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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 FIRST QUARTERLY RESULTS
FOR THE THREE MONTHS ENDED 30 JUNE 2015

The Board hereby presents the unaudited major financial results and operational statistics of the Group for the three months ended 30 June 2015, together with the unaudited comparative figures for the corresponding period in 2014.

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 three months ended 30 June 2015 together with the unaudited comparative figures for the corresponding period in 2014 as follows:

Statement of profit or loss and other comprehensive income for the three months ended 30 June 2015

		The Group	
	Notes	Three months ended 30 June 2015 RMB'000 (Unaudited)	Three months ended 30 June 2014 RMB'000 (Unaudited)
Revenue	3	124,296	88,793
Cost of sales		(91,465)	(55,765)
Gross profit		32,831	33,028
Other income	3	10,326	6,246
Selling and distribution expenses		(4,995)	(2,822)
Administrative expenses		(7,934)	(7,924)
Profit before income tax		30,228	28,528
Income tax expense		(6,467)	(9,462)
Profit for the period		23,761	19,066
Other comprehensive income (net of tax)			
Item that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of financial statements of foreign operations		(13)	734
Other comprehensive income for the period		(13)	734
Total comprehensive income for the period		23,748	19,800
Profit/ (loss) for the period attributable to:			
- Owners of the Company		24,055	19,280
- Non-controlling interests		(294)	(214)
		23,761	19,066
Total comprehensive income attributable to:			
- Owners of the Company		24,042	20,014
- Non-controlling interests		(294)	(214)
		23,748	19,800
Earnings per share for profit attributable to the owners of the Company during the period (in RMB cents)			
- Basic and diluted	5	2.00	1.61

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, Hunghom Commercial Centre, 37 – 39 Ma Tau Wai Road, Hunghom, Kowloon, Hong Kong.

The Group is principally engaged in property development in the People's Republic of China.

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 2015.

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 2015 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 2015:

HKFRSs (Amendments) – Annual Improvements 2010-2012 Cycle

HKFRSs (Amendments) – Annual Improvements 2011-2013 Cycle

Amendments to HKAS 19 (2011) – Defined Benefit Plans: Employee Contributions

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.

	The Group	
	Three months ended 30 June 2015 RMB'000 (Unaudited)	Three months ended 30 June 2014 RMB'000 (Unaudited)
Revenue		
Sale of properties held for sale	124,296	88,793
Other income		
Interest income	2,867	2,829
Rental income	7,458	3,408
Sundry income	1	9
	10,326	6,246

4. DIVIDENDS

The Directors do not recommend the payment of any dividend for the three months ended 30 June 2015 (2014: 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 RMB24,055,000 for the three months ended 30 June 2015 (2014: RMB19,280,000) and 1,200,000,000 ordinary shares (2014: 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 three months ended 30 June 2015 (“1Q2016”) was approximately RMB124.3 million compared to approximately RMB88.8 million in the previous corresponding period (“1Q2015”), an increase of 40.0%.

Revenue in 1Q2016 was primarily derived from the delivery of residential units of Yichun Royal Lake City (宜春御湖城), Fuzhou Hua Cui Ting Yuan (撫州華萃庭院) as well as Nanchang Sino Harbour Kaixuan City (南昌漢港凱旋城). In 1Q2015, revenue was mainly attributable to the delivery of residential units of Yichun Royal Lake City and Fuzhou Hua Cui Ting Yuan, together with the delivery of commercial units of Yichun Royal Lake City and Nanchang Honggu Kaixuan (南昌紅谷凱旋).

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 RMB55.8 million in 1Q2015 to approximately RMB91.5 million in 1Q2016. In 1Q2015, a greater portion of revenue was derived from the delivery of commercial units. Commercial units have a significantly higher gross profit margin compared with residential units. Consequently, gross profit margin decreased from 37.2% in 1Q2015 to 26.4% in 1Q2016.

Other Income

Other income increased from approximately RMB6.2 million in 1Q2015 to approximately RMB10.3 million in 1Q2016. 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).

Selling and Distribution Expenses

Selling and distribution expenses rose from approximately RMB2.8 million in 1Q2015 to approximately RMB5.0 million in 1Q2016. The higher selling expenses in 1Q2016 were mainly due to the increase in marketing expenses incurred in Yichun Royal Lake City and Nanchang Sino Harbour Kaixuan City.

Administrative Expenses

Administrative expenses in 1Q2016 were approximately RMB7.9 million, the same level as 1Q2015.

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 RMB30.2 million in 1Q2016, compared to approximately RMB28.5 million in 1Q2015.

Income tax expense decreased from approximately RMB9.5 million in 1Q2015 to approximately RMB6.5 million in 1Q2016 mainly attributable to the decrease in land appreciation tax.

As a result, profit attributable to the owners of the Company was approximately RMB24.1 million in 1Q2016, compared to approximately RMB19.3 million in 1Q2015.

Cash Position and Borrowings

As at 30 June 2015, the Group had cash and bank balances of approximately RMB82.2 million (31 March 2015: approximately RMB183.7 million). Pledged deposits of the Group as at 30 June 2015 amounted to approximately RMB597.0 million (31 March 2015: approximately RMB419.4 million).

As at 30 June 2015, the Group had bank and other loans of approximately RMB1,090.5 million (31 March 2015: approximately RMB1,177.8 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 2 August 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)	80,686 sq. m. (768 units)	79,933 sq. m. (550 units)	117,177 sq. m. (1,127 units)	93,805 sq. m. (993 units)
Estimated total GFA pre-sold (total units)	59,021 sq. m. (562 units)	71,478 sq. m. (522 units)	105,870 sq. m. (1,027 units)	60,128 sq. m. (664 units)
Percentage of pre-sale	73%	89%	90%	64%
Pre-sale GFA (units pre-sold) not handed to buyers as at 30 June 2015 ^	45,898 sq. m. (459 units)	4,341 sq. m. (19 units)	61,717 sq. m. (602 units)	44,564 sq. m. (493 units)
Pre-sale value not handed over to buyers as at 30 June 2015 ^	RMB237.25 million	RMB30.84 million	RMB315.04 million	RMB201.04 million
Average Selling Price ("ASP") per sq. m. *	RMB5,169	RMB7,104	RMB5,104	RMB4,511
Expected completion date	Completed	Completed	Completed	Completed

*: 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 three months ended 30 June 2015 and the corresponding period in 2014 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 are 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 and Executive Director

Hong Kong, 11 August 2015

As at the date of this announcement, the Board comprises Mr. SHI Feng (Deputy Chairman and Chief Executive Officer), Mr. WONG Lui and Ms. GAO Lan as executive Directors, Ms. CHAN Heung Ling (Chair-lady) as non-executive Director and Mr. XIE Gang, Mr. LEE Man To and Ms. ZHANG Juan as independent non-executive Directors.