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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 2017**

The Board hereby presents the Unaudited Results for 3Q2018, together with the unaudited comparative figures for 3Q2017.

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 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 2017 (“**3Q2018**”) together with the unaudited comparative figures for the corresponding period in 2016 (“**3Q2017**”) as follows:

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE
INCOME FOR THE NINE MONTHS ENDED 31 DECEMBER 2017

	<u>The Group</u>		
	Notes	Nine months ended 31 December 2017 RMB'000 (Unaudited)	Nine months ended 31 December 2016 RMB'000 (Unaudited)
Revenue	3	106,709	605,188
Cost of sales		(77,582)	(472,043)
Gross profit		29,127	133,145
Other income and other gains and losses	3	29,159	14,968
Selling and distribution expenses		(9,252)	(12,029)
Administrative expenses		(29,128)	(28,244)
Operating profit		19,906	107,840
Finance costs		(3,763)	-
Profit before income tax		16,143	107,840
Income tax expense		(11,754)	(28,323)
Profit for the period		4,389	79,517
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		3,573	407
Other comprehensive income for the period		3,573	407
Total comprehensive income for the period		7,962	79,924
Profit/(loss) for the period attributable to:			
- Owners of the Company		7,392	50,548
- Non-controlling interests		(3,003)	28,969
		4,389	79,517
Total comprehensive income attributable to:			
- Owners of the Company		10,965	50,955
- Non-controlling interests		(3,003)	28,969
		7,962	79,924
Earnings per share for profit attributable to the owners of the Company during the period (in RMB cents)			
- Basic and diluted	5	0.30	2.05

NOTES TO THE CONDENSED CONSOLIDATED 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 in Hong Kong 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. Besides, the Group has gradually entered into the stem cell and pharmaceutical inspection industries since 2016.

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 (“**HKAS**”) 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 consolidated 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.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

3. REVENUE AND OTHER INCOME AND OTHER GAINS AND LOSSES

Revenue, which is also the Group's turnover, and other income and other gains and losses recognised during the period are as follows:

	<u>The Group</u>	
	Nine months ended 31 December 2017 RMB'000 (Unaudited)	Nine months ended 31 December 2016 RMB'000 (Unaudited)
Revenue		
Sale of properties held for sale	106,709	605,188
Other income and other gains and losses		
Exchange gain, net	4,482	-
Government grant	3,674	701
Interest income	7,859	3,214
Rental income	10,123	10,385
Others	3,021	668
	29,159	14,968

4. DIVIDENDS

The Board has resolved not to declare the payment of any dividend for 3Q2018 (3Q2017: nil).

5. EARNINGS PER SHARE

	Nine months ended 31 December 2017 (Unaudited)	Nine months ended 31 December 2016 (Unaudited)
Profit attributable to the owners of the Company (in RMB thousand dollars)	<u>7,392</u>	<u>50,548</u>
Weighted average number of ordinary shares for the purposes of calculating basic earnings per share (shares in thousands)	<u>2,464,000</u>	<u>2,464,000</u>
Basic earnings per share (in RMB cents)	<u>0.30</u>	<u>2.05</u>

The Company did not have dilutive potential ordinary shares outstanding during both the current and prior periods. Accordingly, the diluted earnings per share was the same as the basic earnings per share for both the current and prior periods.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

Revenue

Revenue in 3Q2018 was approximately RMB106.7 million compared to approximately RMB605.2 million in 3Q2017, a decrease of 82.4%.

Revenue in 3Q2018 was primarily derived from the delivery of residential units of Yichun Royal Lake City (宜春御湖城) Phase 2 as well as Fuzhou Hua Cui Ting Yuan (撫州華萃庭院) Phase 2. In 3Q2017, revenue was mainly attributable to 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 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 decreased from approximately RMB472.0 million in 3Q2017 to approximately RMB77.6 million in 3Q2018. In 3Q2018, a greater portion of the revenue was attributable to the delivery of commercial units compared with 3Q2017 which had a higher profit margin compared with residential units. Consequently, gross profit margin increased from 22.0% in 3Q2017 to 27.3% in 3Q2018.

Other Income

Other income increased from approximately RMB15.0 million in 3Q2017 to approximately RMB29.2 million in 3Q2018. The increase was mainly attributable to an increase in exchange gain, interest income as well as government grant.

Selling and Distribution Expenses

Selling and distribution expenses decreased from approximately RMB12.0 million in 3Q2017 to approximately RMB9.3 million in 3Q2018. The lower selling and distribution expenses in 3Q2018 were mainly due to a decrease in the marketing expenses incurred for Yichun Royal Lake City as well as Fuzhou Hua Cui Ting Yuan.

Administrative Expenses

Administrative expenses increased slightly to approximately RMB29.1 million in 3Q2018 from approximately RMB28.2 million in 3Q2017. The increase was mainly attributable to an increase in staff cost.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

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 RMB16.1 million in 3Q2018, compared to approximately RMB107.8 million in 3Q2017.

Correspondingly, income tax expenses decreased to approximately RMB11.8 million in 3Q2018 from approximately RMB28.3 million in 3Q2017.

As a result, the Group recorded a profit after tax of approximately RMB4.4 million in 3Q2018, representing a significant decline of 94.5% from 3Q2017.

Cash Position and Borrowings

As at 31 December 2017, the Group had cash and bank balances of approximately RMB338.0 million (31 March 2017: approximately RMB264.4 million). Pledged deposits of the Group as at 31 December 2017 amounted to approximately RMB214.5 million (31 March 2017: approximately RMB221.6 million).

As at 31 December 2017, the Group had bank and other loans of approximately RMB1,094.3 million (31 March 2017: approximately RMB832.8 million).

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

COMPANY UPDATE

Property Pre-sales

The major results of property pre-sale launches (as at 1 February 2018) are summarised in the table below:

Residential Units

	Nanchang Sino Harbour Kaixuan City Zone 2, Part B (南昌漢港凱旋城二組團 B 標段)	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)	27,885 sq. m. (156 units)	117,177 sq. m. (1,127 units)	104,196 sq. m. (1,091 units)
Estimated total GFA pre-sold (total units)	17,076 sq. m. (98 units)	117,066 sq. m. (1,126 units)	103,359 sq. m. (1,082 units)
Percentage of pre-sale	61%	99%	99%
Pre-sale GFA (units pre-sold) not handed to buyers as at 31 December 2017 ^	17,076 sq. m. (98 units)	2,338 sq. m. (22 units)	6,659 sq. m. (63 units)
Pre-sale value not handed over to buyers as at 31 December 2017 ^	RMB232.87 million	RMB11.45 million	RMB29.99 million
Average selling price (“ASP”) per sq. m. *	RMB13,637	RMB4,897	RMB4,504
Expected completion date	2 nd quarter of 2018	Completed	Completed

^: 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, which was recognised as sales during the period.

*: 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.

OTHER INFORMATION

AUDIT COMMITTEE AND REVIEW OF UNAUDITED RESULTS

The audit committee of the Board (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 3Q2018.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY’S LISTED SECURITIES

The Company did not redeem any of its listed securities nor did the Company or any of its subsidiaries purchase or sell any of such securities during 3Q2018.

CAUTION STATEMENT

The Board wishes to remind the shareholders and potential investors of the Company that the above Unaudited Results for 3Q2018 and 3Q2017 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, Chief Executive Officer
and Executive Director*

Hong Kong, 9 February 2018

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.