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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)

ANNOUNCEMENT OF FINAL RESULTS FOR THE YEAR ENDED 31 MARCH 2016

HIGHLIGHTS

- During the year, the Group achieved revenue of approximately RMB597.0 million, mainly attributable to the delivery of residential units of Fuzhou Hua Cui Ting Yuan (撫州華萃庭院) Phase 3 as well as Yichun Royal Lake City (宜春御湖城) Phase 2.
- Gross profit margin decreased from 27.1% for last year to 13.4% for the year ended 31 March 2016.
- The Group had recorded a profit after tax of approximately RMB93.1 million for the year ended 31 March 2016, representing an increase of 3.6% from last year.
- Basic earnings per share for the year ended 31 March 2016 increased from approximately RMB7.74 cents in last year to RMB7.82 cents.
- Cash and bank balances as at 31 March 2016 were approximately RMB119.5 million (31 March 2015: RMB183.7 million).
- The Group had bank and other loans of approximately RMB815.2 million as at 31 March 2016 (31 March 2015: RMB1,177.8 million).
- The Board has resolved not to recommend the payment of a final dividend but has proposed to make a bonus issue of one new Share credited as fully paid for every one existing Share held by the Shareholders.

ANNUAL RESULTS

The Board (the “**Board**”) of directors (the “**Directors**”) of Sino Harbour Holdings Group Limited (the “**Company**”) is pleased to announce the annual consolidated results of the Company and its subsidiaries (collectively the “**Group**”) for the year ended 31 March 2016 (“**FY2016**”) with comparative figure for the year ended 31 March 2015 (“**FY2015**”) as follows:

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

		Year ended 31 March 2016	Year ended 31 March 2015
	<i>Notes</i>	<i>RMB'000</i>	<i>RMB'000</i>
Revenue	4	597,023	500,874
Cost of sales		(516,739)	(365,360)
Gross profit		80,284	135,514
Other income	4	101,906	62,675
Selling and distribution expenses		(18,684)	(18,639)
Administrative expenses		(39,334)	(33,884)
Operating profit		124,172	145,666
Finance costs		–	–
Share of results of joint venture		(916)	(1,219)
Share of result of an associate		(408)	–
Profit before income tax	5	122,848	144,447
Income tax expense	6	(29,743)	(54,574)
Profit for the year		93,105	89,873
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		(5,330)	1,534
Other comprehensive income for the year		(5,330)	1,534
Total comprehensive income for the year		87,775	91,407
Profit/(loss) for the year attributable to:			
Owners of the Company		94,966	92,926
Non-controlling interests		(1,861)	(3,053)
		93,105	89,873

		Year ended 31 March 2016	Year ended 31 March 2015
	<i>Notes</i>	<i>RMB'000</i>	<i>RMB'000</i>
Total comprehensive income attributable to:			
Owners of the Company		89,636	94,460
Non-controlling interests		(1,861)	(3,053)
		<u>87,775</u>	<u>91,407</u>
Earnings per share for profit attributable to the owners of the Company during the year (in RMB cents)			
	8		
– Basic and diluted		<u>7.82</u>	<u>7.74</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	<i>Notes</i>	31 March 2016 <i>RMB'000</i>	31 March 2015 <i>RMB'000</i>
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment		58,696	10,770
Investment properties		491,934	385,233
Interests in joint ventures		185,264	184,654
Interest in an associate		6,087	–
Financial assets at fair value through profit or loss		4,778	–
Pledged deposits		150,000	100,000
Deferred tax assets		15,012	15,012
		<u>911,771</u>	<u>695,669</u>
Current assets			
Properties held under development		1,312,497	1,567,208
Properties held for sale		729,576	695,291
Accounts receivable	9	2,657	1,543
Prepayments and other receivables		134,890	155,027
Tax recoverable		24,329	–
Structured bank deposits		–	154,000
Pledged deposits		160,960	319,403
Cash and bank balances		119,526	183,660
		<u>2,484,435</u>	<u>3,076,132</u>
Current liabilities			
Accounts and bill payables	10	48,809	65,294
Accruals, receipts in advance and other payables		813,281	954,874
Provision for tax		122,769	121,441
Bank and other loans	11	366,692	697,832
		<u>1,351,551</u>	<u>1,839,441</u>
Net current assets		<u>1,132,884</u>	<u>1,236,691</u>
Total assets less current liabilities		<u>2,044,655</u>	<u>1,932,360</u>
Non-current liabilities			
Bank and other loans	11	448,509	480,000
Deferred tax liabilities		72,400	54,411
		<u>520,909</u>	<u>534,411</u>
Net assets		<u><u>1,523,746</u></u>	<u><u>1,397,949</u></u>

	31 March 2016	31 March 2015
<i>Notes</i>	<i>RMB'000</i>	<i>RMB'000</i>
EQUITY		
Equity attributable to the Company's owners		
Share capital	10,193	9,931
Reserves	1,307,803	1,180,407
	<hr/>	<hr/>
	1,317,996	1,190,338
Non-controlling interests	205,750	207,611
	<hr/>	<hr/>
Total equity	1,523,746	1,397,949
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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.

The registered office of the Company is located at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda. 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 consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (the “**HKFRSs**”) (including all applicable Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (the “**HKASs**”) and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”). In addition, the financial statements include the applicable disclosures required by the Hong Kong Companies Ordinance and the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**” and the “**Listing Rules**”, respectively).

The financial statements are presented in Renminbi (“**RMB**”) and all values are rounded to the nearest thousand except when otherwise indicated.

2. PRINCIPAL ACCOUNTING POLICIES

The consolidated financial statements have been prepared under the historical cost basis except for investment properties, financial assets at fair value through profit or loss and other financial assets which are stated at fair values.

The accounting policies used in preparing the consolidated financial statements are consistent with those used in the financial statements for the year ended 31 March 2015 with the addition of certain new and revised standards, amendments and interpretations (the “**new HKFRSs**”) issued by the HKICPA and effective in the current year as described below.

3. ADOPTION OF NEW AND REVISED HKFRSS

For the year ended 31 March 2016, the Group has applied, for the first time, the following new HKFRSs issued by the HKICPA which are relevant to and effective for the Group’s financial statements for the annual period beginning on 1 April 2015.

Annual Improvements 2010-2012 Cycle
Annual Improvements 2011-2013 Cycle

The adoption of the new HKFRSs has no material impact on the Group’s financial statements.

The following new and amended HKFRSs which are potentially relevant to the Group’s financial statements, have been issued, but are not yet effective and have not been early adopted by the Group:

Annual Improvements 2012-2014 Cycle ¹	
Amendments to HKAS 1	Disclosure Initiative ¹
Amendments to HKAS 16 and 38	Clarification of Acceptable Methods of Depreciation and Amortisation ¹
Amendments to HKAS 27	Equity Method in Separate Financial Statements ¹
HKFRS 9 (2014)	Financial Instruments ²
HKFRS 15	Revenue from Contracts with Customers ²
HKFRS 16	Lease ³

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 Effective for annual periods beginning on or after 1 January 2019

4. REVENUE AND OTHER INCOME

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

	Year ended 31 March 2016 RMB'000	Year ended 31 March 2015 RMB'000
Revenue		
Sale of properties held for sale	597,023	500,874
Other income		
Net fair value gain on investment properties and properties held for sale upon transfer to investment properties	71,953	37,381
Rental income	19,657	17,621
Interest income		
– from bank deposit	9,382	7,377
Gain on disposal of property, plant and equipment	–	53
Sundry income	914	243
	101,906	62,675

5. PROFIT BEFORE INCOME TAX

	Year ended 31 March 2016 RMB'000	Year ended 31 March 2015 RMB'000
Auditor's remuneration	748	771
Cost of properties held for sale recognised as expense	482,539	336,879
Depreciation	2,521	1,194
Exchange gain, net	(3)	(95)
Operating lease charge in respect of land and buildings	341	465
Less: amount capitalised in properties held under development	–	(6)
	341	459
Outgoings in respect of investment properties that generated rental income during the year	304	565
Employee costs, including directors' emoluments		
– Wages and salaries	24,854	22,953
– Retirement benefit scheme contributions – defined contribution plans	2,830	2,113
Less: amount capitalised in properties held under development	(7,252)	(7,802)
	20,432	17,264

6. INCOME TAX EXPENSE

	Year ended 31 March 2016 <i>RMB'000</i>	Year ended 31 March 2015 <i>RMB'000</i>
Current tax – the People’s Republic of China (the “PRC”)		
Current year		
– Enterprise income tax (“EIT”)	18,529	24,197
– Land appreciation tax (“LAT”)	6,557	21,032
Over-provision in prior years		
– LAT	(13,332)	–
	<hr/>	<hr/>
	11,754	45,229
Deferred income tax	17,989	9,345
	<hr/>	<hr/>
Total income tax expense	29,743	54,574
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EIT has been provided on the estimated profits of subsidiaries operating in the PRC at 25% (2015: 25%).

Under the law of the PRC on EIT, corporate withholding income tax is levied on the foreign investor for the dividends distributed out of the profits generated by the foreign investment enterprises. The Group’s applicable withholding income tax rate is at 5% (2015: 5%).

LAT is levied at progressive rates ranging from 30% to 60% on the appreciation of land value, being the proceeds from sales of properties less deductible expenditures including cost and land use rights, borrowing costs, business tax and all property development expenditures. The tax is incurred upon transfer of property ownership. There are certain exemptions available for the sales of ordinary residential properties if the appreciation values do not exceed 20% of the total deductible items (as defined in the relevant PRC tax laws). Sales of commercial properties are not eligible for such an exemption.

Hong Kong profits tax is calculated at 16.5% (2015: 16.5%) on the estimated assessable profits for the year. No Hong Kong profits tax has been provided as the Group has no estimated assessable profits arising in or derived from Hong Kong for both years.

7. DIVIDENDS

The Board does not recommend the payment of any final dividend for the year ended 31 March 2016 (2015: Nil).

8. EARNINGS PER SHARE

The calculation of basic earnings per share is based on the profit attributable to equity shareholders of the Company for the year ended 31 March 2016 of approximately RMB94,966,000 (2015: RMB92,926,000) and the weighted average number of ordinary shares of 1,214,338,798 ordinary shares (2015: 1,200,000,000 shares) in issue during the year.

The diluted earnings per share is the same as the basic earnings per share, as the Group has no dilutive potential shares during the current and prior years.

9. ACCOUNTS RECEIVABLE

The aging analysis of accounts receivable that was past due but neither individually nor collectively considered to be impaired is as follows:

	31 March 2016 <i>RMB'000</i>	31 March 2015 <i>RMB'000</i>
Based on invoice date		
Less than 3 months past due	<u>2,657</u>	<u>1,543</u>

Receivables that were past due but not impaired relate to a number of independent buyers. Based on past experience, the Directors considered that no impairment allowance is required as there has not been a significant change in credit quality and the balances are still considered fully recoverable.

10. ACCOUNTS AND BILL PAYABLES

The aging analysis of accounts and bill payables, based on invoice date, was as follows:

	31 March 2016 <i>RMB'000</i>	31 March 2015 <i>RMB'000</i>
Less than 3 months	39,242	24,833
3 – 6 months	2,069	27,026
6 months – 1 year	2,076	8,077
More than 1 year	5,422	5,358
	<u>48,809</u>	<u>65,294</u>

11. BANK AND OTHER LOANS

	31 March 2016 <i>RMB'000</i>	31 March 2015 <i>RMB'000</i>
Borrowing included in current liabilities		
– Bank loans – secured	201,692	389,332
– Other loans – secured	165,000	308,500
	<u>366,692</u>	<u>697,832</u>
Borrowing included in non-current liabilities		
– Bank loans – secured	423,509	50,000
– Other loans – secured	25,000	430,000
	<u>448,509</u>	<u>480,000</u>
Total borrowings	<u>815,201</u>	<u>1,177,832</u>

12. CAPITAL EXPENDITURE

During the year ended 31 March 2016, there were additions to property, plant and equipment amounting to approximately RMB3.1 million (2015: RMB1.0 million).

MANAGEMENT DISCUSSION AND ANALYSIS

Revenue

During the year, the Group recorded revenue of approximately RMB597.0 million, representing an increase of 19.2% from approximately RMB500.9 million in FY2015.

Revenue for the year ended 31 March 2016 was primarily derived from the delivery of residential units of Fuzhou Hua Cui Ting Yuan (撫州華萃庭院) Phase 3 as well as Yichun Royal Lake City (宜春御湖城) Phase 2, both in the PRC. The total gross floor area (“GFA”) of the residential and commercial properties (excluding car parking spaces) sold in FY2016 amounted to approximately 119,309 sq. m.

The following table sets out an analysis of the revenue for (i) residential properties, (ii) commercial properties, and (iii) car parking spaces during the year under review:

	Year ended 31 March 2016	Year ended 31 March 2015	% change
(i) Residential			
– GFA sold (in sq. m.)	119,015	78,103	+52.4%
– Average selling price (“ASP”) (RMB per sq. m.)	4,918	5,498	-10.5%
– Revenue (<i>approx. RMB’000</i>)	585,333	429,375	+36.3%
(ii) Commercial			
– GFA sold (in sq. m.)	294	5,016	-94.1%
– ASP (RMB per sq. m.)	10,527	13,217	-20.4%
– Revenue (<i>approx. RMB’000</i>)	3,095	66,296	-95.3%
(iii) Car parking spaces			
– Revenue (<i>approx. RMB’000</i>)	8,595	5,203	+65.2%
Total revenue (<i>approx. RMB’000</i>)	597,023	500,874	+19.2%

Cost of Sales and Gross Profit Margin

Cost of sales increased from approximately RMB365.4 million in FY2015 to approximately RMB516.7 million in FY2016. In FY2016, the lower proportion of turnover was recognized from the handover of the commercial units compared with FY2015. Commercial units had a significantly higher gross profit margin compared with residential units. Furthermore, higher proportion of turnover in FY2016 recognized from the handover of Yichun Royal Lake City Phase 2 with lower gross profit margin. Consequently, gross profit margin decreased from 27.1% in FY2015 to 13.4% in FY2016.

Other Income

Other income increased from approximately RMB62.7 million in FY2015 to approximately RMB101.9 million in FY2016. The increase mainly represented the increase in net fair value gain for the Group's investment properties.

Selling and Distribution Expenses

Selling and distribution expenses increased slightly by 0.2% to RMB18.7 million in FY2016 from RMB18.6 million in FY2015.

Administrative Expenses

Administrative expenses increased to approximately RMB39.3 million in FY2016 from approximately RMB33.9 million in FY2015. The increase was mainly attributable to the increase in staff cost.

Income Tax Expense

Income tax expense decreased from approximately RMB54.6 million in FY2015 to approximately RMB29.7 million in FY2016. The lower income tax was mainly attributable to over-provision of LAT in prior year as well as lower provision of LAT in FY2016 in line with higher proportion of turnover in FY2016 recognized from handover of ordinary residential properties in which under exemption of LAT payment.

Profit for the Year

As a cumulative effect of the foregoing factors, the Group had recorded a profit after tax of approximately RMB93.1 million in FY2016, representing an increase of 3.6% from FY2015.

Property, Plant and Equipment

As at 31 March 2016, the Group had property, plant and equipment of approximately RMB58.7 million, compared with approximately RMB10.8 million as at 31 March 2015. The increase was mainly attributable to the transfer of properties occupied by the Group during the year.

Investment Properties

As at 31 March 2016, the Group had investment properties at fair value of approximately RMB491.9 million, compared to investment properties at fair value of RMB385.2 million as at 31 March 2015. The increase comprised mainly the net fair value gain of the Group's investment properties.

Interests in Joint Ventures

Interests in joint ventures increased from approximately RMB184.7 million as at 31 March 2015 to approximately RMB185.3 million as at 31 March 2016. The increase represented the advance to the joint venture by the Group.

Interest in an Associate

The Group had interest in an associate of approximately RMB6.1 million as at 31 March 2016, which represented the fair value of a 30% equity interest in Zhejiang Davi Pharmaceutical Co., Ltd. as at 31 March 2016 and the share of results of an associate for the year.

Financial Assets at Fair Value Through Profit or Loss

Financial assets at fair value through profit or loss represent the fair value of the profit guarantee as well as the put option as at 31 March 2016 in relation to the acquisition of 30% equity interest in Zhejiang Davi Pharmaceutical Co., Ltd.

Properties Held under Development

As at 31 March 2016, the Group's properties held under development decreased to approximately RMB1,312.5 million from approximately RMB1,567.2 million as at 31 March 2015. The decrease was mainly attributable to the re-classification of properties of Yichun Royal Lake City Phase 2 which were completed and transferred to properties held for sale during the year.

Properties Held for Sale

Properties held for sale increased from approximately RMB695.3 million as at 31 March 2015 to approximately RMB729.6 million as at 31 March 2016. The increase was mainly due to the transfer of the completed property units from properties held under development for Yichun Royal Lake City Phase 2 as well as Nanchang Sino Harbour Kaixuan City (南昌漢港凱旋城) Phase 1 during the year.

Prepayments and Other Receivables

As at 31 March 2016, the Group's prepayments and other receivables amounted to approximately RMB134.9 million, compared to approximately RMB155.0 million as at 31 March 2015. The decrease mainly represented a decrease in the prepayments to the contractors for the construction of Nanchang Sino Harbour Kaixuan City as well as Yichun Royal Lake City.

Tax Recoverable

Tax recoverable of approximately RMB24.3 million as at 31 March 2016 was mainly attributable to prepayment of PRC income tax during the year.

Pledged and Structured Bank Deposits

Long-term and short-term pledged deposits decreased from approximately RMB419.4 million as at 31 March 2015 to approximately 311.0 million as at 31 March 2016. Structured bank deposits decreased from approximately RMB154.0 million as at 31 March 2015 to nil as at 31 March 2016. The decreases were mainly due to the decrease in deposits pledged against and secured for the bank and other loans to the Group.

Accounts and Bill Payables, Accruals, Receipts in Advance and Other Payables

Accounts and bill payables decreased to approximately RMB48.8 million as at 31 March 2016 from approximately RMB65.3 million as at 31 March 2015 due to repayment of construction cost during the year. Accounts and bill payables mainly comprised amounts payable to suppliers for construction costs incurred in respect of the Group's properties under development.

Accruals, receipts in advance and other payables mainly comprise the advance receipts from customers in respect of deposit and prepayments for the Group's property pre-sales, the accrued construction costs and project-related expenses that are based on the progress of project development but are not due for payment.

Accruals, receipts in advance and other payables decreased to approximately RMB813.3 million as at 31 March 2016 from approximately RMB954.9 million as at 31 March 2015. The decrease mainly represented the advance receipts realized as revenue during the year, which was partially offset by the receipts from customers for the deposits and prepayments for the Group's property pre-sales in FY2016.

Deferred Tax Liabilities

Deferred tax liabilities increase from approximately RMB54.4 million as at 31 March 2015 to approximately RMB72.4 million as at 31 March 2016 mainly attributable to the provision of deferred tax liabilities in respect of fair value gain of investment properties.

LIQUIDITY AND FINANCIAL RESOURCES

Cash Position

In FY2016, the Group had recorded a net cash inflow of approximately RMB88.8 million from operating activities, mainly attributable to a decrease in properties held under development and properties held for sale and being partially offset by payment of EIT and LAT.

Net cash inflow from investing activities in FY2016 was approximately RMB246.5 million, which was mainly due to the a decrease in pledged and structured bank deposits

Net cash outflow from financing activities in FY2016 was approximately RMB399.8 million mainly attributable to the repayments of loan principals and interests and they were partially offset by the receipts from new bank and other loans.

As at 31 March 2016, the Group had cash and bank balances of approximately RMB119.5 million of which mostly were denominated in RMB and Hong Kong dollars.

FOREIGN CURRENCY RISK

Most of the Group's transactions are carried out in RMB which is the functional currency of the Company and most of its operating subsidiaries. Exposures to currency exchange rates arise from certain of the Group's cash and bank balances which are denominated in HK dollars. The Group does not use derivative financial instruments to hedge its foreign currency risk. The Group reviews its foreign currency exposures regularly and believes that there is no significant exposure on its foreign exchange risk.

MATERIAL ACQUISITION AND DISPOSAL

The Group did not have any material acquisition or disposal of assets, subsidiaries and affiliated companies during the year ended 31 March 2016.

There are no important events affecting the Group which have occurred since the end of the financial year.

EMPLOYEES AND REMUNERATION POLICY

As at 31 March 2016, there were 222 employees in the Group (2015: 147). Staff remuneration package are determined in connection with market conditions and the performance of the individuals concerned, and are subject to review from time to time. The Group also provides other benefits including medical insurance, and grants discretionary incentive bonuses to eligible staff based on their performance and contributions to the Group.

COMPANY UPDATE

Property Pre-sales

The cumulative results for the pre-sale and delivery of properties under each project up to 19 May 2016 are summarised as follows:

	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 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)	79,987 sq.m. (762 units)	115,747 sq.m. (1,114 units)	82,142 sq.m. (885 units)
Percentage of pre-sale	99%	99%	88%
Pre-sale GFA (units pre-sold) not handed to buyers as at 31 March 2016 ^	62,420 sq.m. (625 units)	33,110 sq.m. (318 units)	17,541 sq.m. (178 units)
Pre-sale value not handed over to buyers as at 31 March 2016 ^	RMB315.19 million	RMB167.42 million	RMB76.10 million
ASP per sq. m. *	RMB5,050	RMB5,057	RMB4,338
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: Pre-sales at the beginning of the year plus New pre-sales during the year less those handed over to buyers during the year (recognised as sales during the year).

FUTURE OUTLOOK

To support the slowing PRC economy, the PRC government had introduced a series of supportive policies in FY2016, including the cutting of the benchmark deposit and loan interest rates, lowering of the reserve requirement rate as well as reduction of mortgage requirements for the second-home buyers.

At the 4th meeting of the 12th National People's Congress, Premier Mr. Li Keqiang stated in the government work report that the target of economic growth for 2016 is expected to be 6.5% to 7%. As a result, the Group believes that the PRC government will continue to support the key economic pillars for the PRC's development – the property sector.

While the Group is currently principally engaged in the business of property development, it has been reviewing other possible business areas and had entered into the pharmaceutical related industry in FY2016 to seek new opportunities to broaden its revenue base and improve its profitability. The Group believes that the rising of aging population, rapid urbanization and universal medical insurance coverage in the PRC are expected to continuously drive the demand for the pharmaceutical related industry and it will be in a long growth cycle.

Generally, we will continue to strengthen our core business operations and diversify our business into different areas when opportunities arise with an objective to enhance the Group's performance.

FINAL DIVIDEND AND BONUS ISSUE OF SHARES

The Board has resolved not to recommend the payment of a final dividend of the Company for the year ended 31 March 2016 (2015: Nil) but has proposed to make a bonus issue of one new share of the Company (the "**Share**") credited as fully paid for every one existing Share held by the shareholders of the Company (the "**Shareholders**") whose names appear on the registers of members of the Company (the "**Register of Members**") on Thursday, 4 August 2016 (the "**Bonus Issue**"). Subject to the necessary resolution(s) being passed at the forthcoming annual general meeting of the Company (the "**AGM**") to be held on Tuesday, 26 July 2016, and the approval from the Listing Committee of the Stock Exchange for the granting of the listing of, and the permission to deal in, the bonus Shares, the share certificates of the Bonus Issue will be posted on or about Friday, 12 August 2016.

Further information of the Bonus Issue will be set out in a circular for despatch by the Company to the Shareholders in due course.

CLOSURE OF REGISTER OF MEMBERS

AGM

The Register of Members will be closed from Wednesday, 20 July 2016 to Tuesday, 26 July 2016, both days inclusive, during which period no transfer of Shares will be effected. In order to be eligible to attend the AGM to be held on Tuesday, 26 July 2016, all completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's Hong Kong branch share registrar and transfer office, Boardroom Share Registrars (HK) Limited at 31/F., 148 Electric Road, North Point, Hong Kong, for registration not later than 4:30 p.m. on Tuesday, 19 July 2016.

Proposed Bonus Issue

Conditional on the passing of the resolution(s) approving the Bonus Issue by the Shareholders at the AGM, the Register of Members will be closed from Monday, 1 August 2016 to Thursday, 4 August 2016, both days inclusive, during which period no transfer of shares will be effected. In order to qualify for the Bonus Issue, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's Hong Kong branch share registrar and transfer office, Boardroom Share Registrars (HK) Limited at 31/F., 148 Electric Road, North Point, Hong Kong, for registration not later than 4:30 p.m. on Friday, 29 July 2016.

ANNUAL GENERAL MEETING

It is proposed that the AGM will be held at Room 1215, Tower B, Hunghom Commercial Centre, 37-39 Ma Tau Wai Road, Hunghom, Kowloon, Hong Kong at 10:00 a.m. on Tuesday, 26 July 2016. The notice of the AGM will be published on the respective websites of the Stock Exchange and the Company and sent to the Shareholders in due course.

SCOPE OF WORK OF BDO LIMITED

The figures in respect of the preliminary announcement of the Group's results for the year ended 31 March 2016 have been agreed by the Group's auditor, BDO Limited, to the amounts set out in the Group's draft consolidated financial statements for the year. The work performed by BDO Limited in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the HKICPA and consequently, no assurance has been expressed by BDO Limited on the preliminary announcement.

AUDIT COMMITTEE AND REVIEW OF ACCOUNTS

The audit committee of the Company 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 "INEDs"). The Audit Committee has discussed and reviewed with the management the annual results and consolidated financial statements of the Group for the year ended 31 March 2016.

ISSUE OF EQUITY SECURITIES

On 7 October 2015, the Company entered into a placing agreement with RHB OSK Securities Hong Kong Limited (the "**Placing Agent**" and the "**Placing Agreement**", respectively), pursuant to which the Company agreed to place, through the Placing Agent, a maximum of 32,000,000 new ordinary Shares (the "**Placing Shares**") to not less than six placees at a price of HK\$1.56 per Placing Share, subject to the fulfilment of the conditions precedent set out in the Placing Agreement. 32,000,000 Placing Shares were allotted and issued by the Company on 19 October 2015 pursuant to the Placing Agreement.

For details, please refer to the Company's announcements dated 7 and 19 October 2015.

The net proceeds from the Placing, after deducting the related placing commission, professional fees and other related expenses, amounted to approximately HK\$49.5 million and have been utilized for the general working capital of the Group.

PURCHASE, SALE OR REDEMPTION OF COMPANY'S LISTED SECURITIES

Save as disclosed in the paragraph headed "Issue of Equity Securities" above, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the year ended 31 March 2016.

CORPORATE GOVERNANCE COMPLIANCE

The Company focuses on maintaining high standard of corporate governance in order to achieve sustainable development and enhance corporate performance especially the areas of internal control, fair disclosure and accountability to all Shareholders.

In the opinion of the Board, the Company has complied with all applicable code provisions as set out in the Corporate Governance Code as set out in Appendix 14 to the Listing Rules (the "CG Code"), throughout the year under review, except as noted hereunder.

Code provision A.6.7 of the CG Code provides that independent non-executive directors and other non-executive directors should attend general meetings and develop a balanced understanding of the views of the Shareholders. Two INEDs were not able to attend the AGM held on 23 July 2015 (the "2015 AGM") and one INED was not able to attend the special general meeting of the Company held on 7 August 2015 (the "2015 SGM") due to their respective business engagements. Other Board members who attended the 2015 AGM and 2015 SGM were already of sufficient calibre and number for answering questions raised by the Shareholders at the 2015 AGM and the 2015 SGM.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix 10 to the Listing Rules (the "Model Code") as its code of conduct for securities transactions by the Directors. Following specific enquiries made by the Company, all Directors have confirmed that they had complied with the required standards set out in the Model Code and its code of conduct in the year ended 31 March 2016.

PUBLICATION OF ANNUAL RESULTS ANNOUNCEMENT, ANNUAL REPORT AND CIRCULAR

This annual results announcement is published on the respective websites of the Stock Exchange (<http://www.hkexnews.hk>) and the Company (<http://www.sinoharbour.com.hk>). The 2015/16 Annual Report and a circular containing the notice of the forthcoming AGM will be dispatched to the Shareholders and published on the above websites in due course.

CAUTION STATEMENT

The Board wishes to remind investors that the above unaudited financial statements and operational statistics for the years ended 31 March 2016 and 2015 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 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, 27 May 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.