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漢港地產集團
SINO HARBOUR PROPERTY GROUP

SINO HARBOUR PROPERTY GROUP LIMITED

漢港房地產集團有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 1663)

**UNAUDITED FIRST QUARTERLY RESULTS
FOR THE THREE MONTHS ENDED 30 JUNE 2014**

The Board hereby presents the unaudited major financial results and operational statistics of the Group for the three months ended 30 June 2014, together with the unaudited comparative figures for the corresponding period in 2013.

This announcement is made by Sino Harbour Property 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 (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

The board (the “**Board**”) of the directors (the “**Directors**”) of the Company hereby announces the unaudited major financial results and operational statistics of the Group for the three months ended 30 June 2014 together with the unaudited comparative figures for the corresponding period in 2013 as follows:

Statement of profit or loss and other comprehensive income for the three months ended 30 June 2014

		<u>The Group</u>	
	Notes	Three months ended 30 June 2014 RMB'000 (Unaudited)	Three months ended 30 June 2013 RMB'000 (Unaudited)
Revenue	3	88,793	103,559
Cost of sales		(55,765)	(73,410)
Gross profit		33,028	30,149
Other income	3	6,246	4,725
Selling and distribution expenses		(2,822)	(2,600)
Administrative expenses		(7,924)	(6,428)
Other operating expenses		-	(213)
Profit before income tax		28,528	25,633
Income tax expense		(9,462)	(9,097)
Profit for the period		19,066	16,536
Other comprehensive income (net of tax)			
<i>Item that may be reclassified subsequently to profit or loss:</i>			
Exchange differences on translation of financial statements of foreign operations		734	1,392
Total comprehensive income for the period		19,800	17,928
Profit/ (loss) for the period attributable to:			
- Owners of the Company		19,280	17,031
- Non-controlling interests		(214)	(495)
		19,066	16,536
Total comprehensive income attributable to:			
- Owners of the Company		20,014	18,423
- Non-controlling interests		(214)	(495)
		19,800	17,928
Earnings per share for profit attributable to the owners of the Company during the period (in RMB cents)			
- Basic and diluted	5	1.61	1.42

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, Hungghom Commercial Centre, 37 – 39 Ma Tau Wai Road, Hungghom, 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 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 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 financial statements of the Company for the year ended 31 March 2014.

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 ended 31 March 2014 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 2014:

HKAS 32 (Amendments) – Presentation – Offsetting Financial Assets and Financial Liabilities

The amendments clarify the offsetting requirements by adding appliance guidance to HKAS 32 which clarifies when an entity "currently has a legal enforceable right to set off" and when a gross settlement mechanism is considered equivalent to net settlement.

HKAS 36 (Amendments) – Recoverable Amount Disclosure

The amendments limit the requirements to disclose the recoverable amount of an asset or cash generating unit ("CGU") to those periods in which an impairment loss has been recognized or reversed, and expand the disclosures where the recoverable amount of impaired assets or CGUs has been determined based on fair value less costs of disposal.

HKFRIC 21 – Levies

HKFRIC 21 clarifies that an entity recognises a liability to pay a levy imposed by government when the activity that triggers payment, as identified by the relevant legislation, occurs.

Impacts of adopting new or revised accounting standards:

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 2014 RMB'000 (Unaudited)	Three months ended 30 June 2013 RMB'000 (Unaudited)
Revenue		
Sale of properties held for sale	88,793	103,559
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Other income		
Interest income	2,829	4,015
Rental income	3,408	710
Others	9	-
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	6,246	4,725
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4. DIVIDENDS

The Directors do not recommend the payment of any dividend for the three months ended 30 June 2014 (2013: nil).

5. EARNINGS PER SHARE

The calculation of basic earnings per share is based on the profit attributable to the owners of the Company of approximately RMB19,280,000 for the three months ended 30 June 2014 (2013: RMB17,031,000) and 1,200,000,000 ordinary shares (2013: 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.

Management discussion and analysis

FINANCIAL REVIEW

Revenue

Revenue for the three months ended 30 June 2014 (“1Q2015”) was approximately RMB88.8 million compared to approximately RMB103.6 million in the previous corresponding period (“1Q2014”), a decrease of 14.3%.

Revenue in 1Q2015 was primarily derived from the delivery of residential units of Yichun Royal Lake City (宜春御湖城) and Fuzhou Hua Cui Ting Yuan (撫州華萃庭院), together with the delivery of commercial units of Yichun Royal Lake City and Nanchang Honggu Kaixuan (南昌紅谷凱旋). In 1Q2014, revenue was mainly attributable to the delivery of residential units of Yichun Royal Lake City and Fuzhou Hua Cui Ting Yuan.

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

Cost of sales decreased from approximately RMB73.4 million in 1Q2014 to approximately RMB55.8 million in 1Q2015. In 1Q2014, a greater portion of revenue was derived from the delivery of residential units. Commercial units have a significantly higher gross profit margin compared with residential units. Consequently, gross profit margin increased from 29.1% in 1Q2014 to 37.2% in 1Q2015.

Other Income

Other income increased from approximately RMB4.7 million in 1Q2014 to approximately RMB6.2 million in 1Q2015. 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) since January 2014, the increase was partially offset by the decrease in interest income.

Selling and Distribution Expenses

Selling and distribution expenses rose from approximately RMB2.6 million in 1Q2014 to approximately RMB2.8 million in 1Q2015. The higher selling expenses in 1Q2015 were mainly due to the increase in marketing expenses incurred in Yichun Royal Lake City and Fuzhou Hua Cui Ting Yuan.

Administrative Expenses

Administrative expenses increased to approximately RMB7.9 million in 1Q2015 from approximately RMB6.4 million in 1Q2014. The increase was mainly attributable to the increase in salaries and penalty charges of approximately RMB0.9 million and RMB0.6 million respectively. The penalty charges were arisen from the late payment of land use rights consideration of the land in Hangzhou, Zhejiang Province, the PRC acquired in March 2013 by the Group.

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 RMB28.5 million in 1Q2015, compared to approximately RMB25.6 million in 1Q2014.

Correspondingly, income tax expense increased from approximately RMB9.1 million in 1Q2014 to approximately RMB9.5 million in 1Q2015.

As a result, profit attributable to the owners of the Company was approximately RMB19.3 million in 1Q2015, compared to approximately RMB17.0 million in 1Q2014.

Cash Position and Borrowings

As at 30 June 2014, the Group had cash and bank balances of approximately RMB26.4 million (31 March 2014: approximately RMB67.8 million). Pledged deposits of the Group as at 30 June 2014 amounted to approximately RMB564.4 million (31 March 2014: approximately RMB563.8 million).

As at 30 June 2014, the Group had bank and other loans of approximately RMB998.6 million (31 March 2014: approximately RMB1,123.7 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 4 August 2014) are summarised in the tables below:

Residential Units

	Fuzhou Hua Cui Ting Yuan Phase 1 (撫州華萃庭院一期)	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 1 (宜春御湖城一期)	Yichun Royal Lake City Phase 2 (宜春御湖城二期)
Estimated total Gross Floor Area ("GFA") released for sale (total units)	91,853 sq. m. (633 units)	79,933 sq. m. (550 units)	104,142 sq. m. (1,007 units)	92,330 sq. m. (1,013 units)	28,112 sq. m. (320 units)
Estimated total GFA pre-sold (total units)	84,548 sq. m. (601 units)	66,903 sq. m. (505 units)	78,570 sq. m. (774 units)	74,590 sq. m. (803 units)	27,405 sq. m. (300 units)
Percentage of pre-sale	92%	84%	75%	81%	97%
Pre-sale GFA (units pre-sold) not handed to buyers as at 30 June 2014 ^	1,037 sq. m. (6 units)	10,574 sq. m. (51 units)	78,570 sq. m. (774 units)	4,096 sq. m. (57 units)	27,405 sq. m. (300 units)
Pre-sale value not handed over to buyers as at 30 June 2014 ^	RMB6.65 million	RMB73.66 million	RMB400.1 million	RMB16.22 million	RMB126.6 million
Average Selling Price ("ASP") per sq. m. *	RMB6,413	RMB6,966	RMB5,092	RMB3,960	RMB4,620
Expected completion date	Completed	Completed	Q4CY2014	Completed	Q1CY2015

*: 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).

CAUTION STATEMENT

The Board wishes to remind investors that the above unaudited quarterly financial results and operational statistics for the three months ended 30 June 2014 and the corresponding period in 2013 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 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 Property Group Limited
SHI Feng
Deputy Chairman

Hong Kong, 11 August 2014

As at the date of this announcement, the Board comprises Mr. SHI Feng and Mr. WONG Lui as executive Directors, Ms. CHAN Heung Ling as non-executive Director and Mr. XIE Gang, Mr. LEE Man To and Ms. ZHANG Juan as independent non-executive Directors.