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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 FIRST QUARTERLY RESULTS
FOR THE THREE MONTHS ENDED 30 JUNE 2017**

The Board hereby presents the Unaudited Results for 1Q2018, together with the unaudited comparative figures for 1Q2017.

This announcement is made by Sino Harbour Holdings 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 on the Stock Exchange (“**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 three months ended 30 June 2017 (“**1Q2018**”) together with the unaudited comparative figures for the three months ended 30 June 2016 (“**1Q2017**”) as follows:

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE THREE MONTHS ENDED 30 JUNE 2017

		<u>The Group</u>	
	Notes	Three months ended 30 June 2017 RMB'000 (Unaudited)	Three months ended 30 June 2016 RMB'000 (Unaudited)
Revenue	3	55,966	276,400
Cost of sales		(48,695)	(207,352)
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Gross profit		7,271	69,048
Other income	3	11,695	9,746
Selling and distribution expenses		(2,684)	(3,172)
Administrative expenses		(9,949)	(9,488)
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Operating profit		6,333	66,134
Finance cost		(163)	-
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Profit before income tax		6,170	66,134
Income tax expense		(4,899)	(9,154)
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Profit for the period		1,271	56,980
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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		(470)	23
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Other comprehensive income for the period		(470)	23
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Total comprehensive income for the period		801	57,003
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Profit/ (loss) for the period attributable to:			
- Owners of the Company		2,332	32,655
- Non-controlling interests		(1,061)	24,325
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		1,271	56,980
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Total comprehensive income attributable to:			
- Owners of the Company		1,862	32,678
- Non-controlling interests		(1,061)	24,325
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		801	57,003
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Earnings per share for profit attributable to the owners of the Company during the period (in RMB cents)			
- Basic and diluted	5	0.09	2.65

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 acts as 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 2017 (the “**Year 2017**”).

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 2017 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 2017:

HKFRSs (Amendments)	Annual Improvements 2014-2016 Cycle
Amendments to HKAS 7	Disclosure Initiative
Amendments to HKAS12	Recognition of Deferred Tax Assets for Unrealised Losses

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>	
	Three months ended 30 June 2017 RMB'000 (Unaudited)	Three months ended 30 June 2016 RMB'000 (Unaudited)
Revenue		
Sale of properties held for sale	55,966	276,400
Other income		
Interest income	2,224	1,068
Rental income	7,753	7,875
Government grant	1,000	400
Sundry income	718	403
	11,695	9,746

4. DIVIDENDS

The Board has resolved not to declare the payment of any dividend for 1Q2018 (1Q2017: nil).

5. EARNINGS PER SHARE

	<u>The Group</u>	
	Three months ended 30 June 2017 (Unaudited)	Three months ended 30 June 2016 (Unaudited)
Profit attributable to the owners of the Company (in RMB thousands dollars)	2,332	32,655
Weighted average number of ordinary shares for the purposes of calculating basic earnings per share (shares in thousands)	2,464,000	1,232,000
Basic earnings per share (in RMB cents)	0.09	2.65

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.

An ordinary resolution regarding the approval of the bonus issue on the basis of one bonus share for every one share held by the shareholders of the Company (the "Shareholders") as of 4 August 2016 (the "Bonus Issue") was passed by the Shareholders at the annual general meeting held on 26 July 2016. Had such Bonus Issue been occurred before the Unaudited Results for 1Q2017 were authorized for issue, the basic earnings per share for 1Q2017 would have been diluted to approximately RMB1.33 cents based on the weighted average number of ordinary shares of 2,464,000,000 shares.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

Revenue

Revenue for 1Q2018 was approximately RMB56.0 million compared to approximately RMB276.4 million in 1Q2017, a decrease of 79.8%.

Revenue in 1Q2018 was primarily derived from the delivery of residential units of Fuzhou Hua Cui Ting Yuan (撫州華萃庭院) Phase 2. In 1Q2017, revenue was mainly attributable to the delivery of the residential units of Nanchang Sino Harbour Kaixuan City (南昌漢港凱旋城) Zone 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 properties that are sold. Consequently, revenue and profit for the Group looking across quarters will appear irregular.

Cost of Sales and Gross Profit Margin

In line with a decrease in revenue, cost of sales decreased to approximately RMB48.7 million in 1Q2018 from approximately RMB207.4 million in 1Q2017. Gross profit margin decreased from 25.0% in 1Q2017 to 13.0% in 1Q2018.

Other Income

Other income increased from approximately RMB9.7 million in 1Q2017 to approximately RMB11.7 million in 1Q2018. The increase was mainly attributable to an increase in interest income.

Selling and Distribution Expenses

Selling and distribution expenses decreased from approximately RMB3.2 million in 1Q2017 to approximately RMB2.7 million in 1Q2018. The lower selling expenses in 1Q2018 were mainly due to a decrease in marketing expenses incurred in Yichun Royal Lake City.

Administrative Expenses

Administrative expenses increased to approximately RMB9.9 million in 1Q2018 from approximately RMB9.5 million in 1Q2017. The increase was mainly attributable to an increase in the staff cost.

Profit for the Period

As a cumulative effect of the foregoing factors, the Group recorded a profit before income tax of approximately RMB6.2 million in 1Q2018, compared to approximately RMB66.1 million in 1Q2017.

Income tax expense decreased from approximately RMB9.2 million in 1Q2017 to approximately RMB4.9 million in 1Q2018 mainly attributable to the decrease in the corporate income tax provision.

As a result, profit for the period was approximately RMB1.3 million in 1Q2018, compared to approximately RMB57.0 million in 1Q2017.

Cash Position and Borrowings

As at 30 June 2017, the Group had cash and bank balances of approximately RMB289.6 million (31 March 2017: approximately RMB264.4 million). Pledged deposits of the Group as at 30 June 2017 amounted to approximately RMB218.9 million (31 March 2017: approximately RMB221.6 million).

As at 30 June 2017, the Group had bank loans of approximately RMB923.6 million (31 March 2017: approximately RMB832.8 million).

COMPANY UPDATE

Property Pre-sales

The cumulative results for the pre-sale and delivery of properties under each project up to 2 August 2017 are summarised as follows:

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)	19,159 sq. m. (103 units)	117,065 sq. m. (1,126 units)	100,828 sq. m. (1,056 units)
Percentage of pre-sale	56%	99%	99%
Pre-sale GFA (units pre-sold) not handed to buyers as at 30 June 2017 [^]	15,395 sq. m. (88 units)	3,402 sq. m. (32 units)	7,239 sq. m. (66 units)
Pre-sale value not handed over to buyers as at 30 June 2017 [^]	RMB213.89 million	RMB16.76 million	RMB30.37 million
Average Selling Price (“ASP”) per sq. m.*	RMB13,893	RMB4,927	RMB4,195
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 ACCOUNTS

The audit committee of the Company (the “**Audit Committee**”) comprises three members, namely Mr. LEE Man To (who is also the chairman of the Audit Committee), Mr. XIE Gang and Ms. ZHANG Juan, all being the independent non-executive Directors. The Audit Committee has discussed and reviewed with the management the Unaudited Results for 1Q2018.

PURCHASE, SALE OR REDEMPTION OF COMPANY’S LISTED SECURITIES

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company’s listed securities during 1Q2018.

CAUTION STATEMENT

The Board wishes to remind the Shareholders and potential investors of the Company that the Unaudited Results for 1Q2018 and those for 1Q2017 are based on the Group’s internal information. Shareholders and potential investors should note that 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 of
Sino Harbour Holdings Group Limited
SHI Feng
Deputy Chairman and Executive Director

Hong Kong, 10 August 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.