漢港地產集團
SINO HARBOUR PROPERTY GROUP

SINO HARBOUR PROPERTY GROUP LIMITED
漢 港 房 地 產 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 2014

HIGHLIGHTS

- The Group achieved revenue of approximately RMB476.3 million, mainly attributable to the delivery of the residential units of Fuzhou Hua Cui Ting Yuan (撫州華萃庭院) and Yichun Royal Lake City (宜春御湖城) and the commercial units of Nanchang Honggu Kaixuan (南昌紅谷凱旋).

- Gross profit margin decreased from approximately 34.1% for last year to 31.9% for the current year.

- Profit and total comprehensive income for current year attributable to the owners of the Company amounted to approximately RMB143.8 million and RMB142.1 million respectively, an increase of approximately 13.7% and 13.6% respectively compared with last year.

- Basic earnings per share for the current year increased from approximately RMB10.54 cents in last year to RMB11.98 cents, representing an increase of 13.7%.

- Cash and bank balances as at 31 March 2014 were approximately RMB67.8 million (31 March 2013: RMB240.9 million).

- The Group has bank and other loans of approximately RMB1,123.7 million as at 31 March 2014 (31 March 2013: RMB533.5 million).

ANNUAL RESULTS

The Board (the "**Board**") of directors (the "**Directors**") of Sino Harbour Property Group Limited (the "**Company**") is pleased to announce the annual results of the Company and its subsidiaries (collectively the "**Group**") for the year ended 31 March 2014 as follows:

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Notes	**Year ended 31 March 2014** ***RMB'000***	Year ended 31 March 2013 *RMB'000*
Revenue	*4*	**476,339**	559,918
Cost of sales		**(324,157)**	(369,260)
Gross profit		**152,182**	190,658
Other income	*4*	**107,873**	40,958
Selling and distribution expenses		**(14,557)**	(13,272)
Administrative expenses		**(30,655)**	(20,164)
Operating profit		**214,843**	198,180
Finance costs		**–**	–
Share of result of a joint venture		**(480)**	–
Profit before income tax	*5*	**214,363**	198,180
Income tax expense	*6*	**(73,400)**	(72,960)
Profit for the year		**140,963**	125,220
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		**(1,655)**	(1,296)
Other comprehensive income for the year		**(1,655)**	(1,296)
Total comprehensive income for the year		**139,308**	123,924
Profit for the year attributable to:			
Owners of the Company		**143,768**	126,444
Non-controlling interests		**(2,805)**	(1,224)
		140,963	125,220

	Note	**Year ended 31 March 2014** *RMB'000*	Year ended 31 March 2013 *RMB'000*
Total comprehensive income attributable to:			
Owners of the Company		**142,113**	125,148
Non-controlling interests		**(2,805)**	(1,224)
		139,308	123,924
Earnings per share for profit attributable to the owners of the Company during the year *(in RMB cents)*	*8*		
– Basic and diluted		**11.98**	10.54

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	31 March 2014 RMB'000	31 March 2013 RMB'000
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment		**11,674**	2,771
Investment properties		**331,348**	111,625
Interest in a joint venture		**182,437**	174,149
Pledged deposits		**330,000**	230,000
Deferred tax assets		**15,012**	–
		870,471	518,545
Current assets			
Properties held under development		**1,154,456**	1,066,044
Properties held for sale		**414,172**	311,164
Accounts receivable	*9*	**669**	12
Prepayments and other receivables		**517,234**	152,826
Pledged deposits		**233,772**	31,724
Cash and bank balances		**67,768**	240,917
		2,388,071	1,802,687
Current liabilities			
Accounts payable	*10*	**23,995**	29,309
Accruals, receipts in advance and other payables		**653,219**	430,572
Provision for tax		**106,047**	134,809
Bank and other loans	*11*	**375,173**	99,000
		1,158,434	693,690
Net current assets		**1,229,637**	1,108,997
Total assets less current liabilities		**2,100,108**	1,627,542
Non-current liabilities			
Bank and other loans	*11*	**748,500**	434,500
Deferred tax liabilities		**45,066**	1,978
		793,566	436,478
Net assets		**1,306,542**	1,191,064

	31 March 2014	31 March 2013
	RMB'000	*RMB'000*
EQUITY		
Equity attributable to the Company's owners		
Share capital	**9,931**	9,931
Reserves	**1,085,947**	943,834
Proposed final dividend	**–**	38,741
	1,095,878	992,506
Non-controlling interests	**210,664**	198,558
Total equity	**1,306,542**	1,191,064

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 ("**HKFRSs**") (including all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**"). In addition, the consolidated financial statements include the applicable disclosures requirements of the Hong Kong Companies Ordinance and the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**").

2. PRINCIPAL ACCOUNTING POLICIES

The consolidated financial statements have been prepared under the historical cost basis except for investment properties, which are measured 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 2013 (including the early adoption of the following accounting standards before their mandatory effective date of 1 January 2013: HKFRS 10 – Consolidated Financial Statements; HKFRS 11 – Joint Arrangements; HKFRS 12 – Disclosures of Interests in Other Entities; HKAS 27 (2011) – Separate Financial Statements; and HKAS 28 (2011) – Investments in Associates and Joint Ventures) with the addition of certain new and revised standards, amendments and interpretations (the "**new HKFRSs**") issued by the HKICPA and became effective in the current year as described below.

3. ADOPTION OF NEW AND REVISED HKFRSS

In current year, the Group has applied, for the first time, the following new HKFRSs issued by the Hong Kong Institute of Certified Public Accountants which are relevant to and effective for the Group's financial statements for the annual period beginning on 1 April 2013.

HKFRSs (Amendments)	Annual Improvements 2010-2012 Cycle
HKFRSs (Amendments)	Annual Improvements 2011-2013 Cycle
Amendments to HKAS 1 (Revised)	Presentation of Items of Other Comprehensive Income
Amendments to HKFRS 7	Offsetting Financial Assets and Financial Liabilities
HKFRS 13	Fair Value Measurement
HKAS 19 (2011)	Employee Benefits

Except as explained below, the adoption of the new HKFRSs has no material impact on the Group's financial statements.

HKAS 1 (Revised) (Amendments) – Presentation of Items of Other Comprehensive Income

The amendments to HKAS 1 (Revised) require the Group to separate items presented in other comprehensive income into those that may be reclassified to profit and loss in the future and those that may not. Tax on items of other comprehensive income is allocated and disclosed on the same basis.

The Group has adopted the amendments retrospectively for the financial year ended 31 March 2014. Items of other comprehensive income that may and may not be reclassified to profit and loss in the future have been presented separately in the consolidated statement of comprehensive income. The comparative information has been restated to comply with the amendments. As the amendments affect presentation only, there are no effects on the Group's financial position or performance.

HKFRS 7 (Amendments) – Disclosures – Offsetting Financial Assets and Financial Liabilities

HKFRS 7 is amended to introduce disclosures for all recognised financial instruments that are set off under HKAS 32 and those that are subject to an enforceable master netting agreement or similar arrangement, irrespective of whether they are set off under HKAS 32.

The adoption of the amendments has no impact on these financial statements as the Group has not offset financial instruments, nor has it entered into a master netting agreement or a similar arrangement.

HKFRS 13 – Fair Value Measurement

HKFRS 13 provides a single source of guidance on how to measure fair value when it is required or permitted by other standards. The standard applies to both financial and non-financial items measured at fair value and introduces a fair value measurement hierarchy. The definitions of the three levels in this measurement hierarchy are generally consistent with HKFRS 7 Financial Instruments: Disclosures. HKFRS 13 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (i.e. an exit price). The standard removes the requirement to use bid and ask prices for financial assets and liabilities quoted in an active market. Rather the price within the bid-ask spread that is most representative of fair value in the circumstances should be used. It also contains extensive disclosure requirements to allow users of the financial statements to assess the methods and inputs used in measuring fair values and the effects of fair value measurements on the financial statements. HKFRS 13 is applied prospectively.

HKFRS 13 did not materially affect any fair value measurements of the Group's assets and liabilities and therefore has no effect on the Group's financial position and performance. The standard requires additional disclosures about fair value measurements. Comparative disclosures have not been presented in accordance with the transitional provisions of the standard.

HKAS 19 (Revised) – Employee Benefits

The revised standard distinguishes between short-term and long-term employee benefits based on the expected date of settlement. The previous standard used the term "due to be settled". HKAS 19 (Revised) provides additional guidance on the definition of termination benefits. Benefits that are conditional on future service being provided including those that increase if additional service is provided are not termination benefits. The revised standard requires that a liability for termination benefits is recognised on the earlier of the date when the entity can no longer withdraw the offer of those benefits and the date the entity recognises any related restructuring costs.

The Group has amended its accounting policies for short-term employee benefits, however the adoption of the revised standard has no effect on the Group's financial position or performance.

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:

HKFRS 9	Financial Instruments
HKAS 32 (Amendments)	Presentation – Offsetting Financial Assets and Financial Liabilities[1]
HKAS 36 (Amendments)	Recoverable Amount Disclosures[1]
HKFRIC 21	Levies[1]
Improvements to HKFRSs	Annual Improvements 2010-2012 Cycle[3]
Improvements to HKFRSs	Annual Improvements 2011-2013 Cycle[2]

1 Effective for annual periods beginning on or after 1 January 2014
2 Effective for annual periods beginning on or after 1 July 2014
3 Effective for annual periods beginning, or transaction occurring on or after 1 July 2014

HKFRS 9 – Financial Instruments

Under HKFRS 9, financial assets are classified into financial assets measured at fair value or at amortised cost depending on the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. Fair value gains or losses will be recognised in profit or loss except for those non-trade equity investments, which the entity will have a choice to recognise the gains and losses in other comprehensive income. HKFRS 9 carries forward the recognition, classification and measurement requirements for financial liabilities from HKAS 39, except for financial liabilities that are designated at fair value through profit or loss, where the amount of change in fair value attributable to change in credit risk of that liability is recognised in other comprehensive income unless that would create or enlarge an accounting mismatch. In addition, HKFRS 9 retains the requirements in HKAS 39 for derecognition of financial assets and financial liabilities.

HKAS 32 (Amendments) – Presentation – Offsetting Financial Assets and Financial Liabilities

The amendments clarify the offsetting requirements by adding appliance guidance to HKAS 32 which clarifies when an entity "currently has a legally enforceable right to set off" and when a gross settlement mechanism is considered equivalent to net settlement.

HKAS 36 (Amendments) – Recoverable Amount Disclosures

The amendments limit the requirements to disclose the recoverable amount of an asset or cash generating unit ("**CGU**") to those periods in which an impairment loss has been recognised or reversed, and expand the disclosures where the recoverable amount of impaired assets or CGUs has been determined based on fair value less costs of disposal.

HKFRIC 21 – Levies

HKFRIC 21 clarifies that an entity recognises a liability to pay a levy imposed by government when the activity that triggers payment, as identified by the relevant legislation, occurs.

The Group is in the process of making an assessment of the potential impact of these new or amended HKFRSs and the Board expects the application of these new or amended HKFRSs will have no material impact on the Group's financial statements.

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 2014 *RMB'000*	Year ended 31 March 2013 *RMB'000*
Revenue		
Sale of properties held for sale	**476,339**	559,918
Other income		
Net fair value gain for investment properties	**93,529**	32,380
Consultancy fee income	**1,271**	–
Interest income		
– from bank deposits	**6,404**	3,773
– from other receivables	**–**	3,620
Rental income	**6,669**	1,155
Others	**–**	30
	107,873	40,958

5. PROFIT BEFORE INCOME TAX

Profit before income tax is arrived at after charging/(crediting):

	Year ended 31 March 2014 *RMB'000*	Year ended 31 March 2013 *RMB'000*
Auditors' remuneration	**741**	611
Cost of properties held for sale recognised as expense	**296,633**	338,177
Depreciation	**1,007**	742
Exchange gain, net	**(325)**	(11)
Loss on written off of property, plant and equipment	**–**	6
Operating lease charge in respect of land and buildings	**609**	659
Less: amount capitalised in properties held under development	**(6)**	(70)
	603	589
Outgoings in respect of investment properties that generated rental income during the year	**379**	221
Staff costs, including directors' emoluments		
– Wages and salaries	**18,176**	14,084
– Retirement benefit scheme contributions – defined contribution plans	**1,753**	1,456
Less: amount capitalised in properties held under development	**(8,212)**	(6,328)
	11,717	9,212

6. INCOME TAX EXPENSE

	Year ended 31 March 2014 *RMB'000*	Year ended 31 March 2013 *RMB'000*
Current tax – the PRC		
Current year		
– Enterprise income tax ("**EIT**")	**20,972**	36,532
– Land appreciation tax ("**LAT**")	**24,352**	33,044
	45,324	69,576
Deferred income tax	**28,076**	3,384
Total income tax expense	**73,400**	72,960

EIT has been provided on the estimated profits of subsidiaries operating in the PRC at 25% (2013: 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 tax rate is at 10% (2013: 10%).

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% (2013: 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 final dividend for the year ended 31 March 2014. For the year ended 31 March 2013, a final dividend of HK4 cents per ordinary share, amounting to HK$48,000,000 (equivalent to approximately RMB38,741,000), were declared and paid to the shareholders of the Company.

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 2014 of approximately RMB143,768,000 (2013: RMB126,444,000) and the ordinary shares of 1,200,000,000 (2013: 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 are past due but neither individually nor collectively considered to be impaired is as follows:

	31 March 2014	31 March 2013
	RMB'000	*RMB'000*
Based on invoice date		
Less than 3 months past due	**669**	12
3 – 6 months past due	**–**	–
6 months – 1 year past due	**–**	–
More than 1 year past due	**–**	–
	669	12

Receivables that were past due but not impaired relate to a number of independent buyers. Based on past experience, the Board 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.

The Group continuously monitors defaults of customers and other counterparties, identified either individually or by group, and incorporates this information into its credit risk controls. The Group's policy is to deal only with creditworthy counterparties.

10. ACCOUNTS PAYABLE

The aging analysis of accounts payable, based on invoice date, is as follows:

	31 March 2014	31 March 2013
	RMB'000	*RMB'000*
Less than 3 months	**13,083**	25,405
3 – 6 months	**3,165**	135
6 months – 1 year	**6,175**	2,042
More than 1 year	**1,572**	1,727
	23,995	29,309

11. BANK AND OTHER LOANS

	31 March 2014	31 March 2013
	RMB'000	*RMB'000*
Borrowing included in current liabilities		
– Bank loans – secured	**355,173**	65,000
– Other loans – secured	**20,000**	34,000
	375,173	99,000
Borrowing included in non-current liabilities		
– Bank loans – secured	**140,000**	80,000
– Other loans – secured	**608,500**	354,500
	748,500	434,500
Total borrowing	**1,123,673**	533,500

12. CAPITAL EXPENDITURE

During the year ended 31 March 2014, there were additions to property, plant and equipment amounted approximately RMB2.0 million (2013: RMB0.2 million).

MANAGEMENT DISCUSSION AND ANALYSIS

Revenue

During the year under review, the Group achieved revenue of approximately RMB476.3 million mainly from the sales of residential units of Fuzhou Hua Cui Ting Yuan (撫州華萃庭院) and Yichun Royal Lake City (宜春御湖城), together with the commercial units of Nanchang Honggu Kaixuan (南昌紅谷凱旋). Revenue decreased by approximately 14.9% over the previous financial year. The total gross floor area ("**GFA**") of the residential and commercial properties (excluding car parking spaces) sold in the year under review amounted to approximately 86,496 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 2014	Year ended 31 March 2013	**% change**
(i) Residential			
– GFA sold (in sq. m.)	**83,130**	92,210	-9.8%
– Average selling price ("**ASP**") (RMB per sq. m.)	**4,964**	4,510	+10.1%
– Revenue *(approx. RMB'000)*	**412,622**	415,903	-0.8%
(ii) Commercial			
– GFA sold (in sq. m.)	**3,366**	7,773	-56.7%
– ASP (RMB per sq. m.)	**14,503**	16,426	-11.7%
– Revenue *(approx. RMB'000)*	**48,818**	127,681	-61.8%
(iii) Car parking spaces			
– Revenue *(approx. RMB'000)*	**14,899**	16,334	-8.8%
Total revenue *(approx. RMB'000)*	**476,339**	559,918	

Cost of Sales and Gross Profit Margin

Cost of sales decreased from approximately RMB369.3 million in the previous financial year to approximately RMB324.2 million for the year under review. In the previous financial year, a greater portion of revenue was derived from the delivery of commercial units which have a significantly higher gross profit margin compared with the greater proportion of residential units sold during the year under review. Consequently, gross profit margin decreased from 34.1% for the previous financial year to 31.9% for the year under review.

Other Income

Other income increased from approximately RMB41.0 million in the previous financial year to approximately RMB107.9 million in the year under review. The increase mainly represented the increase in net fair value gain of the Group's investment properties derived from the transfer of commercial units comprising of approximately 19,189 sq. m. to the Group's investment properties during the year under review.

Selling and Distribution Expenses

Selling and distribution expenses increased from approximately RMB13.3 million in the previous financial year to approximately RMB14.6 million in the year under review. The higher selling expenses in the year under review was mainly due to the increase in marketing expenses for Fuzhou Hua Cui Ting Yuan (撫州華萃庭院) and Yichun Royal Lake City (宜春御湖城).

Administrative Expenses

Administrative expenses increased to approximately RMB30.7 million in the year under review from approximately RMB20.2 million in the previous financial year. The increase was mainly attributable to the increase in staff costs, bank charges and land use tax of approximately by RMB1.2 million, RMB1.4 million and RMB3.2 million respectively.

Profit for the Year

As a cumulative effect of the foregoing factors, the Group had recorded a profit before tax of approximately RMB214.4 million in the year under review, representing an increase of approximately 8.2% from approximately RMB198.2 million in the previous financial year.

Profit for the year attributed to the owners of the Company increased by approximately 13.7% from approximately RMB126.4 million in the previous financial year to approximately RMB143.8 million in the year under review.

Interest in a Joint Venture

Interest in a joint venture increased from approximately RMB174.1 million as at 31 March 2013 to RMB182.4 million as at 31 March 2014. The increase represented the advance to a joint venture by the Group for Yichun Royal Lake City (宜春御湖城) Phases 3 to 6.

Properties Held Under Development

As at 31 March 2014, the Group's properties held under development increased to approximately RMB1,154.5 million from approximately RMB1,066.0 million as at 31 March 2013. The balance represented the projects, namely Fuzhou Hua Cui Ting Yuan (撫州華萃庭院) Phase 3, Nanchang Sino Harbour Kaixuan City (南昌漢港凱旋城, formerly known as Nanchang Sino Harbour Island Villa (南昌漢港林島)) Phase 1 and Yichun Royal Lake City (宜春御湖城) Phase 2, under development during the year under review.

Properties Held for Sale

Properties held for sale increased from approximately RMB311.2 million as at 31 March 2013 to approximately RMB414.2 million as at 31 March 2014. The increase was mainly due to the transfer of the completed residential property units of Fuzhou Hua Cui Ting Yuan (撫州華萃庭院) Phase 2 to properties held for sale in the year under review.

Prepayments and Other Receivables

As at 31 March 2014, the Group's prepayments and other receivables amounted approximately RMB517.2 million, compared to approximately RMB152.8 million as at 31 March 2013. The increase was mainly attributable to the prepayment of approximately RMB412.2 million to the Bureau of Land Resources of Hangzhou (杭州市國土資源局) as the consideration for the land parcel in Hangzhou, Zhejiang Province, the PRC. The Group intends to develop the land parcel as a commercial complex including retail shops, office premises as well as cultural and community centres.

Accounts Payable, Accruals, Receipts in Advance and Other Payables

Accounts payable decreased to approximately RMB24.0 million as at 31 March 2014 from approximately RMB29.3 million as at 31 March 2013, the balance mainly comprised amount 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, and 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 increased to approximately RMB653.2 million as at 31 March 2014 from approximately RMB430.6 million as at 31 March 2013. The increase mainly represented the advance receipts from customers for the deposits and prepayments for the Group's property pre-sales and the provision of construction cost of the Group.

LIQUIDITY AND FINANCIAL RESOURCES

As at 31 March 2014, the Group's total equity, including non-controlling interests, was approximately RMB1,306.5 million (31 March 2013: approximately RMB1,191.1 million), representing an increase of approximately 9.7% from last year.

As at 31 March 2014, the Group had cash and bank balances of RMB67.8 million (31 March 2013: RMB240.9 million). Cash and bank balances were mainly denominated in Renminbi and Hong Kong dollars. The Group's working capital or net current assets at 31 March 2014 were approximately RMB1,229.6 million (31 March 2013: approximately RMB1,109.0 million). The current ratio, represented by the current assets divided by the current liabilities, was 2.06 (31 March 2013: 2.60).

As at 31 March 2014, the Group's total borrowings, which were denominated in Renminbi and Hong Kong dollars, were approximately RMB1,123.7 million (31 March 2013: approximately RMB533.5 million). The Group does not currently use any derivatives to manage interest rate risk.

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 the operating subsidiaries. Exposures to currency exchange rates arise from certain of the Group's cash and bank balances which are denominated in Hong Kong 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 2014.

EMPLOYEE AND REMUNERATION POLICY

As at 31 March 2014, there were 158 employees in the Group. 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 15 May 2014 are summarised as follows:

	Nanchang Honggu Kaixuan Phase 2 (南昌紅谷凱旋二期)	**Fuzhou Hua Cui Ting Yuan Phase 1 (撫州華萃庭院一期)**	**Fuzhou Hua Cui Ting Yuan Phase 2 (撫州華萃庭院二期)**	**Fuzhou Hua Cui Ting Yuan Phase 3 (撫州華萃庭院三期)**	**Yichun Royal Lake City Phase 1 (宜春御湖城一期)**	**Yichun Royal Lake City Phase 2 (宜春御湖城二期)**
Estimated total GFA released for sale (total units)	116,214 sq. m. (1,007 units)	91,853 sq. m. (633 units)	79,933 sq. m. (550 units)	91,107 sq. m. (887 units)	80,241 sq. m. (889 units)	28,112 sq. m. (320 units)
Estimated total GFA pre-sold (total units)	113,954 sq. m. (999 units)	84,526 sq. m. (598 units)	65,138 sq. m. (498 units)	73,780 sq. m. (725 units)	71,371 sq. m. (757 units)	19,569 sq. m. (215 units)
Percentage of pre-sale	98%	92%	81%	81%	89%	70%
Pre-sale GFA (units pre-sold) not handed to buyers as at 31 March 2014^	124 sq. m. (1 unit)	2,593 sq. m. (9 units)	12,628 sq. m. (64 units)	73,780 sq. m. (725 units)	4,857 sq. m. (65 units)	19,569 sq. m. (215 units)
Pre-sale value not handed over to buyers as at 31 March 2014^	RMB0.91 million	RMB18.18 million	RMB86.35 million	RMB375.59 million	RMB19.87 million	RMB90.25 million
ASP per sq. m.*	RMB7,329	RMB7,013	RMB6,838	RMB5,091	RMB4,091	RMB4,612

*: *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

In the Third Plenary Session of the 18th Central Committee of the Community Party of China held in November 2013, key reform initiatives included new urbanisation models, household registration reform, relaxation of the one-child policy, marketisation of rural land, and property tax. The Board expects a marked shift in population to urban cities in future, which promotes economic development of the cities, generates larger housing demand and sustain stable development of the property industry of the PRC in the long run.

The Group keeps exploring the opportunities to expand into emerging overseas market, such as South Africa, so as to develop a diversified business model for the maximisation of shareholders benefit.

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 2014 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 Hong Kong Institute of Certified Public Accountants 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 has discussed and reviewed with the management the annual results and consolidated accounts for the year ended 31 March 2014.

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 the year ended 31 March 2014.

FINAL DIVIDEND AND ANNUAL GENERAL MEETING

The Board does not recommend the payment of final dividend for the year ended 31 March 2014.

The annual general meeting (the "**AGM**") of the Company will be held on Wednesday, 23 July 2014 and a notice convening the AGM and a circular for the AGM will be issued and disseminated to the shareholders of the Company in due course.

CLOSURE OF REGISTER OF MEMBERS

The share register of the Company will be closed from Monday, 21 July 2014 to Wednesday, 23 July 2014 (both days inclusive), during which no transfer of shares will be effected. In order to be eligible to attend and vote at the forthcoming AGM, completed share transfer forms must be lodged with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, not later than 4:30 p.m. on Friday, 18 July 2014.

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 the Corporate Governance Code (the "**CG Code**") as set out in Appendix 14 to the Rules Governing the Listing of Securities (the "**Listing Rules**") on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") during the year under review.

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. After having made specific enquiries with all Directors, all Directors have confirmed that they have complied with the required standards set out in the Model Code and its code of conduct in the year ended 31 March 2014.

PUBLICATION OF ANNUAL RESULTS ANNOUNCEMENT, ANNUAL REPORT AND CIRCULAR

The annual results announcement is published on the websites of the Stock Exchange (http://www.hkex.com.hk) and the Company (http://www.sinoharbour.com.hk). The 2013/14 Annual Report and a circular containing the notice of the AGM are to be dispatched to shareholders of the Company 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 2014 and 2013 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 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 directors
Sino Harbour Property Group Limited
SHI Feng
Deputy Chairman

Hong Kong, 29 May 2014

As at the date of this announcement, the Board comprises Mr. SHI Feng and Mr. WONG Lui as executive Directors, Ms. CHAN Heung Ling as non-executive Director and Mr. XIE Gang, Mr. LEE Man To and Ms. ZHANG Juan as independent non-executive Directors.