RMB cents):	(Unaudited)	(Audited)
- Basic and Diluted	19.70	15.72

Note:

The calculation of basic earnings per share was based on the profit attributable to equity holders of the Company of approximately RMB100,937,000 (2016: RMB80,533,000) divided by weighted average of 512,311,024 ordinary shares (excluding treasury shares) (2016: 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 (2016: 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.**

	<b>Group</b>		<b>Company</b>	
	As at 31/03/2017	As at 31/03/2016	As at 31/03/2017	As at 31/03/2016
<b>Net asset value per ordinary share (in RMB cents)</b>	<b>433.32</b>	<b>426.60</b>	<b>117.12</b>	<b>116.00</b>

Notes:

- (1) The number of ordinary shares of the Company as at 31 March 2017 was 512,311,024 (excluding treasury shares) (31 March 2016: 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 2017 was RMB318.68 cents (31 March 2016: RMB312.45 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 2017 ("FY2017") COMPARED TO THE PREVIOUS CORRESPONDING YEAR ENDED 31 MARCH 2016 ("FY2016")**

**Revenue**

	Year ended 31 March 2017	Year ended 31 March 2016
Revenue (RMB '000)	(Unaudited)	(Audited)
Residential	1,365,558	587,177
Commercial and others	36,872	19,239
	<b>1,402,430</b>	<b>606,416</b>

The Group's revenue in FY2017 was RMB1,402.4 million compared to RMB606.4 million in FY2016, an increase of 131.3%. The increase was mainly attributable to more handover of property units of Nanchang Sino Harbour Kaixuan City (南昌漢港凱旋城) Zone 3, Pan Hong Run Yuan (汎港潤源) Phase 1 and Huzhou Hua Cui Ting Yuan (湖州華萃庭院) Phase 2.

The revenue in FY2017 mainly comprised residential units sold in Nanchang Sino Harbour Kaixuan City Zone 3, Pan Hong Run Yuan Phase 1 and Huzhou Hua Cui Ting Yuan Phase 2. In FY2016, the revenue was mainly derived from the handover of residential units sold in 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.

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 RMB525.7 million in FY2016 to RMB1,137.6 million in FY2017 due to more handover of residential units.

The increase in gross profit margin from 13.3% in FY2016 to 18.9% in FY2017 was mainly due to the handover of Huzhou Hua Cui Ting Yuan Phase 2 in FY2017, comprising mainly townhouses which had a higher profit margin compared to other residential units.

**Other Income and Other Gains and Losses**

Other income and other gains and losses decreased by 65.5% from RMB164.6 million in FY2016 to RMB56.8 million in FY2017. The decrease was mainly due to an additional receivable of RMB60.0 million from a local regional government committee in respect of a long outstanding receivable in FY2016, which was a one-off other income, and the decrease in fair value gain on investment properties of RMB31.2 million in FY2017 compared to RMB72.9 million in FY2016. Accordingly other income and other gains and losses decreased by 65.5%.

**Finance Costs**

The increase in finance costs from RMB2.9 million in FY2016 to RMB8.1 million in FY2017 was attributable to an increase in interest expenses which were not capitalised in properties held under development during the financial year.

### Share of Results of Joint Ventures

Share of results of joint ventures decreased from RMB0.9 million in FY2016 to RMB0.5 million in FY2017, mainly due to a decrease in expenses incurred by joint ventures.

### Income Tax Expense

Income tax expense increased from RMB47.1 million in FY2016 to RMB87.4 million in FY2017. The increase is mainly attributable to higher profits in FY2017.

### Profit for the Year

As a result of the foregoing factors, the Group recorded an increase of 28.2% profit after tax of RMB142.7 million in FY2017 from RMB111.4 million in FY2016.

### Exchange Differences on Translation of Financial Statements of Foreign Operations

Exchange differences on translation of financial statements of foreign operations decreased from RMB11.8 million in FY2016 to RMB6.9 million in FY2017. The decrease was mainly due to less translation loss as a result of the translation of the Group's subsidiaries which were denominated in Hong Kong Dollar during the financial year.

### 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 RMB135.9 million in FY2017, compared to a total comprehensive income for the year of RMB99.6 million in FY2016.

## (b) REVIEW OF FINANCIAL POSITION AS AT 31 MARCH 2017 AND CASH FLOW FOR FY2017

### Property, Plant and Equipment

As at 31 March 2017, the Group had property, plant and equipment of RMB76.5 million, compared to RMB80.2 million as at 31 March 2016. The decrease was mainly attributable to the depreciation incurred during the financial year.

### Investment Properties

As at 31 March 2017, the Group had investment properties of RMB557.2 million, compared to RMB513.3 million as at 31 March 2016. The increase mainly comprised net fair value gain of the Group's investment properties during the financial year.

### Other Financial Assets

Other financial assets increased from RMB20.0 million as at 31 March 2016 to RMB28.6 million as at 31 March 2017. The increase was due to the acquisition of equity interests in a number of entities incorporated in the People's Republic of China ("PRC"). The Group does not have control nor significant influence in these entities. Accordingly, the Group has accounted for these investments as available-for-sale financial assets under other financial assets.

### Financial Assets at Fair Value Through Profit or Loss

Non-current assets relating to the financial assets at fair value through profit or loss which were the option granted to resell the entire equity interests of an associate and the contingent consideration receivable in relation to the investment in equity interests of the associate, increased from RMB4.8 million as at 31 March 2016 to RMB7.1 million as at 31 March 2017. The increase was mainly attributable to the increase in fair value of the financial assets during the financial year.

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 increased to RMB11.3 million as at 31 March 2017 from RMB3.0 million as at 31 March 2016. The increase was mainly attributable to the purchase of financial assets at fair value through profit or loss during the financial year.

#### **Properties Held Under Development**

The Group's properties held under development decreased by RMB499.3 million from RMB2.22 billion as at 31 March 2016 to RMB1.72 billion as at 31 March 2017. The decrease was mainly attributable to the net effect of re-classification of properties of Huzhou Hua Cui Ting Yuan Phase 2 and Pan Hong Run Yuan Phase 1 which were completed and transferred to properties held for sale during the financial year, as well as progress in the construction of projects such as Han Zhi Yun Commercial Centre (漢之昀商業中心) (formerly known as Hangzhou Ganglian Sino Africa Tower Project (杭州港聯中非大廈項目)) and Pan Hong Run Yuan Phase 2.

#### **Properties Held for Sale**

Properties held for sale increased from RMB762.1 million as at 31 March 2016 to RMB790.9 million as at 31 March 2017, mainly due to the re-classification of properties of Huzhou Hua Cui Ting Yuan Phase 2 and Pan Hong Run Yuan Phase 1 which were completed and transferred from properties held under development during the financial year.

#### **Prepayments and Other Receivables**

The Group's prepayments and other receivables decreased from RMB588.3 million as at 31 March 2016 to RMB405.9 million as at 31 March 2017. The decrease was mainly due to the receipts of certain significant other receivables during the financial year.

With reference to note 23(b) of notes to the financial statements of the Company's annual report for the financial year ended 31 March 2016, certain significant other receivables refers to the remaining Initial Receivable on the sale and transfer of Jiashanyang Land Parcels of RMB60,945,000, the premium resulting from prolonged settlement on the Initial Receivables of RMB60,000,000 and the rebate resulting from delay in the transfer of Southwest Land Parcels of RMB25,390,000 were received during the financial year. As such, prepayments and other receivables of the Group decreased significantly during the financial year.

#### **Tax Recoverable**

Tax recoverable decreased from RMB32.6 million as at 31 March 2016 to RMB25.6 million as at 31 March 2017, mainly attributable to utilisation of prepaid land appreciation tax and corporate income tax in the PRC during the financial year.

#### **Structured Bank Balances**

Structured bank balances increased from nil as at 31 March 2016 to RMB120.1 million as at 31 March 2017. The increase was mainly due to the increase in structured bank balances which are deposited in banks with enhanced yield instead of general bank balances.

#### **Pledged Deposits**

Long-term and short-term pledged deposits decreased from RMB407.9 million as at 31 March 2016 to RMB379.0 million as at 31 March 2017. The decrease was mainly due to the decrease in deposits pledged and secured against the bank and other loans to the Group.

### **Accounts Payable, Accruals, Receipts in Advance and Other Payables**

Accounts payable increased to RMB92.2 million as at 31 March 2017 from RMB54.5 million as at 31 March 2016 due to an increase in amounts payable to suppliers for construction costs incurred in respect of the Group's properties held under development and properties held for sales.

Accruals, receipts in advance and other payables decreased from RMB1,452.4 million as at 31 March 2016 to RMB1,090.4 million as at 31 March 2017. Accruals, receipts in advance and other payables comprised mainly of 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 deposit by the subcontractor as at 31 March 2017. The decrease in accruals, receipts in advance and other payables was mainly due to the net effect of (i) the decrease in advance receipts from the customers of Nanchang Sino Harbour Kaixuan City Zone 3, Pan Hong Run Yuan Phase 1 and Huzhou Hua Cui Ting Yuan Phase 2 upon the handover and recognition of sale of properties and (ii) accrued construction costs for projects under development including Pan Hong Run Yuan Phase 2.

### **Provision for Tax**

Provision for tax decreased from RMB195.0 million as at 31 March 2016 to RMB171.8 million as at 31 March 2017. The decrease was mainly attributable to repayment of tax liabilities during the financial year.

### **Amounts Due to Related Parties**

Amounts due to related parties increased from RMB30.2 million as at 31 March 2016 to RMB33.0 million as at 31 March 2017. The increase was mainly attributable to advances from non-controlling interests of the subsidiaries.

### **Bank and Other Loans**

As at 31 March 2017, the Group had total borrowings of RMB936.8 million, a decrease from RMB1,080.4 million as at 31 March 2016, mainly due to repayment of bank and other borrowings during the financial year.

Of these borrowings, bank and other loans of approximately RMB276.4 million were secured by deposits of RMB262.1 million which were classified as "Long-term pledged deposits" and "Pledged deposits" as at 31 March 2017.

Based on the Group's total equity of RMB2.22 billion and deposit collateral of RMB262.1 million, the Group recorded a net gearing ratio (total bank and other loans less deposit collateral / total equity) of 30.4% as at 31 March 2017, compared to 33.6% as at 31 March 2016.

### **Deferred Tax Liabilities**

Deferred tax liabilities increased from RMB75.9 million as at 31 March 2016 to RMB83.7 million as at 31 March 2017, mainly due to the provision of deferred tax liabilities in respect of fair value gain of investment properties.

### **Cash Flow Analysis**

In FY2017, the Group recorded RMB473.4 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 used in investing activities in FY2017 amounted to RMB100.6 million, mainly due to the increase in structured bank balances.

Net cash used in financing activities in FY2017 amounted to RMB307.1 million, mainly due to repayment of borrowings.

As at 31 March 2017, the Group had cash and cash equivalents of RMB288.1 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 2017 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 published by the National Bureau of Statistics. Official data indicated that new home prices recorded a month-on-month increase in March and April 2017 of 62 and 58 out of a statistical pool of 70 major PRC cities respectively. On a year-on-year basis, 69 out of the 70 cities recorded higher prices in April 2017.

In recent months, certain municipal and provincial governments of the PRC had released policies to tighten the fast-growing property market in order to allow it to grow steadily and healthily. The Group believes that the property market will remain relatively stable in the next 12 months.

**Company Update**

**Property Pre-sales**

The cumulative results for the pre-sale and delivery of properties under each project up to 17 May 2017 are summarized as follows:

**Residential Units**

	Pan Hong Run Yuan Phase 1	Huzhou Hua Cui Ting Yuan Phase 2	Nanchang Sino Harbour Kaixuan City Zone 2	Fuzhou Hua Cui Ting Yuan Phase 3	Yichun Royal Lake City Phase 2
Est. total GFA released for sale (total units)	103,648 sq. m. (944 units)	50,400 sq. m. (430 units)	34,095 sq. m. (180 units)	117,177 sq. m. (1,127 units)	101,587 sq. m. (1,064 units)
Est. total GFA pre-sold (total units)	102,353 sq. m. (937 units)	49,321 sq. m. (421 units)	18,378 sq. m. (99 units)	117,065 sq. m. (1,126 units)	100,612 sq. m. (1,054 units)
Percentage of pre-sold	99%	98%	54%	99%	99%
Pre-sale GFA (units pre-sold) not handed over to buyers as at 31 March 2017 ^	39,660 sq. m. (367 units)	12,062 sq. m. (101 units)	15,131 sq. m. (86 units)	4,124 sq. m. (40 units)	10,164 sq. m. (93 units)
Pre-sale value not handed over to buyers as at 31 March 2017 ^	RMB257.00m	RMB93.93m	RMB208.18m	RMB20.48m	RMB42.56m
ASP per sq m*	RMB6,480	RMB7,787	RMB13,759	RMB4,966	RMB4,187
Expected completion date	Completed	Completed	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 2017.

### 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: 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?

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

### (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				
<b>Year ended 31 March 2017</b>				
<b>Revenue from external customers</b>				
Sales of properties held for sale	708,918	693,512	-	1,402,430
<b>Reportable segment revenue</b>	<b>708,918</b>	<b>693,512</b>	<b>-</b>	<b>1,402,430</b>
<b>Reportable segment profit/(loss)</b>	<b>75,577</b>	<b>73,674</b>	<b>(6,506)</b>	<b>142,745</b>
<b>Year ended 31 March 2016</b>				
<b>Revenue from external customers</b>				
Sales of properties held for sale	9,393	597,023	-	606,416
<b>Reportable segment revenue</b>	<b>9,393</b>	<b>597,023</b>	<b>-</b>	<b>606,416</b>
<b>Reportable segment profit/(loss)</b>	<b>24,979</b>	<b>93,105</b>	<b>(6,717)</b>	<b>111,367</b>

**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 2017	Year ended 31 March 2016	% increase/ (decrease)
(a) Sales reported for the first half year	507,285	389,848	30.1%
(b) Operating profit after tax before deducting non-controlling interests reported for the first half year	59,059	18,220	224.1%
(c) Sales reported for the second half year	895,145	216,568	313.3%
(d) Operating profit after tax before deducting non-controlling interests reported for the second half year	83,686	93,147	(10.2%)

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

	<b>Full year ended 31 March 2017</b>	<b>Full year ended 31 March 2016</b>
	<b>RMB'000</b>	<b>RMB'000</b>
Ordinary	49,962	36,733
Preference	Nil	Nil
<b>Total annual dividend</b>	<b>49,962</b>	<b>36,733</b>

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.**

<b>Name</b>	<b>Age</b>	<b>Family Relationship with any director and/or CEO and/or substantial shareholder</b>	<b>Current position and duties, and the year position was first held</b>	<b>Details of changes in duties and position held, if any, during the year</b>
Wong Lam Ping	62	<ul style="list-style-type: none"> <li>Spouse of Ms. Chan Heung Ling, a Substantial Shareholder of the Company.</li> </ul>	<p>Executive Chairman and Chief Executive Officer ("CEO") of the Company since 3 January 2006.</p> <p>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.</p>	Nil
Chan Heung Ling	58	<ul style="list-style-type: none"> <li>Spouse of Mr. Wong Lam Ping, the Executive Chairman and CEO (who is also a Substantial Shareholder of the Company).</li> </ul>	<p>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").</p> <p>Ms. Chan Heung Ling is responsible for the formulation of the overall strategy of Sino Harbour.</p>	Nil



Wong Lui	33	<ul style="list-style-type: none"><li>• Son of Mr. Wong Lam Ping, the Executive Chairman and CEO (who is also a Substantial Shareholder) of the Company.</li><li>• Son of Ms. Chan Heung Ling, a Substantial Shareholder of the Company.</li></ul>	Executive Director of Sino Harbour since 4 July 2011.  Mr. Wong Lui is responsible for the operational management and development of the projects of Sino Harbour.	Nil
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BY ORDER OF THE BOARD

Wong Lam Ping  
Executive Chairman  
25 May 2017