

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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 2015**

The Board hereby presents the unaudited major financial results and operational statistics of the Group for the nine months ended 31 December 2015, together with the unaudited comparative figures for the corresponding period in 2014.

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.

The board (the “**Board**”) of directors (the “**Directors**”) of the Company hereby announces the unaudited major financial results and operational statistics of the Group for the nine months ended 31 December 2015 together with the unaudited comparative figures for the corresponding period in 2014 as follows:

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE
INCOME FOR THE NINE MONTHS ENDED 31 DECEMBER 2015

		The Group	
	Notes	Nine months ended 31 December 2015 RMB'000 (Unaudited)	Nine months ended 31 December 2014 RMB'000 (Unaudited)
Revenue	3	474,707	196,766
Cost of sales		(410,711)	(119,178)
Gross profit		63,996	77,588
Other income	3	17,601	15,769
Selling and distribution expenses		(15,159)	(12,096)
Administrative expenses		(25,908)	(23,494)
Profit before income tax		40,530	57,767
Income tax expense		(9,013)	(19,577)
Profit for the period		31,517	38,190
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		(5,928)	164
Other comprehensive income for the period		(5,928)	164
Total comprehensive income for the period		25,589	38,354
Profit/(loss) for the period attributable to:			
- Owners of the Company		33,073	40,956
- Non-controlling interests		(1,556)	(2,766)
		31,517	38,190
Total comprehensive income attributable to:			
- Owners of the Company		27,145	41,120
- Non-controlling interests		(1,556)	(2,766)
		25,589	38,354
Earnings per share for profit attributable to the owners of the Company during the period (in RMB cents)			
- Basic and diluted	5	2.74	3.41

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, Hungghom Commercial Centre, 37 – 39 Ma Tau Wai Road, Hungghom, 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 condensed consolidated financial statements have been prepared on the historical cost basis except for investment property which is measured at fair value.

The accounting policies and methods of computation used in the unaudited condensed consolidated financial statements for the nine months ended 31 December 2015 are the same as those followed in the preparation of the Group's annual financial statements for the year ended 31 March 2015.

The following new or revised Hong Kong Financial Reporting Standards (the “**HKFRSs**”) and the Hong Kong Accounting Standards (the “**HKAS**”), potentially relevant to the Group's financial statements, have been issued, but are not yet effective and have not been early adopted by the Company.

HKFRSs (Amendments) Annual Improvements 2012 – 2014 Cycle¹

Amendments to HKAS 1 Disclosure Initiative¹

Amendments to HKAS 16 and HKAS 38 Clarification of Acceptable Methods of Depreciation and Amortisation¹

Amendments to HKAS 27 Equity Method in Separate Financial Statements¹

HKFRS 9 (2014) Financial Instruments²

HKFRS 15 Revenue from Contracts with Customers²

Notes:

¹ Effective for annual periods beginning on or after 1 January 2016

² Effective for annual periods beginning on or after 1 January 2018

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	
	Nine months ended 31 December 2015 RMB'000 (Unaudited)	Nine months ended 31 December 2014 RMB'000 (Unaudited)
Revenue		
Sale of properties held for sale	474,707	196,766
Other income		
Interest income	8,033	6,531
Rental income	9,546	9,127
Gain on disposal of property, plant and equipment	-	51
Others	22	60
	17,601	15,769

4. DIVIDENDS

The Board has resolved not to declare the payment of any dividend for the nine months ended 31 December 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 RMB33,073,000 for the nine months ended 31 December 2015 (2014: approximately RMB40,956,000) divided by a weighted average of 1,208,611,000 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 nine months ended 31 December 2015 (“3Q2016”) was approximately RMB474.7 million compared to approximately RMB196.8 million in the previous corresponding period (“3Q2015”), an increase of 141.3%.

Revenue in 3Q2016 was primarily derived from the delivery of residential units of Yichun Royal Lake City (宜春御湖城) Phase 2 and Fuzhou Hua Cui Ting Yuan (撫州華萃庭院) Phase 3. In 3Q2015, revenue was mainly attributable to the delivery of residential units of Yichun Royal Lake City Phase 1 and Fuzhou Hua Cui Ting Yuan Phase 2, 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 RMB119.2 million in 3Q2015 to approximately RMB410.7 million in 3Q2016. In 3Q2016, a greater portion of revenue was derived from the delivery of residential units. Residential units have a significantly lower gross profit margin compared with commercial units. Furthermore, a greater portion of the residential units sold by the Group were townhouses in 3Q2015, which had a higher profit margin compared with other residential units. Consequently, gross profit margin decreased from 39.4% in 3Q2015 to 13.5% in 3Q2016.

Other Income

Other income increased from approximately RMB15.8 million in 3Q2015 to approximately RMB17.6 million in 3Q2016. The increase was mainly attributable to the increase in interest income.

Selling and Distribution Expenses

Selling and distribution expenses rose from approximately RMB12.1 million in 3Q2015 to approximately RMB15.2 million in 3Q2016. The higher selling and distribution expenses in 3Q2016 were mainly due to an increase in the marketing expenses incurred for Nanchang Sino Harbour Kaixuan City (南昌漢港凱旋城).

Administrative Expenses

Administrative expenses increased to approximately RMB25.9 million in the 3Q2016 from approximately RMB23.5 million in the 3Q2015. The increase was mainly attributable to an increase in the staff cost as well as the land use tax.

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 RMB40.5 million in 3Q2016, compared to approximately RMB57.8 million in 3Q2015.

Income tax expense decreased from approximately RMB19.6 million in 3Q2015 to approximately RMB9.0 million in 3Q2016 mainly attributable to a decrease in the land appreciation tax.

As a result, profit attributable to the owners of the Company was approximately RMB33.1 million in 3Q2016, compared to approximately RMB41.0 million in 3Q2015.

Cash Position and Borrowings

As at 31 December 2015, the Group had cash and bank balances of approximately RMB146.0 million (31 March 2015: approximately RMB183.7 million). Pledged deposits of the Group as at 31 December 2015 amounted to approximately RMB300.3 million (31 March 2015: approximately RMB419.4 million).

As at 31 December 2015, the Group had bank and other loans of approximately RMB856.5 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 22 January 2016) 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 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)	117,177 sq. m. (1,127 units)	93,805 sq. m. (993 units)
Estimated total GFA pre-sold (total units)	75,350 sq. m. (716 units)	112,937 sq. m. (1,089 units)	74,075 sq. m. (807 units)
Percentage of pre-sale	93%	96%	79%
Pre-sale GFA (units pre-sold) not handed to buyers as at 31 December 2015 ^	58,839 sq. m. (591 units)	45,706 sq. m. (438 units)	15,263 sq. m. (158 units)
Pre-sale value not handed over to buyers as at 31 December 2015 ^	RMB297.75 million	RMB233.16 million	RMB67.05 million
Average Selling Price ("ASP") per sq. m. *	RMB5,060	RMB5,101	RMB4,393
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).

CAUTION STATEMENT

The Board wishes to remind investors that the above unaudited quarterly financial results and operational statistics for the nine months ended 31 December 2015 and the corresponding period in 2014 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 of
Sino Harbour Holdings Group Limited
SHI Feng
Deputy Chairman and Executive Director

Hong Kong, 5 February 2016

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.