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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)

**UNAUDITED FIRST QUARTERLY RESULTS
FOR THE THREE MONTHS ENDED 30 JUNE 2016**

The Board hereby presents the Unaudited Results for 1Q2017, together with the unaudited comparative figures for 1Q2016.

This announcement is made by Sino Harbour Holdings Group Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 of the Rules Governing the Listing of the Securities on the Stock Exchange.

The board of directors of the Company (the “**Directors**” and the “**Board**”, respectively) hereby announces the unaudited major financial results and operational statistics of the Group (the “**Unaudited Results**”) for the three months ended 30 June 2016 (“**1Q2017**”) together with the unaudited comparative figures for the corresponding period in 2015 (“**1Q2016**”) as follows:

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE THREE MONTHS ENDED 30 JUNE 2016

		The Group	
	Notes	Three months ended 30 June 2016 RMB'000 (Unaudited)	Three months ended 30 June 2015 RMB'000 (Unaudited)
Revenue	3	276,400	124,296
Cost of sales		(207,352)	(91,465)
Gross profit		69,048	32,831
Other income	3	9,746	10,326
Selling and distribution expenses		(3,172)	(4,995)
Administrative expenses		(9,488)	(7,934)
Profit before income tax		66,134	30,228
Income tax expense		(9,154)	(6,467)
Profit for the period		56,980	23,761
Other comprehensive income (net of tax)			
Item that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of financial statements of foreign operations		23	(13)
Other comprehensive income for the period		23	(13)
Total comprehensive income for the period		57,003	23,748
Profit/ (loss) for the period attributable to:			
- Owners of the Company		32,655	24,055
- Non-controlling interests		24,325	(294)
		56,980	23,761
Total comprehensive income attributable to:			
- Owners of the Company		32,678	24,042
- Non-controlling interests		24,325	(294)
		57,003	23,748
Earnings per share for profit attributable to the owners of the Company during the period (in RMB cents)			
- Basic and diluted	5	2.65	2.00

NOTES TO THE CONDENSED FINANCIAL INFORMATION

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 Company acts as an investment holding company and its subsidiaries are principally engaged in property development in the People's Republic of China (the “PRC”).

2. BASIS OF PREPARATION AND PRINCIPAL ACCOUNTING POLICIES

The unaudited results have been prepared in accordance with accounting principles generally accepted in Hong Kong, Hong Kong Accounting Standards (“HKASs”) and Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”) and the disclosure requirements of the Rules Governing the Listing of Securities on the Stock Exchange. They have been prepared under the historical cost basis except for investment properties and financial assets at fair value through profit or loss which are stated at fair value. The unaudited results do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the audited consolidated financial statements of the Company for the year ended 31 March 2016 (the “Year 2016”).

The accounting policies and method of computation used in preparing the unaudited results are consistent with those used in the audited financial statements for the Year 2016 except for the following new or revised standards, amendments and interpretations (the “new or revised HKFRSs”) issued by the HKICPA effective for annual periods beginning on or after 1 April 2016:

Annual Improvements 2012-2014 Cycle

Amendments to HKAS 1

Disclosure Initiative

Amendments to HKAS 16 and 38

Clarification of Acceptable Methods of Depreciation and Amortisation

Amendments to HKAS 27

Equity Method in Separate Financial Statements

The adoption of the new or revised HKFRSs had no material effect on how the results and financial position for the current or prior accounting periods have been prepared and presented. Accordingly, no prior period adjustment has been required.

3. REVENUE AND OTHER INCOME

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

	<u>The Group</u>	
	Three months ended 30 June 2016 RMB'000 (Unaudited)	Three months ended 30 June 2015 RMB'000 (Unaudited)
Revenue		
Sale of properties held for sale	276,400	124,296
Other income		
Interest income	1,068	2,867
Rental income	7,875	7,458
Government grant	400	-
Sundry income	403	1
	9,746	10,326

4. DIVIDENDS

The Directors do not declare the payment of any dividend for the three months ended 30 June 2016 (2015: nil).

5. EARNINGS PER SHARE

	<u>The Group</u>	
	Three months ended 30 June 2016 (Unaudited)	Three months ended 30 June 2015 (Unaudited)
Profit attributable to the owners of the Company (in RMB thousands dollars)	32,655	24,055
Weighted average number of ordinary shares for the purposes of calculating basic earnings per share (shares in thousands)	1,232,000	1,200,000
Basic earnings per share (in RMB cents)	2.65	2.00

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.

An ordinary resolution regarding the approval of the bonus issue on the basis of one bonus share for every one share held by the shareholders of the Company (the "Shareholders") as of 4 August 2016 (the "Bonus Issue") was passed by the Shareholders at the annual general meeting held on 26 July 2016. Had such Bonus Issue been occurred before the Unaudited Results for 1Q2017 were authorized for issue, the basic earnings per share for 1Q2017 would have been diluted to approximately RMB1.33 cents (1Q2016: approximately RMB1.00 cent) based on the weighted average number of ordinary shares of 2,464,000,000 (1Q2016: 2,400,000,000 ordinary shares).

Management discussion and analysis

FINANCIAL REVIEW

Revenue

Revenue for 1Q2017 was approximately RMB276.4 million compared to approximately RMB124.3 million in 1Q2016, an increase of 122.4%.

Revenue in 1Q2017 was primarily derived from the delivery of the residential units of Nanchang Sino Harbour Kaixuan City (南昌漢港凱旋城) Zone 3. In 1Q2016, revenue was mainly attributable to the delivery of the residential units of Yichun Royal Lake City (宜春御湖城) Phase 1, Fuzhou Hua Cui Ting Yuan (撫州華萃庭院) Phase 3 as well as Nanchang Sino Harbour Kaixuan City Zone 1. All the said properties are located in Jiangxi Province of the PRC.

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 properties that are sold. Consequently, revenue and profit for the Group looking across quarters will appear irregular.

Cost of Sales and Gross Profit Margin

In line with an increase in revenue, cost of sales increased to approximately RMB207.4 million in 1Q2017 from approximately RMB91.5 million in 1Q2016. Gross profit margin slightly decreased to 25.0% in 1Q2017 from 26.4% in 1Q2016.

Other Income

Other income decreased from approximately RMB10.3 million in 1Q2016 to approximately RMB9.7 million in 1Q2017. The decrease was mainly attributable to the decrease in interest income.

Selling and Distribution Expenses

Selling and distribution expenses decreased from approximately RMB5.0 million in 1Q2016 to approximately RMB3.2 million in 1Q2017. The lower selling expenses in 1Q2017 were mainly due to a decrease in marketing expenses incurred in Yichun Royal Lake City.

Administrative Expenses

Administrative expenses increased to approximately RMB9.5 million in the 1Q2017 from approximately RMB7.9 million in the 1Q2016. The increase was mainly attributable to an increase in the staff cost.

FINANCIAL REVIEW (continued)

Profit for the Period

As a cumulative effect of the foregoing factors, the Group recorded a profit before income tax of approximately RMB66.1 million in 1Q2017, compared to approximately RMB30.2 million in 1Q2016.

Income tax expense increased from approximately RMB6.5 million in 1Q2016 to approximately RMB9.2 million in 1Q2017. The higher income tax was due to the corporate income tax provision arising from the higher profit for the period.

As a result, profit attributable to the owners of the Company was approximately RMB32.7 million in 1Q2017, compared to approximately RMB24.1 million in 1Q2016.

Cash Position and Borrowings

As at 30 June 2016, the Group had cash and bank balances of approximately RMB60.7 million (31 March 2016: approximately RMB119.5 million). Pledged deposits of the Group as at 30 June 2016 amounted to approximately RMB311.9 million (31 March 2016: approximately RMB311.0 million).

As at 30 June 2016, the Group had bank and other loans of approximately RMB711.0 million (31 March 2016: approximately RMB815.2 million).

COMPANY UPDATE

Property Pre-sales

The pre-sale activities 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 August 2016) are summarised in the tables below:

Residential Units

	Nanchang Sino Harbour Kaixuan City – Zone 3 (南昌漢港凱旋城 三組團)	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)	61,128 sq. m. (616 units)	117,177 sq. m. (1,127 units)	101,587 sq. m. (1,064 units)
Estimated total GFA pre-sold (total units)	61,040 sq. m. (615 units)	115,988 sq. m. (1,116 units)	91,731 sq. m. (1,007 units)
Percentage of pre-sale	99%	99%	90%
Pre-sale GFA (units pre-sold) not handed to buyers as at 30 June 2016 [^]	15,405 sq. m. (152 units)	29,500 sq. m. (283 units)	21,654 sq. m. (245 units)
Pre-sale value not handed over to buyers as at 30 June 2016 [^]	RMB76.71 million	RMB149.70 million	RMB91.95 million
Average Selling Price (“ASP”) per sq. m.*	RMB4,980	RMB5,075	RMB4,246
Expected completion date	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.

[^]: 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).

AUDIT COMMITTEE AND REVIEW OF ACCOUNTS

The audit committee of the Company (the “**Audit Committee**”) comprises three members, namely Mr. LEE Man To (who is also the chairman of the Audit Committee), Mr. XIE Gang and Ms. ZHANG Juan, all being the independent non-executive Directors. The Audit Committee has discussed and reviewed with the management the Unaudited Results for 1Q2017.

PURCHASE, SALE OR REDEMPTION OF COMPANY’S LISTED SECURITIES

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company’s listed securities during 1Q2017.

CAUTION STATEMENT

The Board wishes to remind the Shareholders and potential investors that the Unaudited Results for 1Q2017 and those for 1Q2016 are based on the Group’s internal information. Shareholders and potential investors should note that undue reliance on or use of such information may cause investment risks. **Shareholders and potential 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 of
Sino Harbour Holdings Group Limited
SHI Feng
Deputy Chairman and Executive Director

Hong Kong, 8 August 2016

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.