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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)

ANNOUNCEMENT

CHANGE IN USE OF PROCEEDS

Reference is made to the prospectus of Sino Harbour Property Group Limited dated 12 July 2011 relating to the placing and public offer and the listing of the Company's shares on the main board of The Stock Exchange. The Board of Directors announces that the Company has decided to change the use of proceeds from the public offer as set out in this announcement in detail.

Reference is made to the prospectus (the "**Prospectus**") of Sino Harbour Property Group Limited (the "**Company**"), and its subsidiaries (the "**Group**"), dated 12 July 2011 relating to the placing and public offer and the listing of the Company's shares on the main board of the Stock Exchange of Hong Kong Limited (the "**Stock Exchange**").

USE OF PROCEEDS

It was stated in the section headed "Future Plans and Use of Proceeds" in the Prospectus that the Company intended to use the net proceeds received from the placing and public offer, inter alia, for the following purposes:

1. approximately 14% of the net proceeds will be used to pay for the construction costs of phase 2 of Fuzhou Huacui Tingyuan (撫州華萃庭院) ("**Usage 1**");
2. approximately 32% of the net proceeds will be used to pay for the construction costs of phase 1 of Nanchang Dingxun Project (南昌鼎迅項目) ("**Usage 2**");

3. approximately 46% of the net proceeds will be used to pay for the construction costs of phase 2 of Yichun Project (宜春項目) (“Usage 3”); and
4. approximately 8% of the net proceeds will be reserved as general working capital of the Group (“Usage 4”).

CHANGE IN USE OF PROCEEDS AND REASONS FOR IT

In view of the positive market response in regard to the launch of phase 1 of Fuzhou Huacui Tingyuan (撫州華萃庭院), the Board has decided to expedite the development of phase 2 of the named project. Accordingly, the Board decided to re-allocate some parts of the net proceeds originally reserved for Usage 2 and Usage 3 and to re-apply them in favour of Usage 1. The re-allocated use of the net proceeds is stated as follows:

1. Usage 1: approximately 24% of the net proceeds;
2. Usage 2: approximately 28% of the net proceeds;
3. Usage 3: approximately 40% of the net proceeds; and
4. Usage 4: approximately 8% of the net proceeds.

The Board believes that such a re-allocated use of proceeds will not significantly affect our future plans and prospects as stated in the Prospectus. The Board further believes that it will have the effect of harnessing the future development for the Group as a whole. As such, it is believed that the re-allocation is fair and reasonable and in the interests of the Company and its shareholders as a whole.

By order of the Board
Sino Harbour Property Group Limited
SHI Feng
Deputy Chairman

Hong Kong, 16 May 2012

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.