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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)

POSSIBLE MAJOR TRANSACTION

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The Board would like to notify the Shareholders of the intention of the Group to bid at the Tender for the land use rights of the Land.

The Possible Acquisition, if it materialises, will constitute a major transaction for the Company pursuant to Rule 14.06(3) of the Listing Rules and will be a qualified property acquisition which is subject to the reporting, announcement and circular requirements but is exempt from the Shareholders' approval requirement provided that all the conditions as referred to in Rule 14.33A of the Listing Rules are satisfied.

If the Group's bidding is successful, it will thereupon become unconditionally obliged to purchase the Land and an announcement will be published as soon as practicable after notification of the winning of the bid. A circular containing the information required under the Listing Rules in relation to the Possible Acquisition will be despatched to the Shareholders as soon as practicable. The Company will comply with the relevant requirements under Chapter 14 of the Listing Rules.

As the Possible Acquisition may or may not proceed, Shareholders and potential investors should exercise caution when dealing in the Shares.

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The Board would like to notify the Shareholders of the intention of the Group to bid at the Tender for the land use rights of the Land.

The Tender is expected to be held in March 2013 by BLRH, a local PRC government authority which is in charge of, among others, the sale of land use rights in Hangzhou City, Zhejiang Province, the PRC. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, BLRH and its ultimate beneficial owner(s) are Independent Third Parties.

Based on the Directors' understanding, to participate in the Tender, an application for participating the Tender should be completed. A completed application form, valid corporate documents and a prescribed amount of deposit are required to be submitted to BLRH before the prescribed deadline announced by BLRH. Such deposit will be applied towards settling part of the consideration for the acquisition of the land use rights of the Land and other related fees and/or expenses if the Group is successful in its bidding at the Tender.

Shareholders should note that the final bid price for the Land to be submitted by the Group will depend on, among other things, the Group's view on the property market and its prospects on the date of the Tender.

It is currently expected that, if the bid to be submitted by the Group is successful at the Tender, the Group will finance the payment for the Possible Acquisition by the internal resources and/or borrowing facilities available to the Group at that time.

Based on the Directors' understanding, if the Group wins at the Tender, BLRH will issue a letter confirming the winning of the bid (the "**Confirmation Letter**", 國有建設用地使用權掛牌競買成交通知書) on the date of the Tender, and will further enter into a land use rights transfer contract (the "**Transfer Contract**", 國有建設用地使用權出讓合同) with the Group within the time to be specified in the Confirmation Letter.

Information of the Land

The Land is planned to comprise a site area of approximately 20,482 sq. m. and is located at the Southwest junction of Moganshan Road (莫干山路) and Shenhua Road (申花路), Gongshu District (拱墅區), Hangzhou City, Zhejiang Province, the PRC. The planned construction floor area is approximately 81,928 sq. m. The Land is currently vacant. Based on information available to the Directors from public resources, the Land may be used for commercial purpose and the term of the land use rights of the Land is expected to be no less than 40 years. Further details of the Land, such as plot ratio and construction requirements, will be announced by BLRH.

Reasons for the Possible Acquisition

The Group is principally engaged in the property development in the PRC, especially in Jiangxi Province. The Land, if the Group is successful at the Tender, is intended to be developed as a commercial project, which will increase the Group's investment proportion in commercial properties.

The Directors consider that the Possible Acquisition is in the interests of the Company and the Shareholders as a whole and the terms thereof are fair and reasonable.

NON-COMPETE UNDERTAKING WITH PAN HONG GROUP

The Company is a 75% owned subsidiary of Pan Hong Property subsequent to the Spin-off and separate listing of the Group on 22 July 2011. To mitigate any potential conflict of interest between the Group and Pan Hong Group, there is a clear delimitation of the geographical markets in the PRC between the Group and Pan Hong Group as set out in the paragraph headed "Clear delimitation of geographical markets" in the section headed "Relationship with Controlling Shareholders" of the prospectus of the Company dated 12 July 2011.

The Company and Pan Hong Property have entered into the Non-compete Undertaking. Under the Non-compete Undertaking, each of the Company and Pan Hong Property has undertaken that for as long as (i) any member of the Pan Hong Group is the controlling Shareholder (as defined under the SGX-ST Listing Manual); or (ii) any member of the Pan Hong Group is the single largest Shareholder, each of the Group and the Pan Hong Group will not, inter alia, engage in property development projects and compete with the other party (whether independently, through joint-ventures and/or other investments) in the geographical regions in the PRC allocated to the other party.

The Group is principally engaged in the business of property development, management and investment in the Southern Region of PRC, whereas Pan Hong Group is principally engaged in the business of property development, management and investment in the Northern Region of PRC.

Each of the Company and Pan Hong Property has further undertaken that where projects or new business opportunities relating to the business of property development, management and/or investment or the business activities engaged by a party arise in the geographical region in the PRC allocated to a party, such party shall have the first right of refusal to take up such business opportunities.

As the Tender for the Land is located in the Northern Region, the Group had notified Pan Hong Property in writing in respect of the Tender so as to be in compliance with the Non-compete Undertaking. The board of Pan Hong Property had exercised its first right of refusal and declined to bid at the Tender.

LISTING RULES IMPLICATIONS

The Possible Acquisition, if it materialises, will constitute a major transaction for the Company pursuant to Rule 14.06(3) of the Listing Rules and will be a qualified property acquisition which is subject to the reporting, announcement and circular requirements but is exempt from the Shareholders' approval requirement provided that all the conditions as referred to in Rule 14.33A of the Listing Rules are satisfied.

If the Group's bidding is successful, it will thereupon become unconditionally obliged to purchase the Land and an announcement will be published as soon as practicable after notification of the winning of the bid. A circular containing the information required under the Listing Rules in relation to the Possible Acquisition will be despatched to the Shareholders as soon as practicable. The Company will comply with the relevant requirements under Chapter 14 of the Listing Rules.

As the Possible Acquisition may or may not proceed, Shareholders and potential investors should exercise caution when dealing in the Shares.

DEFINITION

In this announcement, the following expressions have the following meanings unless the context requires otherwise:

“BLRH”	the Bureau of Land Resources of Hangzhou
“Board”	the board of Directors
“Company”	Sino Harbour Property Group Limited (漢港房地產集團有限公司), an exempted company incorporated in Bermuda with limited liability and the issued shares of which are listed on the main board of the Stock Exchange
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries

“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party(ies)”	an individual(s) or a company(ies) who or which is(are) independent of and not connected with (within the meaning of the Listing Rules) any Directors, chief executive or substantial shareholders, of the Company, its subsidiaries or any of their respective associate(s) (within the meaning of the Listing Rules)
“Land”	the land located at the Southwest junction of Moganshan Road (莫干山路) and Shenhua Road (申花路), Gongshu District (拱墅區), Hangzhou City, Zhejiang Province, the PRC with a planned site area of approximately 20,482 sq. m. and a planned construction floor area of approximately 81,928 sq. m.
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Non-compete Undertaking”	the non-compete undertaking entered between the Company and Pan Hong Property, details of which were set out in the paragraph headed “Non-compete Undertaking” of the section headed “Relationship with Controlling Shareholders” of the prospectus of the Company dated 12 July 2011
“Northern Region”	Xinjiang, Tibet, Gansu, Shaanxi, Qinghai, Inner Mongolia, Ningxia, Shanxi, Henan, Hebei, Shandong, Jiangsu, Anhui, Zhejiang, Liaoning, Jilin, Heilongjiang, Beijing, Tianjin and Shanghai
“Pan Hong Group”	Pan Hong Property and its subsidiaries (excluding the Group)

“Pan Hong Property”	Pan Hong Property Group Limited, a company incorporated in Bermuda with limited liability and the issued shares of which are listed on the main board of the Singapore Exchange Securities Trading Limited
“Possible Acquisition”	the possible acquisition of the land use rights of the Land by the Group if it is successful at the Tender
“PRC”	the People’s Republic of China, which for the purpose of this announcement shall exclude Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan
“SGX-ST Listing Manual”	the Listing Manual of the Singapore Exchange Securities Trading Limited
“Share(s)”	the ordinary share(s) of HK\$0.01 each in the issued share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Southern Region”	Jiangxi, Sichuan, Chongqing, Hubei, Fujian, Yunnan, Guangxi, Hunan, Guangdong, Guizhou and Hainan
“Spin-off”	the spin-off of the Group’s property development business from Pan Hong Property for the pursuit of separate listing on the main board of the Stock Exchange
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Tender”	the public tender (掛牌出讓) for the sale of the land use rights of the Land expected to be held by BLRH

“sq. m.”

square meters

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

Hong Kong, 21 February 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.