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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 THIRD QUARTERLY RESULTS
FOR THE NINE MONTHS ENDED 31 DECEMBER 2014

The Board hereby presents the unaudited major financial results and operational statistics of the Group for the nine months ended 31 December 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 nine months ended 31 December 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 nine months ended 31 December 2014

		<u>The Group</u>	
	Notes	Nine months ended 31 December 2014 RMB'000 (Unaudited)	Nine months ended 31 December 2013 RMB'000 (Unaudited)
Revenue	3	196,766	192,081
Cost of sales		(119,178)	(129,210)
Gross profit		77,588	62,871
Other income	3	15,769	13,506
Selling and distribution expenses		(12,096)	(9,140)
Administrative expenses		(23,494)	(21,439)
Other operating expenses		-	(231)
Profit before income tax		57,767	45,567
Income tax expense		(19,577)	(16,815)
Profit for the period		38,190	28,752
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		164	683
Total comprehensive income for the period		38,354	29,435
Profit/ (loss) for the period attributable to:			
- Owners of the Company		40,956	30,586
- Non-controlling interests		(2,766)	(1,834)
		38,190	28,752
Total comprehensive income attributable to:			
- Owners of the Company		41,120	31,269
- Non-controlling interests		(2,766)	(1,834)
		38,354	29,435
Earnings per share for profit attributable to the owners of the Company during the period (in RMB cents)			
- Basic and diluted	5	3.41	2.55

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>	
	Nine months ended 31 December 2014 RMB'000 (Unaudited)	Nine months ended 31 December 2013 RMB'000 (Unaudited)
Revenue		
Sale of properties held for sale	196,766	192,081
Other income		
Interest income	6,531	8,386
Consultancy fee income	-	1,271
Rental income	9,127	3,849
Gain on disposal of property, plant and equipment	51	-
Others	60	-
	15,769	13,506

4. DIVIDENDS

The Directors do not recommend the payment of any dividend for the nine months ended 31 December 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 RMB40,956,000 for the nine months ended 31 December 2014 (2013: RMB30,586,000) 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 nine months ended 31 December 2014 (“**3Q2015**”) was approximately RMB196.8 million compared to approximately RMB192.1 million in the previous corresponding period (“**3Q2014**”), an increase of 2.4%.

Revenue in 3Q2015 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 3Q2014, 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 RMB129.2 million in 3Q2014 to approximately RMB119.2 million in 3Q2015. In 3Q2015, 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 increased from 32.7% in 3Q2014 to 39.4% in 3Q2015.

Other Income

Other income increased from approximately RMB13.5 million in 3Q2014 to approximately RMB15.8 million in 3Q2015. 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 RMB9.1 million in 3Q2014 to approximately RMB12.1 million in 3Q2015. The higher selling expenses in 3Q2015 were mainly due to the increase in marketing expenses incurred in Yichun Royal Lake City and Nanchang Sino Harbour Kaixuan City (南昌漢港凱旋城).

Administrative Expenses

Administrative expenses increased to approximately RMB23.5 million in 3Q2015 from approximately RMB21.4 million in 3Q2014. The increase mainly represented the increase in salaries and it was partially offset by the decrease in land use tax.

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 RMB57.8 million in 3Q2015, compared to approximately RMB45.6 million in 3Q2014.

Correspondingly, income tax expense increased from approximately RMB16.8 million in 3Q2014 to approximately RMB19.6 million in 3Q2015.

As a result, profit attributable to the owners of the Company was approximately RMB41.0 million in 3Q2015, compared to approximately RMB30.6 million in 3Q2014.

Cash Position and Borrowings

As at 31 December 2014, the Group had cash and bank balances of approximately RMB187.1 million (31 March 2014: approximately RMB67.8 million). Pledged deposits of the Group as at 31 December 2014 amounted to approximately RMB569.4 million (31 March 2014: approximately RMB563.8 million).

As at 31 December 2014, the Group had bank and other loans of approximately RMB1,172.8 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 31 January 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)	19,450 sq. m. (152 units)	79,933 sq. m. (550 units)	117,177 sq. m. (1,127 units)	51,630 sq. m. (588 units)
Estimated total GFA pre-sold (total units)	13,806 sq. m. (109 units)	70,263 sq. m. (517 units)	93,044 sq. m. (912 units)	40,095 sq. m. (444 units)
Percentage of pre-sale	71%	88%	79%	78%
Pre-sale GFA (units pre-sold) not handed to buyers as at 31 December 2014 ^	13,806 sq. m. (109 units)	8,336 sq. m. (34 units)	93,044 sq. m. (912 units)	40,095 sq. m. (444 units)
Pre-sale value not handed over to buyers as at 31 December 2014 ^	RMB90.33 million	RMB61.25 million	RMB473.23 million	RMB182.59 million
Average Selling Price (“ASP”) per sq. m. *	RMB6,543	RMB7,347	RMB5,086	RMB4,554
Expected completion date	Q1CY2015	Completed	Q1CY2015	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 nine months ended 31 December 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, 13 February 2015

As at the date of this announcement, the Board comprises Mr. SHI Feng, Mr. WONG Lui and Ms. GAO Lan 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.