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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 2011

The Board hereby presents the unaudited major financial results and operational statistics of the Group for the nine months ended 31 December 2011, together with the unaudited comparative figures for the corresponding period in 2010.

This announcement is made pursuant to the disclosure obligation under Rule 13.09 of the Rules Governing the Listing of Securities (the “**Listing Rule**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

The board (the “**Board**”) of directors (the “**Directors**”) of Sino Harbour Property Group Limited (the “**Company**”) hereby announces the unaudited major financial results and operational statistics of the Company and its subsidiaries (collectively the “**Group**”) for the nine months ended 31 December 2011 together with the unaudited comparative figures for the corresponding period in 2010 as follows:

Statement of comprehensive income for the nine months ended 31 December 2011

	Notes	<u>The Group</u>	
		Nine months ended 31 December 2011 RMB'000 (Unaudited)	Nine months ended 31 December 2010 RMB'000 (Unaudited)
Revenue	3	312,567	261,092
Cost of sales		(160,210)	(155,081)
Gross profit		152,357	106,011
Other income	3	2,426	5,358
Selling and distribution expenses		(2,876)	(4,757)
Administrative expenses		(21,154)	(2,806)
Other operating expenses		(584)	(743)
Operating profit		130,169	103,063
Finance costs		-	(2,966)
Share of result of jointly controlled entity		(4,470)	(525)
Profit before income tax		125,699	99,572
Income tax expense		(42,773)	(28,878)
Profit for the period		82,926	70,694
Other comprehensive (loss)/ income			
Exchange differences on translation of financial statements of foreign operations		(173)	6,405
Total comprehensive income for the period		82,753	77,099
Profit/ (loss) for the period attributable to:			
- Owners of the Company		83,232	70,694
- Non-controlling interests		(306)	-
		82,926	70,694
Total comprehensive income/ (loss) attributable to:			
- Owners of the Company		83,059	77,099
- Non-controlling interests		(306)	-
		82,753	77,099
Earnings per share attributable to the owners of the Company during the period (in RMB cents)			
	5		
- Basic		7.72	7.85
- Diluted		N/A	N/A

1. GENERAL INFORMATION AND BASIS OF PREPARATION

The Company was incorporated in Bermuda on 5 January 2011 as an exempted company with limited liability under the Companies Act 1981 of Bermuda.

Pursuant to a reorganisation (the “**Reorganisation**”) of the Group which was completed on 30 June 2011 to rationalise the group structure in preparation of the listing of the Company’s shares on the Main Board of the Stock Exchange, the Company became the holding company of the subsidiaries now comprising the Group. Details of the Reorganisation are set out in the prospectus of the Company dated 12 July 2011 (the “**Prospectus**”). The Company’s shares were listed on the Stock Exchange on 22 July 2011.

The Group is regarded as a continuing entity resulting from the Reorganisation under common control and has been accounted for on the basis of merger accounting. The combined financial statements of the Group have been prepared as if the current group structure had been in existence throughout both years presented, or since the respective dates of incorporation or establishment of the group companies, rather than from the date when the Company became the holding company of the Group pursuant to the Reorganisation.

2. 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 Listing Rules. They have been prepared under the historical cost basis except for investment properties which are stated at fair value.

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 2011 as set out in the Prospectus except for new and revised standards, amendments and interpretations (the “**new and revised HKFRSs**”) issued by the HKICPA for the first time for the current financial statements. The adoption of these new and revised HKFRSs has had no material impact on the Group’s financial statements. The Group has not early adopted any new and revised HKFRSs that have been issued but are not yet effective.

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 2011 RMB'000 (Unaudited)	Nine months ended 31 December 2010 RMB'000 (Unaudited)
Revenue		
Sale of properties held for sale	312,567	261,092
Other income		
Interest income	2,247	3,886
Rental income	177	1,019
Others	2	453
	2,426	5,358

4. DIVIDENDS

The Directors do not recommend the payment of any dividend for the nine months ended 31 December 2011 (2010: RMB105,000,000).

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 RMB83,232,000 (2010: approximately RMB70,694,000) and the weighted average number of 1,077,818,000 ordinary shares (2010: 900,000,000 shares) in issue during the period, calculated as follows:

	<u>The Group</u>	
	Nine months ended 31 December 2011 RMB'000 (Unaudited)	Nine months ended 31 December 2010 RMB'000 (Unaudited)
Earnings:		
Profit attributable to the owners of the Company	83,232	70,694

5. EARNINGS PER SHARE (continued)

	<u>The Group</u>	
	Nine months ended 31 December 2011 '000 (Unaudited)	Nine months ended 31 December 2010 '000 (Unaudited)
Weighted average number of ordinary shares:		
Issued ordinary shares at 1 April	-	-
Number of shares issued for assignment of outstanding loan	5,000	5,000
Number of shares issued under capitalisation issue	895,000	895,000
Effect of shares issued under placing and public offer	177,818	-
	1,077,818	900,000

The weighted average number of ordinary shares issued for assignment of outstanding loan and pursuant to capitalisation issue is calculated as if the shares had been outstanding throughout the current and prior periods.

No diluted earnings per share is presented as the Group has no dilutive potential shares during the current and prior periods.

Management discussion and analysis

FINANCIAL REVIEW

Revenue

Revenue for the nine months ended 31 December 2011 (“**3Q2012**”) was approximately RMB312.6 million compared to approximately RMB261.1 million in the previous corresponding period (“**3Q2011**”), an increase of 19.7%.

Revenue in 3Q2012 was primarily derived from the delivery of residential and commercial units of Nanchang Honggu Kaixuan (南昌紅谷凱旋). In 3Q2011, revenue was mainly attributable to the delivery of residential units of Nanchang Honggu Kaixuan Phase 2 (南昌紅谷凱旋二期).

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 increased from approximately RMB155.1 million in 3Q2011 to approximately RMB160.2 million in 3Q2012. In 3Q2012, revenue was derived from the delivery of residential and commercial units. Commercial units have a significantly higher gross profit margin compared with residential units. Due to the larger proportion of sales recognised from commercial units in 3Q2012 compared with 3Q2011, gross profit margin improved from 40.6% in 3Q2011 to 48.7% in 3Q2012.

Other Income

Other income decreased from approximately RMB5.4 million in 3Q2011 to approximately RMB2.4 million in 3Q2012. The decrease is mainly attributable to the decrease in interest income and rental income.

Selling and Distribution Expenses

Selling and distribution expenses decreased from approximately RMB4.8 million in 3Q2011 to approximately RMB2.9 million in 3Q2012. The higher selling expenses in 3Q2011 was mainly due to the expenses incurred to set up a showroom at Fuzhou Hua Cui Ting Yuan (撫州華萃庭院).

FINANCIAL REVIEW (continued)

Administrative Expenses

Administrative expenses increased to approximately RMB21.2 million in 3Q2012 from approximately RMB2.8 million in 3Q2011. The increase was mainly attributable to listing expenses of approximately RMB11.2 million being included in the administrative expenses of the current period and the increase in salaries and exchange losses of RMB2.6 million and RMB2.4 million respectively.

Profit for the Period

As a cumulative effect of the foregoing factors, the Group had recorded a profit before tax of approximately RMB125.7 million in 3Q2012, representing an improvement of 26.2% from approximately RMB99.6 million in 3Q2011.

Correspondingly, income tax expense increased from approximately RMB28.9 million in 3Q2011 to approximately RMB42.8 million in 3Q2012.

As a result, profit for the period attributable to the owners of the Company improved by 17.7% from approximately RMB70.7 million in 3Q2011 to approximately RMB83.2 million in 3Q2012.

Cash Position and Borrowings

As at 31 December 2011, the Group had cash and bank balances of approximately RMB135.7 million (31 March 2011: approximately RMB137.2 million), representing a decrease of 1.1% as compared to that at 31 March 2011.

As at 31 December 2011, the Group did not have any bank and other loans (31 March 2011: approximately RMB210 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. Results of Property Pre-sale Launches (as at 31 January 2012) are summarised in the tables below:

Residential Units

	Nanchang Honggu Kaixuan Phase 2 (南昌紅谷凱旋二期)	Fuzhou Hua Cui Ting Yuan Phase 1 (撫州華萃庭院一期)	Yichun Royal Lake City Phase 1 (宜春御湖城一期)
Estimated total Gross Floor Area ("GFA") released for sale (total units)	116,248 sq. m. (1,007 units)	81,165 sq. m. (581 units)	15,900 sq. m. (172 units)
Estimated total GFA pre-sold (total units)	113,749 sq. m. (997 units)	52,105 sq. m. (369 units)	6,320 sq. m. (66 units)
Percentage of pre-sale	98%	64%	40%
Pre-sale GFA (units pre-sold) not handed to buyers as at 31 December 2011 ^	8,089 sq. m. (94 units)	52,105 sq. m. (369 units)	6,320 sq. m. (66 units)
Pre-sale value not handed over to buyers as at 31 December 2011 ^	RMB58.4 million	RMB249.8 million	RMB26.9 million
Average Selling Price ("ASP") per sq. m. *	RMB7,216	RMB4,795	RMB4,259

COMPANY UPDATE (continued)**Commercial Units**

	Nanchang Honggu Kaixuan Phases 1 and 2 (南昌紅谷凱旋一、二期)
Estimated total GFA released for sale	16,246 sq. m.
Estimated total GFA pre-sold	13,110 sq. m.
Percentage of pre-sale	81%
Pre-sale GFA not handed to buyers as at 31 December 2011 ^	8,166 sq. m.
Pre-sale value not handed over to buyers as at 31 December 2011 ^	RMB171.4 million
ASP per sq. m. *	RMB20,994

*: 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 2011 and the corresponding period in 2010 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
Sino Harbour Property Group Limited
SHI Feng
Deputy Chairman

Hong Kong, 13 February 2012

As of 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.