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## **SINO HARBOUR HOLDINGS GROUP LIMITED**

### **漢港控股集團有限公司**

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 1663)**

## **ANNOUNCEMENT OF UNAUDITED INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2015**

### **HIGHLIGHTS**

- The Group achieved revenue of approximately RMB382.1 million for the First Half of FY2016, mainly attributable to the delivery of residential units of Yichun Royal Lake City Phase 2 as well as Fuzhou Hua Cui Ting Yuan Phase 3.
- Gross profit margin in the First Half of FY2016 was approximately 15.0% and net profit margin was approximately 9.6%.
- Profit and total comprehensive income in the First Half of FY2016 attributable to the owners of the Company amounted approximately RMB38.5 million and RMB32.4 million respectively.
- Earnings per share for profit attributable to the owners of the Company for the period amounted approximately RMB3.21 cents.
- Cash and bank balances as at 30 September 2015 were approximately RMB131.2 million. Pledged and structured bank deposits as at 30 September 2015 were approximately RMB542.1 million.
- Bank and other loans as at 30 September 2015 were approximately RMB1,072.4 million.

The board (the “**Board**”) of directors (the “**Directors**”) of Sino Harbour Holdings Group Limited (the “**Company**”) hereby announces the unaudited condensed consolidated interim results of the Company and its subsidiaries (collectively the “**Group**”) for the six months ended 30 September 2015 (the “**Period**”) together with the relevant comparative figures as follows:

## CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

		Six months ended 30 September 2015 <i>RMB'000</i> (Unaudited)	Six months ended 30 September 2014 <i>RMB'000</i> (Unaudited)
	<i>Notes</i>		
<b>Revenue</b>	4	<b>382,062</b>	168,351
Cost of sales		<b>(324,598)</b>	(104,951)
<b>Gross profit</b>		<b>57,464</b>	63,400
Other income	4	<b>13,998</b>	10,700
Selling and distribution expenses		<b>(9,259)</b>	(7,290)
Administrative expenses		<b>(16,355)</b>	(14,396)
<b>Profit before income tax</b>	5	<b>45,848</b>	52,414
Income tax expense	6	<b>(9,055)</b>	(19,631)
<b>Profit for the period</b>		<b>36,793</b>	32,783
<b>Other comprehensive income (net of tax)</b>			
<i>Item that may be reclassified subsequently to profit or loss:</i>			
Exchange differences on translation of financial statements of foreign operations		<b>(6,080)</b>	22
<b>Other comprehensive income for the period</b>		<b>(6,080)</b>	22
<b>Total comprehensive income for the period</b>		<b>30,713</b>	32,805
<b>Profit/(loss) for the period attributable to:</b>			
– Owners of the Company		<b>38,469</b>	33,258
– Non-controlling interests		<b>(1,676)</b>	(475)
		<b>36,793</b>	32,783
<b>Total comprehensive income attributable to:</b>			
– Owners of the Company		<b>32,389</b>	33,280
– Non-controlling interests		<b>(1,676)</b>	(475)
		<b>30,713</b>	32,805
<b>Earnings per share for profit attributable to the owners of the Company during the period (in RMB cents)</b>	8		
– Basic and diluted		<b>3.21</b>	2.77

# CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		30 September 2015 <i>RMB'000</i> (Unaudited)	31 March 2015 <i>RMB'000</i> (Audited)
	<i>Notes</i>		
<b>ASSETS AND LIABILITIES</b>			
<b>Non-current assets</b>			
Property, plant and equipment		10,521	10,770
Investment properties		385,233	385,233
Interests in a joint ventures		184,654	184,654
Pledged deposit		100,000	100,000
Deferred tax assets		15,012	15,012
		<u>695,420</u>	<u>695,669</u>
<b>Current assets</b>			
Properties held under development		1,261,902	1,567,208
Properties held for sale		949,551	695,291
Accounts receivable	9	94	1,543
Prepayments and other receivables		169,143	155,027
Structured bank deposits		154,000	154,000
Pledged deposits		288,119	319,403
Cash and bank balances		131,199	183,660
		<u>2,954,008</u>	<u>3,076,132</u>
<b>Current liabilities</b>			
Accounts and bill payable	10	47,882	65,294
Accruals, receipts in advance and other payables	10	941,263	954,874
Provision for tax		104,790	121,441
Bank and other loans	11	687,420	697,832
		<u>1,781,355</u>	<u>1,839,441</u>
<b>Net current assets</b>		<u>1,172,653</u>	<u>1,236,691</u>
<b>Total assets less current liabilities</b>		<u>1,868,073</u>	<u>1,932,360</u>
<b>Non-current liabilities</b>			
Bank and other loans	11	385,000	480,000
Deferred tax liabilities		54,411	54,411
		<u>439,411</u>	<u>534,411</u>
<b>Net assets</b>		<u><u>1,428,662</u></u>	<u><u>1,397,949</u></u>
<b>EQUITY</b>			
<b>Equity attributable to the Company's owners</b>			
Share capital		9,931	9,931
Reserves		1,212,796	1,180,407
		<u>1,222,727</u>	<u>1,190,338</u>
<b>Non-controlling interests</b>		<u>205,935</u>	<u>207,611</u>
<b>Total equity</b>		<u><u>1,428,662</u></u>	<u><u>1,397,949</u></u>

# CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Unaudited							
	Equity attributable to the owners of the Company							
	Share capital	Share premium	Statutory reserve	Exchange reserve	Retained profits	Total	Non-controlling interest	Total equity
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 1 April 2015 (Audited)	9,931	537,994	66,439	6,966	569,008	1,190,338	207,611	1,397,949
Transactions with owners								
Profit/(loss) for the period	–	–	–	–	38,469	38,469	(1,676)	36,793
Other comprehensive income								
Exchange differences on transaction of financial statements of foreign operation	–	–	–	(6,080)	–	(6,080)	–	(6,080)
Total comprehensive income for the period	–	–	–	(6,080)	38,469	32,389	(1,676)	30,713
At 30 September 2015 (Unaudited)	9,931	537,994	66,439	886	607,477	1,222,727	205,935	1,428,662

	Unaudited							
	Equity attributable to the owners of the Company							
	Share capital <i>RMB'000</i>	Share premium <i>RMB'000</i>	Statutory reserves <i>RMB'000</i>	Exchange reserve <i>RMB'000</i>	Retained profits <i>RMB'000</i>	Total <i>RMB'000</i>	Non-controlling interest <i>RMB'000</i>	Total equity <i>RMB'000</i>
At 1 April 2014 (Audited)	9,931	537,994	60,107	5,432	482,414	1,095,878	210,664	1,306,542
Transactions with owners								
Profit/(loss) for the period	—	—	—	—	33,258	33,258	(475)	32,783
<b>Other comprehensive income</b>								
Exchange differences on transaction of financial statements of foreign operation	—	—	—	22	—	22	—	22
<b>Total comprehensive income for the period</b>	—	—	—	22	33,258	33,280	(475)	32,805
<b>At 30 September 2014 (Unaudited)</b>	<b>9,931</b>	<b>537,994</b>	<b>60,107</b>	<b>5,454</b>	<b>515,672</b>	<b>1,129,158</b>	<b>210,189</b>	<b>1,339,347</b>

# CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Six months ended 30 September 2015 <i>RMB'000</i> (Unaudited)	Six months ended 30 September 2014 <i>RMB'000</i> (Unaudited)
Net cash generated from operating activities	61,239	87,507
Net cash generated from/(used in) investing activities	31,070	(50,595)
Net cash (used in)/generated from financing activities	<u>(145,059)</u>	<u>34,008</u>
Net (decrease)/increase in cash and cash equivalents	(52,750)	70,920
Effect of foreign exchange rates, net	289	(285)
Cash and cash equivalents at beginning of period	<u>183,660</u>	<u>67,768</u>
Cash and cash equivalents at end of period	<u><u>131,199</u></u>	<u><u>138,403</u></u>

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## 1. GENERAL INFORMATION

The Company was incorporated in Bermuda on 5 January 2011 as an exempted company with limited liability under the Companies Act 1981 of Bermuda. The registered office of the Company is located at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda and the principal place of business of the Company is located at Room 1215, Tower B, Hunghom Commercial Centre, 37-39 Ma Tau Wai Road, Hunghom, Kowloon, Hong Kong.

The Group is principally engaged in property development in the People's Republic of China (the "PRC").

## 2. BASIS OF PREPARATION AND PRINCIPAL ACCOUNTING POLICIES

The unaudited condensed consolidated financial statements have been prepared on the historical cost basis except for investment property which is measured at fair value.

The accounting policies and methods of computation used in the unaudited condensed consolidated financial statements for the six months ended 30 September 2015 are the same as those followed in the preparation of the Group's annual financial statements for the year ended 31 March 2015.

The following new or revised HKFRSs, potentially relevant to the Group's financial statements, have been issued, but are not yet effective and have not been early adopted by the Company.

HKFRSs (Amendments) Annual Improvements 2012 – 2014 Cycle<sup>1</sup>

Amendments to HKAS 1 Presentation of Financial Statements<sup>1</sup>

Amendments to HKAS 16 and HKAS 38 Clarification of Acceptable Methods of Depreciation and Amortisation<sup>1</sup>

Amendments to HKAS 27 Equity Method in Separate Financial Statements<sup>1</sup>

HKFRS 9 (2014) Financial Instruments<sup>2</sup>

HKFRS 15 Revenue from Contracts with Customers<sup>2</sup>

*Note:*

<sup>1</sup> Effective for annual periods beginning on or after 1 January 2016

<sup>2</sup> Effective for annual periods beginning on or after 1 January 2018

## 3. SEGMENT REPORTING

Information reported to the Group's chief operating decision maker for the purposes of resource allocation and assessment of segment performance is more focused on the Group as a whole, as all of the Group's activities are considered to be primarily dependent on the performance on property development. Resources are allocated based on what is beneficial for the Group in enhancing its property development activities rather than any specific service. Performance assessment is based on the results of the Group as a whole. Therefore, management considers there to be only one operating segment under the requirement of HKFRS 8 Operating segments.

No geographical information is presented as the revenue and profit from operations are substantially derived from activities in Jiangxi Province of the PRC.

#### 4. REVENUE AND OTHER INCOME

Revenue, which is also the Group's turnover, and other income recognised during the period are as follows.

	Six months ended 30 September 2015 <i>RMB'000</i> (Unaudited)	Six months ended 30 September 2014 <i>RMB'000</i> (Unaudited)
<b>Revenue</b>		
Sale of properties held for sale	<b>382,062</b>	168,351
<b>Other income</b>		
Interest income	5,357	3,820
Gain on disposal of property, plant and equipment	–	53
Rental income	8,620	6,788
Others	21	39
	<b>13,998</b>	10,700

#### 5. PROFIT BEFORE INCOME TAX

	Six months ended 30 September 2015 <i>RMB'000</i> (Unaudited)	Six months ended 30 September 2014 <i>RMB'000</i> (Unaudited)
Profit before income tax is arrived at after charging/(crediting):		
Finance costs		
– Interest on bank and other loans wholly repayable within five years	33,257	37,879
Less: amount capitalised in properties held under development	(33,257)	(37,879)
	–	–
Cost of properties held for sale recognised as expense	302,677	95,498
Depreciation	484	405
Exchange gain, net	–	(226)
Staff costs, including directors' emoluments		
– Wages and salaries	9,344	8,291
– Retirement benefit scheme contributions – defined contribution plans	556	216
Less: amount capitalised in properties held under development	(2,907)	(2,649)
	<b>6,993</b>	5,858

## 6. INCOME TAX EXPENSE

	Six months ended 30 September 2015 RMB'000 (Unaudited)	Six months ended 30 September 2014 RMB'000 (Unaudited)
<b>Current tax – PRC</b>		
– Enterprise Income Tax (“EIT”)	5,367	9,425
– Land Appreciation Tax (“LAT”)	3,688	10,206
<b>Total income tax expense</b>	<b>9,055</b>	<b>19,631</b>

EIT has been provided on the estimated profits of subsidiaries operating in the PRC at 25% (2014: 25%).

Under the law of the PRC on EIT, corporate withholding income tax is levied on the foreign investor for the dividends distributed out of the profits generated by the foreign investment enterprises. The Group’s applicable withholding income tax rate is at 5% (2014: 10%).

LAT is levied at progressive rates ranging from 30% to 60% on the appreciation of land value, being the proceeds from sales of properties less deductible expenditures including cost and land use rights, borrowing costs, business tax and all property development expenditures. The tax is incurred upon transfer of property ownership. There are certain exemptions available for the sales of ordinary residential properties if the appreciation values do not exceed 20% of the total deductible items (as defined in the relevant PRC tax laws). Sales of commercial properties are not eligible for such an exemption.

Hong Kong profits tax is calculated at 16.5% (2014: 16.5%) on the estimated assessable profits for the period. No Hong Kong profits tax has been provided as the Group had no estimated assessable profits arising in or derived from Hong Kong for both periods.

## 7. DIVIDENDS

The Directors do not declare the payment of any dividend for the six months ended 30 September 2015 (2014: nil).

## 8. EARNINGS PER SHARE

The calculation of basic earnings per share is based on the profit attributable to the owners of the Company of approximately RMB38,469,000 for the six months ended 30 September 2015 (2014: RMB33,258,000) and 1,200,000,000 ordinary shares (2014: 1,200,000,000 shares) in issue during the period.

The Company did not have dilutive potential ordinary shares outstanding during both the current and prior periods. Accordingly, the diluted earnings per share is the same as the basic earnings per share for both the current and prior periods.



## 9. ACCOUNTS RECEIVABLE

The aging analysis of accounts receivable as at the end of the reporting period, based on the invoice date, is as follows:

	30 September 2015 <i>RMB'000</i> (Unaudited)	31 March 2015 <i>RMB'000</i> (Audited)
0 – 3 months past due	–	1,543
3 – 6 months past due	94	–
	<u>94</u>	<u>1,543</u>
	<u>94</u>	<u>1,543</u>

Receivables that were past due but not impaired relate to a number of independent buyers. Based on past experience, the Board considered that no impairment allowance required as there has not been a significant change in credit quality and the balances are considered fully recoverable.

## 10. ACCOUNTS AND BILL PAYABLE, ACCRUALS, RECEIPTS IN ADVANCE AND OTHER PAYABLES

	30 September 2015 <i>RMB'000</i> (Unaudited)	31 March 2015 <i>RMB'000</i> (Audited)
<b>Accounts and bill payable</b>	<u>47,882</u>	<u>65,294</u>
<b>Accruals, receipts in advance and other payables</b>		
Receipts in advance	584,780	655,531
Accruals and other payables	<u>356,483</u>	<u>299,343</u>
	<u>941,263</u>	<u>954,874</u>

The aging analysis of accounts and bill payable, based on invoice date, is as follows:

	30 September 2015 <i>RMB'000</i> (Unaudited)	31 March 2015 <i>RMB'000</i> (Audited)
Less than 3 months	3,846	24,833
3 – 6 months	23,506	27,026
6 months – 1 year	8,465	8,077
More than 1 year	<u>12,065</u>	<u>5,358</u>
	<u>47,882</u>	<u>65,294</u>

## 11. BANK AND OTHER LOANS

	30 September 2015 <i>RMB'000</i> (Unaudited)	31 March 2015 <i>RMB'000</i> (Audited)
Borrowings included in current liabilities:		
– Bank loans – secured	378,920	389,332
– Other loans – secured	308,500	308,500
	<hr/>	<hr/>
	687,420	697,832
	<hr/>	<hr/>
Borrowings included in non-current liabilities:		
– Bank loans – secured	–	50,000
– Other loans – secured	385,000	430,000
	<hr/>	<hr/>
	385,000	480,000
	<hr/>	<hr/>
<b>Total borrowings</b>	<b>1,072,420</b>	<b>1,177,832</b>
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## MANAGEMENT DISCUSSION AND ANALYSIS

### REVIEW OF FINANCIAL RESULTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2015 (“FIRST HALF OF FY2016”) COMPARED TO THE SIX MONTHS ENDED 30 SEPTEMBER 2014 (“FIRST HALF OF FY2015”)

#### Revenue

	Six months ended 30 September 2015 RMB'000 (Unaudited)	Six months ended 30 September 2014 RMB'000 (Unaudited)
Residential	375,961	122,657
Commercial and others	6,101	45,694
	<u>382,062</u>	<u>168,351</u>

Revenue for the First Half of FY2016 was approximately RMB382.1 million compared to approximately RMB168.4 million in the First Half of FY2015, an increase of 126.9%.

Revenue for the First Half of FY2016 was primarily derived from the delivery of residential units of Yichun Royal Lake City (宜春御湖城) Phase 2 as well as Fuzhou Hua Cui Ting Yuan (撫州華萃庭院) Phase 3. In the First Half of FY2015, revenue was mainly attributable to the delivery of residential units of Yichun Royal Lake City Phase 1 and Fuzhou Hua Cui Ting Yuan Phase 2, together with the delivery of commercial units of Yichun Royal Lake City and Nanchang Honggu Kaixuan (南昌紅谷凱旋). All the above properties of the Group are located in Jiangxi Province, the PRC.

#### Cost of Sales and Gross Profit Margin

Cost of sales increased from approximately RMB105.0 million in the First Half of FY2015 to approximately RMB324.6 million in the First Half of FY2016. In the First Half of FY2015, over 50% of the residential units sold by the Group were townhouses, which have a higher profit margin compared with other residential units. Consequently, gross profit margin decreased from 37.7% in the First Half of FY2015 to 15.0% in the First Half of FY2016.

#### Other Income

Other income increased from approximately RMB10.7 million in the First Half of FY2015 to approximately RMB14.0 million in the First Half of FY2016. The increase was mainly attributable to the increase in rental income arising from the lease of office premises of Nanchang Sino Harbour Kaixuan Center (南昌漢港凱旋中心) as well as increase in interest income.

## **Selling and Distribution Expenses**

Selling and distribution expenses increased to approximately RMB9.3 million in the First Half of FY2016 from approximately RMB7.3 million in the First Half of FY2015 was mainly attributable to the increase in promotion expenses incurred for Nanchang Sino Harbour Kaixuan City (南昌漢港凱旋城).

## **Administrative Expenses**

Administrative expenses increased to approximately RMB16.4 million in the First Half of FY2016 from approximately RMB14.4 million in the First Half of FY2015. The increase was mainly attributable to the increase in staff cost as well as the land use tax.

## **Profit in the First Half of FY2016**

As a cumulative effect of the foregoing factors, the Group recorded a profit before income tax of approximately RMB45.8 million in the First Half of FY2016, compared to approximately RMB52.4 million in the First Half of FY2015.

Correspondingly, income tax expense decreased from approximately RMB19.6 million in the First Half of FY2015 to approximately RMB9.1 million in the First Half of FY2016.

As a result, profit attributable to the owners of the Company was approximately RMB38.5 million in the First Half of FY2016, compared to approximately RMB33.3 million in the First Half of FY2015.

## **REVIEW OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2015**

### **Properties Held Under Development**

As at 30 September 2015, the Group's properties held under development decreased to approximately RMB1,261.9 million from approximately RMB1,567.2 million as at 31 March 2015. The decrease was mainly attributable to the completion of the development of property units of Yichun Royal Lake City in the First Half of FY2016.

### **Properties Held for Sale**

Properties held for sale increased from approximately RMB695.3 million as at 31 March 2015 to approximately RMB949.6 million as at 30 September 2015. The increase was mainly due to the transfer of completed property units from properties held under development for Yichun Royal Lake City in the First Half of FY2016.

### **Accounts Receivable**

As at 30 September 2015, the Group's accounts receivable amounted to approximately RMB94,000, compared to approximately RMB1.5 million as at 31 March 2015. The decrease was mainly due to the recovery of accounts receivable in the First Half of FY2016. Since the balances were considered fully recoverable, no impairment allowance was required.

## **Prepayments and Other Receivables**

As at 30 September 2015, the Group's, prepayments and other receivables amounted to approximately RMB169.1 million, compared to approximately RMB155.0 million as at 31 March 2015. The increase was mainly attributable to an increase in the prepayments to contractors for the construction of Nanchang Sino Harbour Kaixuan City.

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

Accounts and bill payable decreased to approximately RMB47.9 million as at 30 September 2015 from approximately RMB65.3 million as at 31 March 2015, which was mainly due to repayment of construction cost in the First Half of FY2016. Accounts and bill payable mainly comprised amounts payable to suppliers for construction cost incurred in respect of the Group's properties under development.

Accruals, receipts in advance and other payables comprised mainly the advance receipts from customers in respect of deposit and prepayments for the Group's property pre-sales, and the accrued construction costs and project-related expenses that are based on the progress of project development but are not due for payment.

Accruals, receipts in advance and other payables decreased to approximately RMB941.3 million as at 30 September 2015 from approximately RMB954.9 million as at 31 March 2015. The decrease mainly represented the advance receipts realized as revenue in the First Half of FY2016, which was partially offset by the receipts from customers for the deposits and prepayments for the Group's property pre-sales in the same period.

## **LIQUIDITY AND FINANCIAL RESOURCES**

### **Cash position**

As at 30 September 2015, the Group had cash and bank balances of approximately RMB131.2 million as well as pledged and structured bank deposits as at 30 September 2015 were approximately RMB542.1 million of which mostly were denominated in RMB and Hong Kong dollars ("HK\$").

### **Bank and other Loan**

As at 30 September 2015, the Group had total borrowing of approximately RMB1,072.4 million, decreased from approximately RMB1,177.8 million as at 31 March 2015. The decrease mainly represented the repayment of borrowings in the First Half of FY2016. The Group's bank and other loan were denominated in RMB and HK\$.

## **Gearing Ratio**

Gearing ratio is measured by borrowings (total amount of bank and other loans) less related deposit collateral over total equity. As at 30 September 2015, the Group's gearing ratio was 41.2%. The Group has implemented certain loan management policies, which include close monitoring of the gearing ratio and any changes in interest rates.

## **Funding and Treasury Policies**

The Group adopts a prudent funding and treasury policy with regard to its overall business operations. Historically, we have met our capital expenditures, working capital and other liquidity requirements principally from cash generated from our operations and bank and other borrowings. Going forward, we expect to fund our working capital, capital expenditures and other capital requirements with a combination of various sources, including but not limited to cash generated from our operations, bank and other borrowings as well as other external equity and debt financing. The Group's objectives are to maintain a prudent financial policy, to monitor liquidity ratios against risk limits and to maintain contingency plan for funding to ensure that the Group maintains sufficient cash to meet its liquidity requirements.

## **FOREIGN CURRENCY RISK**

Most of the Group's transactions are carried out in RMB which is the functional currency of the Company and most of the operating subsidiaries. Exposures to currency exchange rates arise from certain of the Group's cash and bank balances which are denominated in HK\$ and US dollars. The Group does not use derivative financial instruments to hedge its foreign currency risk. The Group reviews its foreign currency exposures regularly and believes that there is no significant exposure on its foreign exchange risk.

## **MATERIAL ACQUISITION AND DISPOSAL**

During the First Half of FY2016, the Company had no material acquisition or disposal of assets, subsidiaries and affiliated companies.

## **SIGNIFICANT INVESTMENT**

The Group did not hold any significant investment during the six months ended 30 September 2015.

## **CONTINGENT LIABILITIES**

As at 30 September 2015, the Group had no significant contingent liabilities.

## EMPLOYEE AND REMUNERATION POLICY

There were 215 employees in the Group as at 30 September 2015 (31 March 2015: 147). Staff remuneration packages are determined in consideration of market conditions and the performance of the individuals concerned, and are subject to review from time to time. The Group also provides other staff benefits including medical insurance, and grants discretionary incentive bonuses to eligible staff based on their performance and contributions to the Group. Employee costs, including Directors' emoluments, amounted to approximately RMB9.3 million for the First Half of FY2016 (2015: RMB8.3 million).

## COMPANY UPDATE

### Property Pre-sales

The pre-sale activity for the Group's projects in Nanchang, Fuzhou and Yichun cities of Jiangxi Province remained strong. The results of property pre-sale launches (as at 1 November 2015) are summarised in the tables below:

#### *Residential Units*

	Nanchang Sino Harbour Kaixuan City Phase 1 (南昌漢港凱旋城一期)	Fuzhou Hua Cui Ting Yuan Phase 2 (撫州華萃庭院二期)	Fuzhou Hua Cui Ting Yuan Phase 3 (撫州華萃庭院三期)	Yichun Royal Lake City Phase 2 (宜春御湖城二期)
Estimated total Gross Floor Area ("GFA") released for sale (total units)	80,686 sq. m. (768 units)	79,933 sq. m. (550 units)	117,177 sq. m. (1,127 units)	93,805 sq. m. (993 units)
Estimated total GFA pre-sold (total units)	69,752 sq. m. (665 units)	71,680 sq. m. (523 units)	111,750 sq. m. (1,078 units)	69,639 sq. m. (758 units)
Percentage of pre-sale	86%	90%	95%	74%
Pre-sale GFA (units pre-sold) not handed to buyers as at 30 September 2015 <sup>^</sup>	54,327 sq. m. (548 units)	4,055 sq. m. (17 units)	54,488 sq. m. (522 units)	17,215 sq. m. (178 units)
Pre-sale value not handed over to buyers as at 30 September 2015 <sup>^</sup>	RMB277.10 million	RMB28.80 million	RMB277.63 million	RMB76.45 million
Average Selling Price ("ASP") per sq. m. *	RMB5,101	RMB7,102	RMB5,095	RMB4,441
Expected completion date	Completed	Completed	Completed	Completed

\*: *ASP of the projects is computed as follows: Pre-sale value not handed over to buyers divided by Pre-sale GFA not handed over to buyers.*

<sup>^</sup>: *Pre-sale value not handed over to buyers is computed as follows: Beginning period pre-sales plus New pre-sales during the period less those handed over to buyers during the period (Recognised as sales during the period).*

## **FUTURE OUTLOOK**

Supported by the change in the PRC government's macro policy and its continuous release of an easing policy, the Group expects that the PRC property market will continue to recover in the second half of 2015. While the Group is currently principally engaged in the business of property development, it will review other possible business areas and seek new opportunities to broaden its revenue base and improve its profitability.

## **DIVIDEND**

The Board has resolved not to declare any interim dividend for the First Half of FY2016 (First Half of FY2015: nil).

## **PURCHASE, SALE OR REDEMPTION OF COMPANY'S LISTED SECURITIES**

The Company did not redeem any of its Shares listed on the Main Board of the Stock Exchange nor did the Company or any of its subsidiaries purchase or sell any of such Shares during the First Half of FY2016.

## **CORPORATE GOVERNANCE COMPLIANCE**

The Company focuses on maintaining high standard of corporate governance in order to achieve sustainable development and enhance corporate performance especially the areas of internal control, fair disclosure and accountability to all shareholders.

For the First Half of FY2016, the Company has applied the principles and complied with all of the provisions in the Corporate Governance Code contained in Appendix 14 of the Listing Rules.

## **CHANGE OF COMPANY NAME**

During the First Half of FY2016,

- (i) the name of the Company was changed from "Sino Harbour Property Group Limited" to "Sino Harbour Holdings Group Limited"; and
- (ii) the secondary name of the Company (being the Chinese name) was changed from "漢港房地產集團有限公司" to "漢港控股集團有限公司".



## MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as set out in Appendix 10 to the Listing Rules as its code of conduct for securities transactions by the Directors. Having been made specific enquiries by the Company, all Directors have confirmed that they had complied with the required standards set out in the Model Code and its code of conduct during the First Half of FY2016.

## AUDIT COMMITTEE

The Audit Committee consists of three independent non-executive Directors, Mr. LEE Man To (Chairman), Mr. XIE Gang, and Ms. ZHANG Juan. The Group’s unaudited condensed consolidated interim results for the First Half of FY2016 were reviewed by the members of the Audit Committee before submission to the Board for approval.

## EVENT AFTER REPORTING PERIOD

### Strategic Cooperation Framework Agreement

On 5 October 2015, the Company’s wholly owned subsidiary, Sino Harbour Bio Technology Limited (漢港生物科技有限公司) entered into a strategic cooperation framework agreement (the “**Framework Agreement**”) with (i) Zhejiang University of Technology Assets Operation Limited (浙江工業大學資產經營有限公司) and (ii) Irvine Pharmaceutical Services, Inc. According to the Framework Agreement, all parties will leverage on their respective expertise to enter into the pharmaceutical inspection industry which would provide an opportunity for the Group to expand its income sources.

### Placing of Shares

On 7 October 2015, the Company entered into a placing agreement with RHK OSK Securities Hong Kong Limited (the “**Placing Agent**” and the “**Placing Agreement**”, respectively), pursuant to which the Company agreed to place, through the Placing Agent, a maximum of 32,000,000 new ordinary share of the Company (the “**Placing Shares**”) to not less than six placees at a price of HK\$1.56 per Placing Share, subject to the fulfilment of the conditions precedent set out in the Placing Agreement (the “**Placing**”). 32,000,000 Placing Shares were allotted and issued by the Company on 19 October 2015 pursuant to the Placing Agreement.

The net proceeds from the Placing, after deducting the relating placing commission, professional fees and other related expenses, amounted to approximately HK\$46.5 million, which have been utilized for the general working capital of the Group (including the repayment of certain of the Group’s secured bank and other loans).

Please refer to the Company’s announcements dated 7 and 19 October 2015 for details.

## CAUTION STATEMENT

The Board wishes to remind investors that the above unaudited interim results and operational statistics for the First Half of FY2016 and the corresponding period in 2015 are based on the Group's internal information. Investors should note that undue reliance on or use of such information may cause investment risks. **Investors are advised to exercise caution when dealing in the securities of the Company.**

This announcement contains forward-looking statements regarding the objectives and expectations of the Group with respect to its opportunities and business prospects. Such forward-looking statements do not constitute guarantees of future performance of the Group and are subject to factors that could cause the Company's actual results, plans and objectives to differ materially from those expressed in the forward-looking statements. These factors include, but are not limited to, general industry and economic conditions, shifts in customer demands, and changes in government policies. The Group undertakes no obligation to update or revise any forward-looking statements to reflect subsequent events or circumstances.

This announcement is originally prepared in English. In case of any inconsistency between the English version and the Chinese version, the English version shall prevail.

By order of the Board  
**Sino Harbour Holdings Group Limited**  
**SHI Feng**  
*Deputy Chairman and Executive Director*

Hong Kong, 11 November 2015

*As at the date of this announcement, the Board comprises seven Directors, including three executive Directors, namely Mr. SHI Feng (Deputy Chairman and Chief Executive Officer), Mr. WONG Lui and Ms. GAO Lan; one non-executive Director, namely Ms. CHAN Heung Ling (Chairlady); and three independent non-executive Directors, namely Mr. XIE Gang, Mr. LEE Man To and Ms. ZHANG Juan.*