

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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 OF FINAL RESULTS FOR THE YEAR ENDED 31 MARCH 2013

HIGHLIGHTS

- The Group achieved revenue of approximately RMB559.9 million, mainly attributable to the delivery of the residential units of Fuzhou Hua Cui Ting Yuan (撫州華萃庭院) and Yichun Royal Lake City (宜春御湖城) and the commercial units of Nanchang Honggu Kaixuan (南昌紅谷凱旋). Revenue increased by approximately 8.7% for the year ended 31 March 2013 compared with last year.
- Gross profit margin for the current year was approximately 34.1%.
- Profit and total comprehensive income for current year attributable to the owners of the Company amounted to approximately RMB126.4 million and RMB125.1 million respectively, an increase of approximately 24.8% and 26.4% respectively compared with last year.

- Basic earnings per share for the current year increased from RMB9.14 cents in last year to RMB10.54 cents, representing an increase of 15.3%.
- In the current year, the Group acquired an additional land parcel in Hangzhou with a planned construction area of approximately 81,982 sq. m. at a consideration of approximately RMB506 million.
- Cash and bank balances as at 31 March 2013 were approximately RMB240.9 million (31 March 2012: RMB92.8 million (restated)).
- The Group has bank and other loans of approximately RMB533.5 million as at 31 March 2013 (31 March 2012: RMB80.0 million (restated)).
- The Board of Directors recommended the payment of a final dividend of HK4 cents per share for the year ended 31 March 2013.

ANNUAL RESULTS

The board (the “**Board**”) of directors (the “**Directors**”) of Sino Harbour Property Group Limited (the “**Company**”) is pleased to announce the annual results of the Company and its subsidiaries (collectively the “**Group**”) for the year ended 31 March 2013 together with comparative figures as follows:

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

		Year ended 31 March 2013	Year ended 31 March 2012
	<i>Notes</i>	<i>RMB'000</i>	<i>RMB'000</i> (Restated)
Revenue	4	559,918	515,181
Cost of sales		<u>(369,260)</u>	<u>(300,174)</u>
Gross profit		190,658	215,007
Other income	4	40,958	15,800
Selling and distribution expenses		(13,272)	(3,867)
Administrative expenses		(20,164)	(15,018)
Listing expenses		–	(11,207)
Other operating expenses		<u>–</u>	<u>(21)</u>
Operating profit		198,180	200,694
Finance costs		–	–
Share of result of a joint venture		<u>–</u>	<u>–</u>
Profit before income tax	5	198,180	200,694
Income tax expense	6	(72,960)	(99,943)
Profit for the year		125,220	100,751
Other comprehensive income			
Exchange differences on translation of financial statements of foreign operations		<u>(1,296)</u>	<u>(2,344)</u>
Total comprehensive income for the year		<u>123,924</u>	<u>98,407</u>

	Year ended	Year ended
	31 March 2013	31 March 2012
<i>Notes</i>	<i>RMB'000</i>	<i>RMB'000</i> (Restated)
Profit/(loss) for the year attributable to:		
Owners of the Company	126,444	101,316
Non-controlling interests	<u>(1,224)</u>	<u>(565)</u>
	<u>125,220</u>	<u>100,751</u>
Total comprehensive income		
attributable to:		
Owners of the Company	125,148	98,972
Non-controlling interests	<u>(1,224)</u>	<u>(565)</u>
	<u>123,924</u>	<u>98,407</u>
Earnings per share attributable		
to the owners of the Company during		
the year (in RMB cents)		
– Basic and diluted	8	
	<u>10.54</u>	<u>9.14</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	<i>Notes</i>	31 March 2013 <i>RMB'000</i>	31 March 2012 <i>RMB'000</i> (Restated)
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment		2,771	3,737
Investment properties		111,625	72,272
Interest in a joint venture		174,149	95,149
Pledged deposits		230,000	–
Deferred tax assets		–	1,406
		518,545	172,564
Current assets			
Properties held under development		1,066,044	1,078,260
Properties held for sale		311,164	338,468
Account receivables	9	12	577
Prepayments and other receivables		152,826	87,416
Pledged deposits		31,724	24,403
Cash and bank balances		240,917	92,763
		1,802,687	1,621,887
Current liabilities			
Account payables	10	29,309	17,756
Accruals, receipts in advance and other payables		430,572	478,754
Provision for tax		134,809	121,537
Bank and other loans		99,000	–
		693,690	618,047
Net current assets		1,108,997	1,003,840
Total assets less current liabilities		1,627,542	1,176,404
Non-current liabilities			
Bank and other loans		434,500	80,000
Deferred tax liabilities		1,978	–
		436,478	80,000
Net assets		1,191,064	1,096,404

	<i>Notes</i>	31 March 2013 <i>RMB'000</i>	31 March 2012 <i>RMB'000</i> (Restated)
EQUITY			
Equity attributable to the Company's owners			
Share capital	<i>11</i>	9,931	9,931
Reserves		943,834	857,427
Proposed final dividend		38,741	29,264
		992,506	896,622
Non-controlling interests		198,558	199,782
Total equity		<u>1,191,064</u>	<u>1,096,404</u>

Notes:

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.

The registered office of the Company is located at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda. 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 consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (“**HKFRSs**”) (including all applicable Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”) and the disclosure requirements of the Hong Kong Companies Ordinance. In addition, the financial statements include the applicable disclosures required by the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

2. PRINCIPAL ACCOUNTING POLICIES

The consolidated financial statements have been prepared under the historical cost basis except for investment properties, which are measured at fair values.

The accounting policies used in preparing the consolidated financial statements are consistent with those used in the financial statements for the year ended 31 March 2012 with the addition of certain new or revised standards, amendments and interpretations (the “**new or revised HKFRSs**”) issued by the HKICPA which became effective or are early adopted in the current year as described below.

3. ADOPTION OF NEW OR REVISED HKFRSs

(a) New or revised HKFRSs adopted in current year

Adoption of amendments to HKFRSs – effective on 1 April 2012

Amendments to HKFRS 7	Disclosures – Transfers of Financial Assets
Amendments to HKAS 12	Deferred Tax – Recovery of Underlying Assets

New or revised HKFRSs that have been early adopted by the Group

The following new or revised HKFRSs which are effective for annual periods beginning on or after 1 January 2013 have been early adopted by the Group.

HKFRS 10	Consolidated Financial Statements
HKFRS 11	Joint Arrangements
HKFRS 12	Disclosure of Interests in Other Entities
HKAS 27 (2011)	Separate Financial Statements
HKAS 28 (2011)	Investments in Associates and Joint Ventures

The new or revised standards, HKFRS 10, HKFRS 11, HKFRS 12, HKAS 27 (2011) and HKAS 28 (2011), which had been adopted earlier, are mandatorily effective for annual periods beginning on or after 1 January 2013 and should be applied in accordance with respective transition requirements and adjust the comparative period retrospectively. Early application is permitted so long as all of the five new or revised standards are applied early.

The Group has reassessed the classification of its interests in a jointly controlled entity having regards to the effects of the designated operating agreement signed between the Group and its joint venture partner. The jointly controlled entity has been separated into two activities. The first activity was conducted through a joint venture project with control shared by the Group and its joint venture partner. The second activity was a project with unilateral control by the Group. The Group accounts for its interest in the first activity using the equity method and consolidates the second activity in the consolidated financial statements. The comparative information for the year ended 31 March 2012 has been restated accordingly.

The following presents the effect on the consolidated statement of financial position and consolidated statement of comprehensive income regarding to the reassessment above comparing the restated 31 March 2012 amounts and the amounts previously reported:

As at 31 March 2012	As Restated <i>RMB'000</i>	As Previously reported <i>RMB'000</i>	Increase/ (decrease) in net assets <i>RMB'000</i>
Property, plant and equipment	3,737	3,357	380
Investment in a joint venture	95,149	176,649	(81,500)
Properties held under development	1,078,260	814,082	264,178
Prepayments and other receivables	87,416	75,524	11,892
Pledge deposits	24,403	23,333	1,070
Cash and bank balances	92,763	82,631	10,132
Account payables	(17,756)	(6,643)	(11,113)
Accruals, receipts in advance and other payables	(478,754)	(363,589)	(115,165)
Provision for tax	(121,537)	(121,663)	126
Bank and other loans	(80,000)	–	(80,000)
	<u>683,681</u>	<u>683,681</u>	<u>–</u>
For the year ended 31 March 2012	As Restated <i>RMB'000</i>	As Previously reported <i>RMB'000</i>	Increase/ (decrease) in profit <i>RMB'000</i>
Other income	15,800	15,798	2
Selling and distribution expenses	3,867	3,447	(420)
Administrative expenses	15,018	11,955	(3,063)
Share of result of a joint venture	–	3,481	3,481
Profit for the year	<u>100,751</u>	<u>100,751</u>	<u>–</u>

(b) **New or revised HKFRSs that have been issued but are not yet effective**

The following new and amended HKFRSs, potentially relevant to the Group's financial statements, have been issued, but are not yet effective and have not been early adopted by the Group.

HKFRSs (Amendments)	Annual Improvements to HKFRSs 2009-2011 Cycle ²
Amendments to HKAS 1 (Revised)	Presentation of Items of Other Comprehensive Income ¹
Amendments to HKAS 32	Presentation – Offsetting Financial Assets and Financial Liabilities ³
Amendments to HKFRS 7	Disclosures – Offsetting Financial Assets and Financial Liabilities ²
HKFRS 9	Financial Instruments ⁴
HKFRS 13	Fair Value Measurement ²
HKAS 19 (2011)	Employee Benefits ²

¹ *Effective for annual periods beginning on or after 1 July 2012*

² *Effective for annual periods beginning on or after 1 January 2013*

³ *Effective for annual periods beginning on or after 1 January 2014*

⁴ *Effective for annual periods beginning on or after 1 January 2015*

The Group is in the process of making an assessment of the potential impact of these pronouncements. Directors so far concluded that the application of these pronouncements will have no material impact on the Group's financial statements.

4. REVENUE AND OTHER INCOME

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

	Year ended 31 March 2013 RMB'000	Year ended 31 March 2012 RMB'000 (Restated)
Revenue		
Sale of properties held for sale	559,918	515,181
Other income		
Net fair value gain for investment properties and properties held under development upon transfer to investment properties	32,380	10,793
Interest income		
– from bank deposits	3,773	2,534
– from other receivables	3,620	1,260
Rental income	1,155	1,204
Others	30	9
	40,958	15,800

5. PROFIT BEFORE INCOME TAX

Profit before income tax is arrived at after charging/(crediting):

	Year ended 31 March 2013 <i>RMB'000</i>	Year ended 31 March 2012 <i>RMB'000</i> (Restated)
Auditors' remuneration	611	628
Cost of properties held for sale recognized as expense	338,177	271,676
Depreciation	742	596
Exchange (gain)/loss, net	(11)	157
Loss on disposal/written off of property, plant and equipment	6	3
Operating lease charge in respect of land and buildings	659	398
<i>Less: amount capitalised in properties held under development</i>	(70)	(152)
	589	246
Outgoings in respect of investment properties that generated rental income during the year	221	213
Staff costs, including directors' emoluments		
– Wages and salaries	14,084	10,250
– Retirement benefit scheme contributions – defined contribution plans	1,456	918
<i>Less: amount capitalised in properties held under development</i>	(6,328)	(3,978)
	9,212	7,190

6. INCOME TAX EXPENSE

	Year ended 31 March 2013 RMB'000	Year ended 31 March 2012 RMB'000
Current tax – the PRC		
Current year		
– Enterprise income tax (“EIT”)	36,532	53,663
– Land appreciation tax (“LAT”)	33,044	53,876
	<u>69,576</u>	<u>107,539</u>
Current tax – Hong Kong		
Over provision in respect of prior years	–	(238)
	<u>69,576</u>	<u>107,301</u>
Deferred income tax	<u>3,384</u>	<u>(7,358)</u>
Total income tax expense	<u><u>72,960</u></u>	<u><u>99,943</u></u>

EIT has been provided on the estimated profits of subsidiaries operating in the People’s Republic of China (the “PRC”) at 25% (2012: 25%).

Under the law of the PRC on EIT, corporate withholding income tax is levied on the foreign investor for the dividends distributed out of the profits generated by the foreign investment enterprises. The Group’s applicable withholding income tax rate is at 10% (2012: 10%).

LAT is levied at progressive rates ranging from 30% to 60% on the appreciation of land value, being the proceeds from sales of properties less deductible expenditures including cost and land use rights, borrowing costs, business tax and all property development expenditures. The tax is incurred upon transfer of property ownership. There are certain exemptions available for the sales of ordinary residential properties if the appreciation values do not exceed 20% of the total deductible items (as defined in the relevant PRC tax laws). Sales of commercial properties are not eligible for such an exemption.

No Hong Kong profits tax has been provided as the Group has no estimated assessable profits arising in or derived from Hong Kong for both years.

7. DIVIDENDS

Dividends payable to owners of the Company attributable to the year:

	Year ended 31 March 2013 RMB'000	Year ended 31 March 2012 RMB'000
Proposed final dividend – HK4 cents (2012: HK3 cents) per ordinary share (Notes (i) and (ii))	<u>38,741</u>	<u>29,264</u>
	<u>38,741</u>	<u>29,264</u>

- (i) At a meeting held on 27 May 2013, the Directors proposed a final dividend of HK4 cents per ordinary share, amounting to HK\$48,000,000 (equivalent to approximately RMB38,741,000) for the year ended 31 March 2013, and the proposal will be submitted for formal approval by the shareholders at the forthcoming annual general meeting held on 25 July 2013. This final dividend will be reflected as an appropriation of retained earnings for the year ending 31 March 2014.
- (ii) At a meeting held on 28 May 2012, the Directors proposed a final dividend of HK3 cents per ordinary share, amounting to HK\$36,000,000 (equivalent to approximately RMB29,264,000) for the year ended 31 March 2012. The proposal was approved by the shareholders at the annual general meeting held on 25 July 2012. The final dividend was reflected as an appropriation of retained earnings for the year ended 31 March 2013.

8. EARNINGS PER SHARE

The calculation of basic earnings per share is based on the profit attributable to equity shareholders of the Company for the year ended 31 March 2013 of approximately RMB126,444,000 (2012: RMB101,316,000) divided by 1,200,000,000 (2012: weighted average number of 1,108,197,000) ordinary shares in issue during the year.

For the year ended 31 March 2012, the weighted average number of ordinary shares used to calculate the basic earnings per share included the 900,000,000 ordinary shares (*note 11*) as if the shares had been in issue throughout the year ended 31 March 2012, immediately before the listing of the Company's ordinary shares on the Main Board of the Stock Exchange.

The diluted earnings per share is the same as the basic earnings per share, as the Group has no dilutive potential shares during the current and prior years.

9. ACCOUNT RECEIVABLES

The aging analysis of account receivables that are past due but neither individually nor collectively considered to be impaired is as follows:

	31 March 2013	31 March 2012
	<i>RMB'000</i>	<i>RMB'000</i>
Based on invoice date		
0 – 3 months past due	12	80
3 – 6 months past due	–	445
6 months – 1 year past due	–	–
More than 1 year past due	–	52
	<u>12</u>	<u>577</u>

Receivables that were past due but not impaired relate to a number of independent buyers. Based on past experience, the Board considered that no impairment allowance is required as there has not been a significant change in credit quality and the balances are still considered fully recoverable.

The Group continuously monitors defaults of customers and other counterparties, identified either individually or by group, and incorporates this information into its credit risk controls. The Group's policy is to deal only with creditworthy counterparties.

10. ACCOUNT PAYABLES

The aging analysis of account payables, based on invoice date, is as follows:

	31 March 2013	31 March 2012
	<i>RMB'000</i>	<i>RMB'000</i>
		(Restated)
Less than 3 months	25,405	11,035
3 – 6 months	135	1,810
6 months – 1 year	2,042	3,558
More than 1 year	1,727	1,353
	<u>29,309</u>	<u>17,756</u>

11. SHARE CAPITAL

	Year ended 31 March 2013		Year ended 31 March 2012	
	<i>Number of shares</i>	<i>RMB'000</i>	<i>Number of shares</i>	<i>RMB'000</i>
<i>Authorised:</i>				
Ordinary shares of HK\$0.01 each				
At 1 April	4,500,000,000	37,401	9,000,000	79
Increase of share capital (<i>Note (b)</i>)	–	–	4,491,000,000	37,322
As 31 March	<u>4,500,000,000</u>	<u>37,401</u>	<u>4,500,000,000</u>	<u>37,401</u>
<i>Issued and fully paid:</i>				
Ordinary shares of HK\$0.01 each				
At 1 April	1,200,000,000	9,931	1	–
Group reorganisation and loan capitalisation (<i>Note (c)</i>)	–	–	4,999,999	41
Capitalisation issue (<i>Note (d)</i>)	–	–	895,000,000	7,407
Issuance of ordinary shares in connection with the listing (<i>Note (e)</i>)	–	–	300,000,000	2,483
At 31 March	<u>1,200,000,000</u>	<u>9,931</u>	<u>1,200,000,000</u>	<u>9,931</u>

Notes:

- The Company was incorporated on 5 January 2011 with authorised share capital of HK\$90,000 divided into 9,000,000 shares of HK\$0.01 each. One share was allotted and issued to the sole shareholder of the Company, Pan Hong Property Group Limited (“**Pan Hong Property**”), nil paid on 19 January 2011.
- Pursuant to written resolutions passed by Pan Hong Property on 4 July 2011, the authorised share capital of the Company increased from HK\$90,000 to HK\$45,000,000 by the creation of an additional 4,491,000,000 shares, such new shares to rank pari passu with the then existing shares in all respects.
- Pursuant to written resolutions passed by Pan Hong Property on 4 July 2011, in consideration for (i) Pan Hong Property transferring the entire issued share capital of Sino Harbour Property Holdings Limited (“**SHPH**”); and (ii) the wholly-owned subsidiary of Pan Hong Property, Pan Hong Investment Limited (“**Pan Hong Investment**”), assigning the outstanding loan due from the Company wholly-owned subsidiary, Sino Harbour Limited (“**Sino Harbour**”), to Pan Hong Investment in the aggregate amount of HK\$313,928,090 to the Company, 4,999,999 shares were allotted and issued by the Company to Pan Hong Property, all credited as fully paid. In addition, the one nil-paid share held by Pan Hong Property was credited as fully paid.

- (d) Pursuant to written resolutions passed by Pan Hong Property on 4 July 2011, 895,000,000 shares of the Company were allotted and issued, credited as fully paid at par value of HK\$0.01 each to Pan Hong Property by capitalisation of HK\$8,950,000 (equivalent to approximately RMB7,407,000) from the share premium account. Such allotment and capitalisation was conditional on the share premium account being credited as a result of the new shares issued in connection with the listing of the Company's shares on the Stock Exchange.
- (e) On 22 July 2011, 300,000,000 shares (at par value of HK\$0.01 each) of the Company were allotted and issued at the price of HK\$1.1 per share in connection with the listing of the Company's shares on the Stock Exchange.

12. CAPITAL EXPENDITURE

During the year ended 31 March 2013, there were additions to property, plant and equipment amounting to approximately RMB0.2 million (2012: RMB3.0 million (restated)).

13. EVENTS AFTER THE END OF REPORTING PERIOD

On 2 April 2013, the Group's indirect wholly-owned subsidiary, Sino Harbour, entered into a facility agreement (the "**Facility Agreement**") with a bank relating to secured term loan facilities (the "**Facilities**") of an aggregate amount of HK\$315 million for a term of up to 3 years from the date of drawdown, 24 April 2013. The Group obtained the Facilities to finance a land acquisition as result of the Group and the Bureau of Land and Resources of Hangzhou having entered into a land grant contract dated 28 March 2013 for the acquisition of the land use rights of the land in Hangzhou, the PRC, at a consideration of RMB506 million, of which approximately RMB253 million was due on 27 April 2013.

PROPOSED FINAL DIVIDEND AND ANNUAL GENERAL MEETING

The Board is pleased to recommend a final dividend of HK4 cents per share for the year ended 31 March 2013 to shareholders who are registered on the register of members of the Company on Friday, 2 August 2013.

The proposed final dividend is subject to the approval by the shareholders of the Company (the “**Shareholders**”) at the forthcoming annual general meeting (the “**AGM**”) which is scheduled to be held on Thursday, 25 July 2013. Upon the approval by the Shareholders at the AGM, the final dividend will be paid on Friday, 16 August 2013. A notice convening the AGM and a circular for the AGM will be issued and disseminated to the Shareholders in due course.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed for the following periods:

- (i) The share register of the Company will be closed from Tuesday, 23 July 2013 to Thursday, 25 July 2013 (both days inclusive), during which no transfer of shares will be effected. In order to be eligible to attend and vote at the forthcoming AGM, completed share transfer forms must be lodged with the Company’s branch share registrar in Hong Kong, Tricor Investor Services Limited at 26/F, Tesbury Centre, 28 Queen’s Road East, Hong Kong, not later than 4:30 p.m. on Monday, 22 July 2013; and
- (ii) The share register of the Company will be closed from Wednesday, 31 July 2013 to Friday, 2 August 2013 (both days inclusive), during which no transfer of shares will be effected. In order to be qualified for the proposed final dividend, completed share transfer forms must be lodged with the Company’s branch share registrar in Hong Kong, Tricor Investor Services Limited at 26/F, Tesbury Centre, 28 Queen’s Road East, Hong Kong, not later than 4:30 p.m. on Tuesday, 30 July 2013.

MANAGEMENT DISCUSSION AND ANALYSIS

Revenue

During the year under review, the Group achieved revenue of approximately RMB559.9 million mainly from the sales of residential units of Fuzhou Hua Cui Ting Yuan (撫州華萃庭院) and Yichun Royal Lake City (宜春御湖城), together with the commercial units of Nanchang Honggu Kaixuan (南昌紅谷凱旋). Revenue increased by approximately 8.7% over the previous financial year. The total gross floor area (“GFA”) of the residential and commercial properties (excluding car parking spaces) sold in the year under review amounted to approximately 99,983 sq. m.

The following table sets out an analysis of the revenue for (i) residential properties, (ii) commercial properties, and (iii) car parking spaces during the year under review:

	Year ended 31 March 2013	Year ended 31 March 2012	% change
(i) Residential			
– GFA sold (in sq. m.)	92,210	60,258	+53.0%
– Average selling price (RMB per sq. m.)	4,510	5,843	–22.8%
– Revenue (<i>approx. RMB’000</i>)	415,903	352,116	+18.1%
(ii) Commercial			
– GFA sold (in sq. m.)	7,773	3,849	+101.9%
– Average selling price (RMB per sq. m.)	16,426	27,988	–41.3%
– Revenue (<i>approx. RMB’000</i>)	127,681	107,713	+18.5%
(iii) Car parking spaces			
– Revenue (<i>approx. RMB’000</i>)	16,334	55,352	–70.5%
Total revenue (<i>approx. RMB’000</i>)	<u>559,918</u>	<u>515,181</u>	

Cost of Sales and Gross Profit Margin

Cost of sales increased from approximately RMB300.2 million in the previous financial year to approximately RMB369.3 million for the year under review. In the previous financial year, a greater portion of revenue was derived from the delivery of commercial units and car parking spaces which have a higher gross profit margin compared with the greater proportion of residential units sold during the year under review. Consequently, gross profit margin decreased from 41.7% for the previous financial year to 34.1% for the year under review.

Other Income

Other income increased from approximately RMB15.8 million (restated) in the previous financial year to approximately RMB41.0 million in the year under review. The increase mainly represented the increase in net fair value gain of the Group's investment properties and properties held under development upon transfer to investment properties during the year under review.

Selling and Distribution Expenses

Selling and distribution expenses increased from approximately RMB3.9 million (restated) in the previous financial year to approximately RMB13.3 million in the year under review. The higher selling expenses in the year under review was mainly due to the increase in marketing expenses for Yichun Royal Lake City (宜春御湖城).

Administrative Expenses

Administrative expenses increased to approximately RMB20.2 million in the year under review from approximately RMB15.0 million (restated) in the previous financial year. The increase was mainly attributable to the increase in staff costs, professional & consultancy expenses and land use tax of approximately RMB1.2 million, RMB1.0 million and RMB2.8 million respectively.

Profit for the Year

As a cumulative effect of the foregoing factors, the Group had recorded a profit before tax of approximately RMB198.2 million in the year under review, representing a decrease of 1.3% from approximately RMB200.7 million in the previous financial year.

Income tax expense decreased from approximately RMB99.9 million in the previous financial year to approximately RMB73.0 million in the year under review. The decrease in income tax was mainly derived from the decrease in Land Appreciation Tax (“LAT”) resulting from the lower assessable value of properties delivered to the customers during the year under review. According to the Provisional Regulations of the PRC on LAT and relevant implementation rules, an entity deriving a profit from selling or transferring properties shall be liable to pay LAT at progressive rates from 30% to 60% of the appreciated value of the property, with certain exemptions available for the sale of ordinary residential properties if the appreciated value does not exceed 20% of the deductible items as defined in the relevant LAT regulations. Sales of commercial properties are not eligible for such exemption.

As a result, profit for the year attributed to the owners of the Company increased by approximately 24.8% from approximately RMB101.3 million in the previous financial year to approximately RMB126.4 million in the year under review.

Interest in a Joint Venture

Interest in a joint venture increased from approximately RMB95.1 million (restated) as at 31 March 2012 to RMB174.1 million as at 31 March 2013. The increase represented the advance to the joint venture by the Group for Yichun Royal Lake City (宜春御湖城) Phase 3.

Properties Held under Development

As at 31 March 2013, the Group’s properties held under development decreased to approximately RMB1,066.0 million from approximately RMB1,078.3 million (restated) as at 31 March 2012. The decrease was because certain property units which were previously under development had been completed in the year under review.

Properties Held for Sale

Properties held for sale decreased from approximately RMB338.5 million as at 31 March 2012 to approximately RMB311.2 million as at 31 March 2013. The decrease was mainly due to the delivery of the completed residential property units of Yichun Royal Lake City (宜春御湖城) Phase 1 to buyers in the year under review.

Prepayments and Other Receivables

As at 31 March 2013, the Group's prepayments and other receivables amounted approximately RMB152.8 million, compared to approximately RMB87.4 million (restated) as at 31 March 2012. The increase was mainly attributable to the increase of prepayments to contractors for the construction of projects.

Account Payables, Accruals, Receipts in Advance and Other Payables

Account payables increased to approximately RMB29.3 million as at 31 March 2013 from approximately RMB17.8 million (restated) as at 31 March 2012 due to the increase in the number of the Group's property projects completed near 31 March 2013. Account payables mainly comprised amount payable to suppliers for construction costs incurred in respect of the Group's properties under development.

Accruals, receipts in advance and other payables mainly comprise of the advance receipts from customers in respect of deposit and prepayments for the Group's property pre-sales, and the accrued construction costs and project-related expenses that are based on the progress of project development but are not due for payment.

Accruals, receipts in advance and other payables decreased to approximately RMB430.6 million as at 31 March 2013 from approximately RMB478.8 million (restated) as at 31 March 2012. The decrease mainly represented the advance receipts realised as revenue in the year under review, which was partially offset by the receipts from customers for the deposits and prepayments for the Group's property pre-sales in the same period.

LIQUIDITY AND FINANCIAL RESOURCES

In the year ended 31 March 2013, the Group had recorded a net cash inflow of approximately RMB54.2 million from operating activities, mainly as a result of the profit before working capital change and being partially offset by payment of Enterprise Income Tax and LAT.

Net cash outflow from investing activities for the year under review was approximately RMB316.5 million, which was mainly due to the increase in pledged deposits of approximately RMB237.3 million and the advance of approximately RMB79.0 million to the joint venture by the Group for Yichun Royal Lake City (宜春御湖城) Phase 3.

Net cash generated from financing activities for the year under review was approximately RMB410.7 million mainly representing the receipts from new bank and other loans.

As at 31 March 2013, the Group had cash and bank balances of approximately RMB240.9 million (31 March 2012: approximately RMB92.8 million (restated)) and bank and other loans of approximately RMB533.5 million (31 March 2012: approximately RMB80.0 million (restated)).

FOREIGN CURRENCY RISK

Most of the Group's transactions are carried out in RMB which is the functional currency of the Company and most of the operating subsidiaries. Exposures to currency exchange rates arise from certain of the Group's cash and bank balances which are denominated in HK dollars. The Group does not use derivative financial instruments to hedge its foreign currency risk. The Group reviews its foreign currency exposures regularly and believes that there is no significant exposure on its foreign exchange risk.

MATERIAL ACQUISITION AND DISPOSAL

In March 2013, the Group succeeded in the bid of a parcel of land in Hangzhou, Zhejiang Province, the PRC at a consideration of approximately RMB506 million. A land grant contract for the land parcel with a site area of approximately 20,482 sq. m. and a planned construction area of approximately 81,982 sq.m. was signed on 28 March 2013. As at the date of this announcement, the Group has not yet obtained the land use rights certificate for this parcel of land.

Save as disclosed in this announcement, the Group did not have any material acquisition or disposal of assets, subsidiaries and affiliated companies during the year ended 31 March 2013.

EMPLOYEE AND REMUNERATION POLICY

As at 31 March 2013, there were 163 employees in the Group. Staff remuneration package are determined in connection with market conditions and the performance of the individuals concerned, and are subject to review from time to time. The Group also provides other benefits including medical insurance, and grants discretionary incentive bonuses to eligible staff based on their performance and contributions to the Group.

COMPANY UPDATE

Property Pre-sales

The cumulative results for the pre-sale and delivery of properties under each project up to 20 May 2013 are summarised as follows:

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)	Fuzhou Hua Cui Ting Yuan Phase 2 (撫州華萃 庭院二期)	Yichun Royal Lake City Phase 1 (宜春御湖城 一期)
Estimated total Gross Floor Area (“GFA”) released for sale (total units)	116,214 sq. m. (1,007 units)	91,853 sq. m. (633 units)	71,628 sq. m. (525 units)	72,882 sq. m. (770 units)
Estimated total GFA pre-sold (total units)	113,954 sq. m. (999 units)	79,587 sq. m. (572 units)	49,611 sq. m. (428 units)	60,239 sq. m. (619 units)
Percentage of pre-sale	98%	87%	69%	83%
Pre-sale GFA (units pre-sold) not handed to buyers as at 31 March 2013 [^]	728 sq. m. (6 units)	4,520 sq. m. (23 units)	49,611 sq. m. (428 units)	17,564 sq. m. (187 units)
Pre-sale value not handed over to buyers as at 31 March 2013 [^]	RMB5.47 million	RMB26.80 million	RMB242.23 million	RMB76.39 million
Average Selling Price (“ASP”) per sq. m.*	RMB7,514	RMB5,959	RMB4,883	RMB4,349

Commercial Units

	Nanchang Honggu Kaixuan Phases 1 and 2 (南昌紅谷凱旋 一、二期)
Estimated total GFA released for sale	16,215 sq. m.
Estimated total GFA pre-sold	13,785 sq. m.
Percentage of pre-sale	85%
Pre-sale GFA not handed to buyers as at 31 March 2013 [^]	34 sq. m.
Pre-sale value not handed over to buyers as at 31 March 2013 [^]	RMB0.83 million
ASP per sq. m.*	RMB24,412

*: *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: Pre-sales at the beginning of the year plus New pre-sales during the year less those handed over to buyers during the year (recognised as sales during the year).*

FUTURE OUTLOOK

Having established its pioneering position in the Jiangxi Province property market, the Group aims at accelerating its growth by developing residential and commercial projects in the PRC that generate high returns. Consistent with this aim, the Group will replicate its successful investment model in property projects to expand its presence elsewhere in the country. On the other hand, the Group is actively expanding into emerging overseas markets to benefit from an early-mover advantage. In particular, South Africa will be closely examined, given the country's reasonable development costs and promising market growth. The Group will also expedite efforts at identifying property projects with high investment potential by leveraging its extensive network.

In March 2013, the Group succeeded in securing a parcel of land in Hangzhou, Zhejiang Province, the PRC. With a planned construction floor area of approximately 81,928 sq. m., the project is to be developed for commercial use. This initiative demonstrated the Group's determination in diversifying its property portfolio to capture the increasing demand for commercial premises as well as retail outlets. By adding quality investment projects to its existing property portfolio, the Group aims to enhance the overall value of its assets and strengthen its business and financial base, leading to long-term and satisfactory returns for its shareholders.

Looking to the PRC property market, tighter control on the market has been applied repeatedly by the PRC government since the end of 2012. In the State Council Executive Meeting dated 20 February 2013, the PRC government expressed its determination to implement "The Five New Measures" to strengthen control over the property market by repeatedly stating its desire to eliminate house purchases for speculation and investment, refining the home purchase quota policy and implementing differential housing credit policies. At the same time, it is expressly stated a general policy direction of non-relaxation of property market restrictions.

Overall, the Group expects the PRC property market will remain challenging in 2013. The Group is of the view that a series of PRC government policy measures including "price restrictions", "purchase restrictions" and "credit limits" to curb the excessive growth of housing prices will continue. Nonetheless, it is worthy to emphasise that the PRC government aims at setting up an effectively comprehensive regulatory regime to realise the long-term healthy and stable development of the property market. The government in this way aims to allow the growth of housing demand for self-use, rather than speculative or investment demand, to be satisfied. Furthermore, urbanisation in the PRC will generate constant demand for housing, and sustainable economic growth will stimulate demand for improved housing, suggesting that the PRC's property market will undergo a long-term growth cycle.

PROPOSED FINAL DIVIDENDS

After reviewing the annual results and performance together with the Group's working capital requirements, the Board has proposed to pay a final dividend of HK4 cents per share for the year ended 31 March 2013.

The proposed final dividends are subject to the approval by the shareholders of the Company at the forthcoming Annual General Meeting.

SCOPE OF WORK OF BDO LIMITED

The financial figures in respect of the announcement of the Group's results for the year ended 31 March 2013 have been agreed by the Group's auditor, BDO Limited, to the amounts set out in the Group's draft consolidated financial statements for the year. The work performed by BDO Limited in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by BDO Limited on the announcement.

AUDIT COMMITTEE AND REVIEW OF ACCOUNTS

The audit committee of the Company has discussed and reviewed with the management the annual results and consolidated accounts for the year ended 31 March 2013.

In addition, the audit committee reviewed the internal control procedures and policy and procedures on corporate governance and made recommendation to the Board. The audit committee comprises three independent non-executive Directors of the Board, namely Mr. Lee Man To (Chairman), Mr. Xie Gang and Ms. Zhang Juan.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of its Directors, the Directors confirm that the Company has maintained during the year under review the amount of public float as required under the Listing Rules.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY’S LISTED SECURITIES

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company’s listed securities during the year ended 31 March 2013.

CORPORATE GOVERNANCE COMPLIANCE

The Company focuses on maintaining high standard of corporate governance in order to achieve sustainable development and enhance corporate performance especially the areas of internal control, fair disclosure and accountability to all shareholders.

In the opinion of the Board, the Company has complied with the Corporate Governance Code (the “**CG Code**”) as set out in Appendix 14 to the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) during the year under review, except as noted hereunder.

Due to personal commitments, Ms. Chan Heung Ling, the chairlady of the Board, did not attend the annual general meeting of the Company held on 25 July 2012 (“**2012 AGM**”). This constitutes a deviation to of the code provision E.1.2 of the CG Code.

Ms. Zhang Juan, the independent non-executive Director of the Company, was unable to attend the 2012 AGM due to personal commitments. This constitutes a deviation to of the code provision A.6.7 of the CG Code.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix 10 to the Listing Rules (the “**Model Code**”) as its code of conduct for securities transactions by the Directors. After having made specific enquiries with all Directors, all Directors have confirmed that they have complied with the required standards set out in the Model Code and its code of conduct in the year ended 31 March 2013.

PUBLICATION OF ANNUAL RESULTS ANNOUNCEMENT, ANNUAL REPORT AND CIRCULAR

The annual results announcement is published on the websites of the Stock Exchange (<http://www.hkex.com.hk>) and the Company (<http://www.sinoharbour.com.hk>). The 2012/13 Annual Report and a circular containing the notice of Annual General Meeting are to be dispatched to shareholders of the Company and published on the above websites in due course.

CAUTION STATEMENT

The Board wishes to remind investors that the above unaudited financial statements and operational statistics for the years ended 31 March 2013 and 2012 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 directors
Sino Harbour Property Group Limited
SHI Feng
Deputy Chairman

Hong Kong, 27 May 2013

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.