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漢港控股
SINO HARBOUR HOLDINGS

SINO HARBOUR HOLDINGS GROUP LIMITED

漢港控股集團有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 1663)

**UNAUDITED THIRD QUARTERLY RESULTS
FOR THE NINE MONTHS ENDED 31 DECEMBER 2016**

The Board hereby presents the Unaudited Results for 3Q2017, together with the unaudited comparative figures for 3Q2016.

This announcement is made by Sino Harbour Holdings Group Limited (the “**Company**” and its subsidiaries, the “**Group**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”).

The board of directors of the Company (the “**Directors**” and the “**Board**”, respectively) hereby announces the unaudited major financial results and operational statistics of the Group (the “**Unaudited Results**”) for the nine months ended 31 December 2016 (“**3Q2017**”) together with the unaudited comparative figures for the corresponding period in 2015 (“**3Q2016**”) as follows:

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE
INCOME FOR THE NINE MONTHS ENDED 31 DECEMBER 2016

		<u>The Group</u>	
	Notes	Nine months ended 31 December 2016 RMB'000 (Unaudited)	Nine months ended 31 December 2015 RMB'000 (Unaudited)
Revenue	3	605,188	474,707
Cost of sales		(472,043)	(410,711)
Gross profit		133,145	63,996
Other income	3	14,968	17,601
Selling and distribution expenses		(12,029)	(15,159)
Administrative expenses		(28,244)	(25,908)
Profit before income tax		107,840	40,530
Income tax expense		(28,323)	(9,013)
Profit for the period		79,517	31,517
Other comprehensive income (net of tax)			
<i>Item that may be reclassified subsequently to profit or loss:</i>			
Exchange differences on translation of financial statements of foreign operations		407	(5,928)
Other comprehensive income for the period		407	(5,928)
Total comprehensive income for the period		79,924	25,589
Profit/(loss) for the period attributable to:			
- Owners of the Company		50,548	33,073
- Non-controlling interests		28,969	(1,556)
		79,517	31,517
Total comprehensive income attributable to:			
- Owners of the Company		50,955	27,145
- Non-controlling interests		28,969	(1,556)
		79,924	25,589
Earnings per share for profit attributable to the owners of the Company during the period (in RMB cents)			(Restated)
- Basic and diluted	5	2.05	1.36

NOTES TO THE CONDENSED FINANCIAL INFORMATION

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 Company is an investment holding company and its subsidiaries are 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 Listing Rules. They have been prepared under the historical cost basis except for investment properties and financial assets at fair value through profit or loss 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 consolidated financial statements of the Company for the year ended 31 March 2016 (the “**Year 2016**”).

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 2016 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 2016:

Annual Improvements 2012-2014 Cycle

Amendments to HKAS 1

Disclosure Initiative

Amendments to HKAS 16 and 38

Clarification of Acceptable Methods of Depreciation and Amortisation

Amendments to HKAS 27

Equity Method in Separate Financial Statements

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:

	<u>The Group</u>	
	Nine months ended 31 December 2016 RMB'000 (Unaudited)	Nine months ended 31 December 2015 RMB'000 (Unaudited)
Revenue		
Sale of properties held for sale	605,188	474,707
Other income		
Interest income	3,214	8,033
Government grant	701	-
Rental income	10,385	9,546
Others	668	22
	14,968	17,601

4. DIVIDENDS

The Board has resolved not to declare the payment of any dividend for the nine months ended 31 December 2016 (nine months ended 31 December 2015: nil).

5. EARNINGS PER SHARE

	2016 (Unaudited)	2015 (Unaudited)
Profit attributable to the owners of the Company for the nine months ended 31 December (in RMB thousand dollars)	<u>50,548</u>	<u>33,073</u>
Weighted average number of ordinary shares for the purposes of calculating basic earnings per share for the nine months ended 31 December (shares in thousands)		
Issued ordinary shares at 1 April	1,232,000	1,200,000
Effect of share issue under placing	-	8,611
Effect of bonus issue	<u>1,232,000</u>	<u>1,232,000</u>
Weighted average number of ordinary shares at 31 December	<u>2,464,000</u>	<u>2,440,611</u>
Basic earnings per share for the nine months ended 31 December (in RMB cents)	<u>2.05</u>	(Restated) <u>1.36</u>

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.

On 27 May 2016, the Board resolved to allot and issue new shares on the basis of one bonus share for every one ordinary share (the “**Bonus Issue**”) to the shareholders of the Company (the “**Shareholders**”). After the ordinary resolution had been approved by the Shareholders at the annual general meeting held on 26 July 2016, a total of 1,232,000,000 new ordinary shares were allotted and issued pursuant to the Bonus Issue on 11 August 2016. The weighted average number of ordinary shares for the purposes of calculating basic earnings per share for the nine months ended 31 December 2016 had been retrospectively adjusted to 2,464,000,000 shares (for the nine months ended 31 December 2015: 2,440,611,000 shares) after completion of the Bonus Issue on 12 August 2016.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

Revenue

Revenue for 3Q2017 was approximately RMB605.2 million compared to approximately RMB474.7 million in 3Q2016, an increase of 27.5%.

Revenue in 3Q2017 was primarily derived from the delivery of residential units of Nanchang Sino Harbour Kaixuan City (南昌漢港凱旋城) Zone 3 as well as Fuzhou Hua Cui Ting Yuan (撫州華萃庭院) Phase 3. In 3Q2016, revenue was mainly attributable to the delivery of residential units of Yichun Royal Lake City (宜春御湖城) Phase 2 and Fuzhou Hua Cui Ting Yuan Phase 3.

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 property units that are sold. Consequently, revenue and profit for the Group, when looking across the quarters, will appear irregular.

Cost of Sales and Gross Profit Margin

Cost of sales increased from approximately RMB410.7 million in 3Q2016 to approximately RMB472.0 million in 3Q2017. In 3Q2017, a greater portion of the revenue of the Group was attributable to the delivery of residential units of Nanchang Sino Harbour Kaixuan City Zone 3, which had a higher profit margin compared with other residential units. Consequently, gross profit margin increased from 13.5% in 3Q2016 to 22.0% in 3Q2017.

Other Income

Other income decreased from approximately RMB17.6 million in 3Q2016 to approximately RMB15.0 million in 3Q2017. The decrease was mainly attributable to a decrease in interest income.

Selling and Distribution Expenses

Selling and distribution expenses decreased from approximately RMB15.2 million in 3Q2016 to approximately RMB12.0 million in 3Q2017. The lower selling and distribution expenses in 3Q2017 were mainly due to a decrease in the marketing expenses incurred for Yichun Royal Lake City.

Administrative Expenses

Administrative expenses increased to approximately RMB28.2 million in 3Q2017 from approximately RMB25.9 million in 3Q2016. The increase was mainly attributable to an increase in staff cost.

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 RMB107.8 million in 3Q2017, compared to approximately RMB40.5 million in 3Q2016.

Correspondingly, income tax expenses increased to approximately RMB28.3 million in 3Q2017 from approximately RMB9.0 million in 3Q2016.

As a result, the Group had recorded a profit after tax of approximately RMB79.5 million in 3Q2017, representing an increase of 152.3% from 3Q2016.

Cash Position and Borrowings

As at 31 December 2016, the Group had cash and bank balances of approximately RMB253.0 million (31 March 2016: approximately RMB119.5 million). Pledged deposits of the Group as at 31 December 2016 amounted to approximately RMB220.9 million (31 March 2016: approximately RMB311.0 million).

As at 31 December 2016, the Group had bank and other loans of approximately RMB773.4 million (31 March 2016: approximately RMB815.2 million).

COMPANY UPDATE

Property Pre-sales

The pre-sale activities for the Group's projects in Nanchang, Fuzhou and Yichun cities of Jiangxi Province have remained strong. The results of property pre-sale launches (as at 6 February 2017) are summarised in the table below:

Residential Units

	Nanchang Sino Harbour Kaixuan City Zone 2 (南昌漢港凱旋城二組團)	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)	34,095 sq. m. (180 units)	117,177 sq. m. (1,127 units)	101,587 sq. m. (1,064 units)
Estimated total GFA pre-sold (total units)	11,737 sq. m. (62 units)	117,066 sq. m. (1,126 units)	99,097 sq. m. (1,037 units)
Percentage of pre-sale	34%	99%	98%
Pre-sale GFA (units pre-sold) not handed to buyers as at 31 December 2016 ^	9,396 sq. m. (53 units)	8,825 sq. m. (86 units)	12,331 sq. m. (106 units)
Pre-sale value not handed over to buyers as at 31 December 2016 ^	RMB119.82 million	RMB44.31 million	RMB52.21 million
Average Selling Price ("ASP") per sq. m. *	RMB12,752	RMB5,021	RMB4,234
Expected completion date	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).

AUDIT COMMITTEE AND REVIEW OF UNAUDITED RESULTS

The audit committee of the Company (the “AC”) comprises three members, namely Mr. LEE Man To (who is also the chairman of the AC), Mr. XIE Gang and Ms. ZHANG Juan, all being the independent non-executive Directors. The AC has discussed and reviewed with the management the Unaudited Results for 3Q2017.

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 3Q2017.

CAUTION STATEMENT

The Board wishes to remind the Shareholders and potential investors of the Company that the above Unaudited Results for 3Q2017 and 3Q2016 are based on the Group’s internal information. As undue reliance on or use of such information may cause investment risks, **Shareholders and potential investors of the Company 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
Sino Harbour Holdings Group Limited
SHI Feng
Deputy Chairman and Executive Director

Hong Kong, 13 February 2017

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