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SINO HARBOUR PROPERTY GROUP LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 1663)

UNAUDITED FIRST QUARTERLY RESULTS FOR THE THREE MONTHS ENDED 30 JUNE 2011

The Board hereby presents the unaudited major financial results and operational statistics of the Group for the three months ended 30 June 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 (the “**Group**”) for the three month period ended 30 June 2011 together with the unaudited comparative figures for the corresponding period of last year as follows:

Statement of comprehensive income for the three months ended 30 June 2011

	Notes	The Group	
		Three months ended 30 June 2011 RMB'000 (Unaudited)	Three months ended 30 June 2010 RMB'000 (Unaudited)
Revenue	3	61,611	36,301
Cost of sales		(18,454)	(22,341)
Gross profit		43,157	13,960
Other income	3	491	282
Selling and distribution expenses		(807)	(447)
Administrative expenses		(1,606)	(1,046)
Other operating expenses		(16)	(510)
Operating profit		41,219	12,239
Finance costs		-	-
Share of result of jointly controlled entity		(173)	(15)
Profit before income tax		41,046	12,224
Income tax expense		(14,574)	(4,261)
Profit for the period		26,472	7,963
Other comprehensive (loss)/ income			
Exchange differences on translation of financial statements of foreign operations		(14)	1,205
Total comprehensive income for the period		26,458	9,168
Profit/ (loss) for the period attributable to:			
- Owners of the Company		26,480	7,963
- Non-controlling interests		(8)	-
		26,472	7,963
Total comprehensive income/ (loss) attributable to:			
- Owners of the Company		26,466	9,168
- Non-controlling interests		(8)	-
		26,458	9,168
Earnings per share attributable to the owners of the Company during the period (in RMB cents)	5		
- Basic		2.94	0.88
- 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.

	The Group	
	Three months ended 30 June 2011 RMB'000 (Unaudited)	Three months ended 30 June 2010 RMB'000 (Unaudited)
Revenue		
Sale of properties held for sale	61,611	36,301
Other income		
Interest income from bank deposits	314	282
Rental income	177	-
	491	282

4. DIVIDENDS

The Directors do not recommend the payment of any dividend for the period ended 30 June 2011 (2010: 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 RMB26,480,000 (2010: approximately RMB7,963,000) and on the 900,000,000 ordinary shares of the Company issuable (being the number of shares of the Company prior to the listing of the Company's shares on the Stock Exchange) as if these shares had been issued throughout the period.

No diluted earnings per share is presented as the Group has no dilutive potential shares during the period.

Management discussion and analysis

FINANCIAL REVIEW

Revenue

Revenue for the three months ended 30 June 2011 (“1Q2012”) was approximately RMB61.6 million compared to approximately RMB36.3 million in the previous corresponding period (“1Q2011”), an increase of 69.7%.

Revenue in 1Q2012 was primarily derived from the delivery of commercial units of Nanchang Honggu Kaixuan (南昌紅谷凱旋). In 1Q2011, 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 decreased from approximately RMB22.3 million in 1Q2011 to approximately RMB18.5 million in 1Q2012. In 1Q2012, revenue was primarily derived from the delivery of commercial units which have a significantly higher gross profit margin compared with residential units. As the proportion of sales recognised from commercial units in 1Q2012 compared with 1Q2011, cost of sales decreased in 1Q2012. Consequently, gross profit margin improved from 38.5% in 1Q2011 to 70.0% in 1Q2012.

Other Income

Other income increased from approximately RMB282,000 in 1Q2011 to approximately RMB491,000 in 1Q2012. The increase is mainly attributable to the increase in interest income and rental income.

Selling and Distribution Expenses

Selling and distribution expenses increased by 80.5% from approximately RMB447,000 in 1Q2011 to approximately RMB807,000 in 1Q2012. The higher selling expenses in 1Q2012 was mainly due to the increase in advertising costs and staff salaries in respect of the pre-sale in Fuzhou Hua Cui Ting Yuan Phase 1 (撫州華萃庭院一期).

Administrative Expenses

In line with the growth in revenue, administrative expenses increased by 53.5% to approximately RMB1.6 million in 1Q2012 from approximately RMB1.0 million in 1Q2011.

Profit for the Period

As a cumulative effect of the foregoing factors, the Group had recorded a profit before tax of approximately RMB41.0 million in 1Q2012, representing an improvement of 235.8% from approximately RMB12.2 million in 1Q2011.

Correspondingly, income tax expense increased from approximately RMB4.3 million in 1Q2011 to approximately RMB14.6 million in 1Q2012.

As a result, profit for the period attributable to the owners of the Company improved by 232.4% from approximately RMB8.0 million in 1Q2011 to approximately RMB26.5 million in 1Q2012.

Cash Position and Borrowings

As at 30 June 2011, the Group had cash and bank balances of approximately RMB112.8 million (31 March 2011: approximately RMB137.2 million), representing a decrease of 17.8% as compared to that at 31 March 2011.

Bank and other loans decreased to approximately RMB140 million as at 30 June 2011 from approximately RMB210 million as at 31 March 2011.

COMPANY UPDATE**Property Pre-sales**

The pre-sale activity for the Group's projects in Nanchang and Fuzhou cities of Jiangxi Province remained strong. Results of Property Pre-sale Launches (as at 31 July 2011) 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)
Estimated total Gross Floor Area ("GFA") released for sale (total units)	115,000 sq. m. (1,003 units)	68,290 sq. m. (452 units)
Estimated total GFA pre-sold (total units)	112,505 sq. m. (988 units)	38,815 units (264 units)
Percentage of pre-sale	98%	57%
Pre-sale GFA (units pre-sold) not handed to buyers as at 30 June 2011 ^	31,863 sq. m. (345 units)	38,815 sq. m. (264 units)
Pre-sale value not handed over to buyers as at 30 June 2011 ^	RMB224.3 million	RMB188.9 million
Average Selling Price ("ASP") per sq. m. *	RMB7,039	RMB4,867

Commercial Units

	Nanchang Honggu Kaixuan Phases 1 and 2 (南昌紅谷凱旋一、二期)
Estimated total GFA released for sale	14,385 sq. m.
Estimated total GFA pre-sold	11,030 sq. m.
Percentage of pre-sale	77%
Pre-sale GFA not handed to buyers as at 30 June 2011 ^	6,085 sq. m.
Pre-sale value not handed over to buyers as at 30 June 2011 ^	RMB105.2 million
ASP per sq. m. *	RMB17,287

*: 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 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
Vice Chairman

Hong Kong, 11 August 2011

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.