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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 ANNUAL RESULTS
FOR THE YEAR ENDED 31 MARCH 2024

HIGHLIGHTS

- During FY2024, the Group recorded revenue of approximately RMB891.7 million mainly attributable to the delivery of residential units and car park spaces of Sino Harbour • Guanlan (漢港 • 觀瀾) Phase 2 in Yichun, the PRC (FY2023: RMB247.5 million).
- The Group recorded a profit after tax of approximately RMB31.4 million for FY2024 (FY2023: RMB11.0 million).
- Basic earnings per Share for FY2024 was approximately RMB2.13 cents (FY2023: RMB0.75 cents).
- Cash and bank balances as at 31 March 2024 were approximately RMB184.4 million (31 March 2023: approximately RMB434.6 million).
- The Group had bank loans of approximately RMB532.0 million as at 31 March 2024 (31 March 2023: approximately RMB455.4 million).
- The Board has resolved not to recommend the payment of a final dividend for FY2024 (FY2023: Nil).

ANNUAL RESULTS

The board of directors of Sino Harbour Holdings Group Limited (the “**Company**”, the “**Directors**” and the “**Board**”, respectively) announces the annual consolidated results of the Company and its subsidiaries (collectively the “**Group**”) for the year ended 31 March 2024 (“**FY2024**”) with comparative figures for the year ended 31 March 2023 (“**FY2023**”) as follows:

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2024

		2024	2023
	Notes	RMB'000	RMB'000
Revenue	4	891,657	247,460
Cost of sales		<u>(595,628)</u>	<u>(149,927)</u>
Gross profit		296,029	97,533
Other income and other gains and losses	5	(25,244)	27,839
Selling and distribution expenses		(45,971)	(19,040)
Administrative expenses		<u>(68,594)</u>	<u>(72,270)</u>
Operating profit		156,220	34,062
Finance costs		<u>(11,461)</u>	<u>(762)</u>
Profit before income tax	6	144,759	33,300
Income tax expense	7	<u>(113,354)</u>	<u>(22,321)</u>
Profit for the year		31,405	10,979
Other comprehensive income (net of tax)			
<i>Item that will not be reclassified to profit or loss</i>			
Changes in fair value of equity instruments at fair value through other comprehensive income		(3,000)	(4,500)
<i>Item that may be reclassified subsequently to profit or loss</i>			
Exchange differences on translation of financial statements of foreign operations		<u>1,585</u>	<u>2,041</u>
Other comprehensive income for the year		<u>(1,415)</u>	<u>(2,459)</u>
Total comprehensive income for the year		<u>29,990</u>	<u>8,520</u>

		2024	2023
	<i>Note</i>	<i>RMB'000</i>	<i>RMB'000</i>
Profit/(loss) for the year attributable to:			
Owners of the Company		52,453	18,593
Non-controlling interests		<u>(21,048)</u>	<u>(7,614)</u>
		<u>31,405</u>	<u>10,979</u>
Total comprehensive income attributable to:			
Owners of the Company		51,038	16,134
Non-controlling interests		<u>(21,048)</u>	<u>(7,614)</u>
		<u>29,990</u>	<u>8,520</u>
Earnings per share for profit attributable to owners of the Company during the year			
(in RMB cents)			
– Basic and diluted	9	<u>2.13</u>	<u>0.75</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2024

	<i>Notes</i>	2024 RMB'000	2023 RMB'000
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment		56,334	38,860
Investment properties		1,536,990	1,491,150
Right-of-use assets		15,138	22,689
Intangibles		–	2,083
Financial assets at fair value through other comprehensive income		5,650	8,650
Deposit paid		4,171	–
Pledged deposits		5,500	5,500
Deferred tax assets		38,275	20,375
		1,662,058	1,589,307
Current assets			
Properties held under development		1,021,217	1,720,798
Properties held for sale		765,333	237,021
Prepayments and other receivables		572,182	761,625
Tax recoverable		–	1,909
Contract cost assets		5,049	25,099
Pledged deposits		48,773	54,930
Cash and bank balances		184,415	434,572
		2,596,969	3,235,954
Current liabilities			
Accounts payable	10	15,994	59,829
Accruals and other payables		239,711	211,149
Contract liabilities		929,002	1,724,458
Lease liabilities		9,598	5,334
Provisions for tax		323,306	237,766
Bank loans	11	68,450	66,900
		1,586,061	2,305,436
Net current assets		1,010,908	930,518
Total assets less current liabilities		2,672,966	2,519,825

	<i>Note</i>	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Non-current liabilities			
Bank loans	<i>11</i>	463,500	388,500
Lease liabilities		79,707	19,503
Deferred tax liabilities		119,421	131,474
		662,628	539,477
Net assets		2,010,338	1,980,348
EQUITY			
Equity attributable to owners of the Company			
Share capital		20,735	20,735
Reserves		1,713,137	1,662,099
		1,733,872	1,682,834
Non-controlling interests		276,466	297,514
Total equity		2,010,338	1,980,348

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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 in Hong Kong is located at Room 1215, Tower B, Hunghom Commercial Centre, 37-39 Ma Tau Wai Road, Hunghom, Kowloon, Hong Kong.

The consolidated financial statements of the Group for FY2024 (the “**Consolidated Financial Statements**”) have been prepared in accordance with Hong Kong Financial Reporting Standards (the “**HKFRSs**”) (including all applicable HKFRSs, Hong Kong Accounting Standards (the “**HKASs**”) and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”). In addition, the Consolidated 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 (the “**Listing Rules**”).

The Consolidated 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 and financial assets at fair value through other comprehensive income (“**FVOCI**”), which are stated at fair values.

The accounting policies used in preparing the Consolidated Financial Statements are consistent with those used in the consolidated financial statements of the Group for FY2023 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

In current year, the Group has adopted, for the first time, the following new HKFRSs issued by the HKICPA, which are relevant to the Group's operations and effective for its Consolidated Financial Statements for the annual period beginning on 1 April 2023.

HKFRS 17	Insurance Contracts and Related Amendments
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies
Amendments to HKAS 8	Definition of Accounting Estimates
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction
Amendments to HKAS 12	International Tax Reform – Pillar Two Model Rules

Disclosure of Accounting Policies (Amendments to HKAS 1 – Presentation of Financial Statements and HKFRS Practice Statement 2 – Making Materiality Judgements)

The HKICPA issued HKFRS Practice Statement 2 – Making Materiality Judgements in March 2021 to provide entities with non-mandatory guidance on how to make materiality judgements when preparing their general purpose financial statements in accordance with HKFRS. In April 2021, the HKICPA issued amendments to HKAS 1 and HKFRS Practice Statement 2. The amendments aim to make accounting policy disclosures more informative by replacing the requirement to disclose 'significant accounting policies' with 'material accounting policy information'. The amendments also provide guidance under what circumstance, the accounting policy information is likely to be considered material and therefore requiring disclosure.

These amendments have no effect on the measurement or presentation of any items in the Consolidated Financial Statements of the Group but affect the disclosure of accounting policies of the Group.

The adoption of other new or amended HKFRSs and HKAS did not have any material impact on the Group's results and financial position for the current or prior period. The Group has not early applied any new or amended HKFRSs that is not yet effective for the current accounting period.

4. SEGMENT INFORMATION AND REVENUE

An operating segment is a component of the Group that is engaged in business activities from which the Group may earn revenue and incur expenses, and is identified on the basis of the internal management reporting information that is provided to and regularly reviewed by the Group's executive Directors in order to allocate resources and assess performance of the segment. For the years presented, executive Directors considered the segment from a business perspective, including sale and leasing of properties (“**Property Development**”) and other businesses (mainly including investment and operation in chemistry, manufacturing and control process and medical service sector) (“**Others**”). The Group's executive Directors assess the performance of the operating segments based on the measure of segment result.

Reconciliations of segment revenue, profit or loss, assets and liabilities:

	Property Development		Others		Total	
	2024	2023	2024	2023	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Revenue from external customers	<u>878,902</u>	<u>231,076</u>	<u>12,755</u>	<u>16,384</u>	<u>891,657</u>	<u>247,460</u>
Segment profit/(loss) from operating activities	<u>200,263</u>	<u>82,650</u>	<u>(46,952)</u>	<u>(41,159)</u>	<u>153,311</u>	<u>41,491</u>
Unallocated expenses*					<u>(8,552)</u>	<u>(8,191)</u>
Profit before income tax					<u>144,759</u>	<u>33,300</u>
Income tax expense					<u>(113,354)</u>	<u>(22,321)</u>
Profit for the year					<u>31,405</u>	<u>10,979</u>
Segment assets	<u>4,155,527</u>	<u>4,761,122</u>	<u>102,540</u>	<u>63,136</u>	<u>4,258,067</u>	<u>4,824,258</u>
Other corporate assets					<u>960</u>	<u>1,003</u>
Total assets					<u>4,259,027</u>	<u>4,825,261</u>
Segment liabilities	<u>2,213,954</u>	<u>2,817,562</u>	<u>34,675</u>	<u>27,287</u>	<u>2,248,629</u>	<u>2,844,849</u>
Other corporate liabilities					<u>60</u>	<u>64</u>
Total liabilities					<u>2,248,689</u>	<u>2,844,913</u>

* The unallocated expenses mainly consist of staff costs, directors' emoluments and exchange difference.

Other segment information:

	Property Development		Others		Total	
	2024	2023	2024	2023	2024	2023
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Amortisation of intangibles	-	-	(233)	(466)	(233)	(466)
Depreciation of property, plant and equipment	(4,409)	(4,777)	(7,916)	(6,144)	(12,325)	(10,921)
Depreciation of right-of-use assets	-	-	(3,953)	(8,816)	(3,953)	(8,816)
Impairment loss on property, plant and equipment	-	-	-	(4,423)	-	(4,423)
Impairment loss on intangibles	-	-	-	(577)	-	(577)
Loss on written off of intangibles	-	-	(1,850)	-	(1,850)	-
Written down of properties held for sale	(18,815)	-	-	-	(18,815)	-
Impairment loss on right-of-use assets	-	-	-	(5,000)	-	(5,000)
Interest income	3,224	3,667	300	2	3,524	3,669
Interest expenses	(8,366)	-	(3,095)	(762)	(11,461)	(762)
Loss allowance of deposits paid and other receivables	(9,270)	(5,000)	(980)	(448)	(10,250)	(5,448)
Net fair value (loss)/gain on investment properties	(29,259)	18,702	-	-	(29,259)	18,702
Capital expenditure on property, plant and equipment	(8,503)	(5,943)	(6,719)	(1,936)	(15,222)	(7,879)
Addition of investment properties	75,099	-	-	-	75,099	-
Addition of right-of-use assets	-	-	10,979	-	10,979	20,642

The geographical location of the specified non-current assets is based on the physical location of the asset, in the case of property, plant and equipment, the location of the operation. In the opinion of the Directors, the majority of the Group's operation and centre of management are sourced from its subsidiaries in the People's Republic of China (the "PRC" or "China"), which considered that the operation base of the Group is domiciled in the PRC, as there is only one geographical location, and therefore, no analysis of geographical information is presented.

The total revenue from external customers is mainly sourced from the PRC.

There is no single customer that contributed to 10% or more of the Group's revenue for the years ended 31 March 2024 and 2023.

5. OTHER INCOME AND OTHER GAINS AND LOSSES

	2024 RMB'000	2023 RMB'000
Other income and other gains and losses		
Exchange gain, net	–	471
Government grants*	881	950
Impairment loss on property, plant and equipment	–	(4,423)
Impairment loss on right-of-use assets	–	(5,000)
Impairment loss on intangibles	–	(577)
Loss on written off of intangibles	(1,850)	–
Interest income		
– from bank deposits	3,524	3,669
Gain on deemed disposal of a subsidiary	–	13,551
Net fair value (loss)/gain on investment properties	(29,259)	18,702
Sundry income	1,460	496
	<u>(25,244)</u>	<u>27,839</u>

* The Group received unconditional discretionary grants from the relevant government authorities in the PRC in support of enterprise operating in specified industry.

6. PROFIT BEFORE INCOME TAX

	2024 RMB'000	2023 RMB'000
Profit before income tax is arrived at charging/(crediting):		
Auditor's remuneration	1,042	997
Cost of inventories recognised as an expense includes the following expenses:		
– Cost of properties held for sales sold	546,907	122,822
– Written down of properties held for sale	18,815	–
Amortisation of intangibles	233	466
Depreciation of property, plant and equipment	12,325	10,921
Depreciation of right-of-use assets	3,953	8,816
Loss allowance on deposits paid and other receivables	10,250	5,448
Written off of property, plant and equipment	–	73
Short-term lease expenses	422	134
Outgoings in respect of investment properties that generated rental income during the year	5,651	2,425
Employee costs, including Directors' emoluments		
– Wages and salaries	45,033	43,650
– Retirement benefit scheme contributions – defined contribution plans	2,667	4,019
Less: amount capitalised in properties held under development	(2,117)	(5,354)
	<u>45,583</u>	<u>42,315</u>

7. INCOME TAX EXPENSE

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Current tax – the PRC		
Current year		
– Enterprise income tax (“EIT”)	60,561	10,347
– Land appreciation tax (“LAT”)	<u>82,746</u>	<u>3,258</u>
	143,307	13,605
Deferred income tax	<u>(29,953)</u>	<u>8,716</u>
Total income tax expense	<u><u>113,354</u></u>	<u><u>22,321</u></u>

EIT has been provided on the estimated assessable profits of subsidiaries operating in the PRC at 25% (FY2023: 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% (FY2023: 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 of 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 8.25% on the first Hong Kong dollars (“HK\$”) 2 million of the estimated assessable profits and at 16.5% on the estimated assessable profit above HK\$2 million. No Hong Kong profits tax has been provided as the Group had no estimated assessable profits arising in or derived from Hong Kong for both years.

8. DIVIDENDS

The Board has resolved not to recommend the payment of a final dividend for FY2024 (FY2023: Nil).

9. EARNINGS PER SHARE

	2024	2023
Profit attributable to owners of the Company for the year ended 31 March <i>(in RMB thousand dollars)</i>	<u>52,453</u>	<u>18,593</u>
Weighted average number of Shares for the purposes of calculating basic earnings per Share for the year ended 31 March <i>(Shares in thousands)</i>	<u>2,464,000</u>	<u>2,464,000</u>
Basic earnings per Share for the year ended 31 March <i>(in RMB cents)</i>	<u>2.13</u>	<u>0.75</u>

The Company did not have dilutive potential Shares outstanding for FY2024 and FY2023. Accordingly, the diluted earnings per Share is the same as the basic earnings per Share for both FY2024 and FY2023.

10. ACCOUNTS PAYABLE

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Accounts payable	<u>15,994</u>	<u>59,829</u>

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

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Less than 3 months	4,697	45,795
3 to 6 months	2,247	932
More than 6 months to 1 year	489	1,775
More than 1 year	<u>8,561</u>	<u>11,327</u>
	<u>15,994</u>	<u>59,829</u>

11. BANK LOANS

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Current		
Portion of bank loans due for repayment within one year or on demand	68,450	66,900
Non-current		
Portion of bank loans due for repayment after one year	<u>463,500</u>	<u>388,500</u>
Total borrowings	<u>531,950</u>	<u>455,400</u>

12. CAPITAL EXPENDITURE

For FY2024, there were additions to property, plant and equipment amounting to approximately RMB15,222,000 (FY2023: approximately RMB7,879,000).

MANAGEMENT DISCUSSION AND ANALYSIS

REVIEW OF FINANCIAL RESULTS FOR FY2024 COMPARED TO FY2023

Revenue

In FY2024, the Group recorded revenue of approximately RMB891.7 million, representing an increase of 260.3% from approximately RMB247.5 million in FY2023.

Revenue from sales of properties held for sale in FY2024 was primarily derived from the delivery of residential units and car park spaces of Sino Harbour • Guanlan (漢港 • 觀瀾) Phase 2 in Yichun, the PRC.

Chemistry, Manufacturing and Control (“CMC”) is an important section in drug development process. Revenue from CMC related services in FY2024 and FY2023 mainly included small molecule chemical drugs quality research and control, synthesis process R&D and preparation R&D services provided to pharmaceutical companies.

Dental service income in FY2024 mainly included general dentistry, orthodontics and implantology.

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Revenue from contracts with customers under HKFRS 15		
Sales of properties held for sale	831,784	181,482
CMC related service income	1,663	9,400
Dental service income	<u>11,092</u>	<u>6,984</u>
	844,539	197,866
Revenue from other source		
Rental income	<u>47,118</u>	<u>49,594</u>
	<u>891,657</u>	<u>247,460</u>

The following table sets out an analysis of the revenue for (i) residential properties, (ii) commercial properties and (iii) car parking spaces during FY2024:

	2024	2023	Percentage change
(i) Residential			
– Gross floor area (“GFA”) sold (<i>in sq.m.</i>)	106,938	14,648	630%
– Average selling price (“ASP”) (<i>RMB per sq.m.</i>)	7,470	8,162	(8.5%)
– Revenue (<i>approximately RMB’000</i>)	798,837	119,554	568%
(ii) Commercial			
– GFA sold (<i>in sq.m.</i>)	1,262	855	48%
– ASP (<i>RMB per sq.m.</i>)	3,110	10,226	(70%)
– Revenue (<i>approximately RMB’000</i>)	3,926	8,745	(55%)
(iii) Car parking spaces			
– Revenue (<i>approximately RMB’000</i>)	<u>29,020</u>	<u>53,183</u>	(45%)
Revenue from sales of properties held for sale (<i>approximately RMB’000</i>)	<u>831,784</u>	<u>181,482</u>	358%

Note: sq.m. means square metre(s)

Cost of Sales and Gross Profit Margin

Cost of sales increased from approximately RMB149.9 million in FY2023 to approximately RMB595.6 million in FY2024. Gross profit margin decreased from 39.4% in FY2023 to 33.2% in FY2024. In respect of the lower gross profit margin in FY2024, this was due to the combined effect of the written down of properties held for sale and a lower portion of the Group’s revenue attributable to rental income, which had a higher gross profit margin compared to the residential units of Sino Harbour • Guanlan phase 2 that were handed over in FY2024.

Other Income and Other Gains and Losses

Other income and other gains and losses change from net gain of approximately RMB27.8 million in FY2023 to net loss of approximately RMB25.2 million in FY2024. The decrease was mainly attributable to the fair value loss of investment properties.

Selling and Distribution Expenses

Selling and distribution expenses increased from approximately RMB19.0 million in FY2023 to approximately RMB46.0 million in FY2024. The higher selling and distribution expenses in FY2024 were mainly due to an increase in the marketing expenses recognised for Sino Harbour • Guanlan.

Administrative Expenses

Administrative expenses decreased to approximately RMB68.6 million in FY2024 from approximately RMB72.3 million in FY2023. The decrease was mainly attributable to the net effect of decrease in administrative staff cost, utility expense and depreciation and increase of loss allowance on deposits paid and other receivables.

Finance Costs

The Group recorded approximately RMB11.5 million non-capitalised finance costs in FY2024, which had increased from approximately RMB0.8 million in FY2023. The increase was mainly attributable to the increase in interest expense charged on bank loans in FY2024.

Profit before Income Tax

As a cumulative effect of the foregoing factors, the Group recorded a profit before income tax of approximately RMB144.8 million in FY2024, compared to approximately RMB33.3 million in FY2023, representing an increase of approximately RMB111.5 million.

Income Tax Expenses

Income tax expenses increased to approximately RMB113.4 million in FY2024 from approximately RMB22.3 million in FY2023. The increase was mainly attributable to the increases in revenue and profit before income tax for FY2024.

As a result, the Group had recorded a profit after tax of approximately RMB31.4 million in FY2024, compared to approximately RMB11.0 million in FY2023.

REVIEW OF FINANCIAL POSITION AS AT 31 MARCH 2024

Property, Plant and Equipment

As at 31 March 2024, the Group had property, plant and equipment of approximately RMB56.3 million, compared to approximately RMB38.9 million as at 31 March 2023. The increase was mainly attributable to the net effect of addition of equipment and depreciation during FY2024.

Investment Properties

As at 31 March 2024, the Group had investment properties at fair value of approximately RMB1,537.0 million, compared to approximately RMB1,491.2 million as at 31 March 2023. The increase was mainly attributable to the net effect of the addition of properties held for sub-lease under operating lease and fair value loss.

Intangibles

Intangible assets mainly represented copyright, have been written down to zero as at 31 March 2024, compared to approximately RMB2.1 million as at 31 March 2023. The decrease was attributable to the impairment.

Financial Assets at FVOCI

It represented equity interests in a number of entities incorporated in the PRC and Jiangxi Longyu Medicine Co., Limited, on which the Group does not have control nor significant influence. It decreased from approximately RMB8.7 million as at 31 March 2023 to approximately RMB5.7 million as at 31 March 2024 which was attributable to the fair value changes on equity interests.

Pledged Deposits

Long-term and short-term pledged deposits decreased from approximately RMB60.4 million as at 31 March 2023 to approximately RMB54.3 million as at 31 March 2024. The decrease was mainly due to a decrease in deposits pledged against mortgage loan to properties purchaser due to the issuance of ownership certificate.

Properties Held under Development

As at 31 March 2024, the Group's properties held under development decreased to approximately RMB1,021.2 million from approximately RMB1,720.8 million as at 31 March 2023. The decrease was due to completion of Sino Harbour • Guanlan (漢港 • 觀瀾) phase 2.

Properties Held for Sale

Properties held for sale increased from approximately RMB237.0 million as at 31 March 2023 to approximately RMB765.3 million as at 31 March 2024, which was mainly due to the combined effect of the transfer in and handover of completed property units and the written down of properties held for sale.

Prepayments and Other Receivables

The Group's prepayments and other receivables amounted to approximately RMB572.2 million as at 31 March 2024, compared to approximately RMB761.6 million as at 31 March 2023.

The decrement was mainly due to the prepayment paid to contractors transferred to properties held for sales upon completion of Sino Harbour • Guanlan Phase 2.

Accounts Payable, Accruals and Other Payables and Contract Liabilities

Accounts payable decreased to approximately RMB16.0 million as at 31 March 2024 from approximately RMB59.8 million as at 31 March 2023 due to a decrease in amounts payable to the contractors for construction costs incurred in respect of Sino Harbour • Guanlan.

Accruals and other payables mainly comprised the accrued construction costs and project-related expenses that were based on the progress of project development but were not due for payment.

Accruals and other payables increased to approximately RMB239.7 million as at 31 March 2024 from approximately RMB211.1 million as at 31 March 2023, which was due to the increase in accrued construction cost for Sino Harbour • Guanlan.

Contract liabilities which comprises sales deposits and installments received from customers decreased from approximately RMB1,724.5 million as at 31 March 2023 to approximately RMB929.0 million as at 31 March 2024. The decrease was mainly due to the handover of Sino Harbour • Guanlan phase 2.

Deferred Tax Liabilities

Deferred tax liabilities decreased from approximately RMB131.5 million as at 31 March 2023 to approximately RMB119.4 million as at 31 March 2024, mainly attributable to the provision of deferred tax liabilities in respect of fair value loss on investment properties.

LIQUIDITY AND FINANCIAL RESOURCES

Cash Position

Cash and Bank Balances

In FY2024, the Group had recorded a net cash outflow of approximately RMB22.8 million from operating activities, mainly attributable to a decrease in accruals, other payables and contract liabilities.

Net cash outflow from investing activities in FY2024 was approximately RMB9.1 million, which was mainly due to purchase of properties, plant and equipment.

Net cash inflow from financing activities in FY2024 was approximately RMB20.3 million, which was mainly attributable to receipts from new loans, which were partially offset by repayments of loan principals and interests.

As at 31 March 2024, the Group had cash and bank balances of approximately RMB184.4 million (31 March 2023: RMB434.6 million), which consisted of cash and cash equivalents of approximately RMB88.2 million (31 March 2023: RMB99.6 million) and bank balances restricted for construction work of approximately RMB96.2 million (31 March 2023: RMB335.0 million), and were mostly denominated in RMB.

Bank Loans

As at 31 March 2024, the Group had total borrowings of approximately RMB532.0 million, compared to approximately RMB455.4 million as at 31 March 2023. The Group's bank loans were denominated in RMB (31 March 2023: RMB). In FY2024, the effective annual interest rates of the bank loans were ranging from 4.45% to 7.05% (FY2023: 5.5% to 7.6% per annum).

Gearing Ratio

Gearing ratio is measured by borrowings (total amount of bank loans) less related deposit collateral over total equity and then multiplied by 100%. As at 31 March 2024, the Group's gearing ratio was 26.2% (31 March 2023: 22.7%). The Group has implemented certain loan management policies which include close monitoring of the gearing ratio and any changes in interest rates.

Funding and Treasury Policies

The Group adopts a prudent funding and treasury policy with regard to its overall business operations. Historically, we have met our capital expenditures, working capital and other liquidity requirements principally from cash generated from our operations and bank and other loans. Going forward, we expect to fund our working capital, capital expenditures and other capital requirements with a combination of various sources, including but not limited to cash generated from our operations, bank and other loans as well as other external equity and debt financing. The Group's objectives are to maintain a prudent financial policy, to monitor liquidity ratios against risk limits and to maintain a contingency plan for funding to ensure that the Group maintains sufficient cash to meet its liquidity requirements.

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, other receivables and other payables which are denominated in HK\$ and United States dollars. The Group does not use derivative financial instruments to hedge its foreign currency risk. The Group reviews its foreign currency exposures regularly and will consider hedging significant foreign currency exposure should the need arise.

MATERIAL ACQUISITION AND DISPOSAL

During FY2024, the Company had no material acquisition or disposal of assets, subsidiaries, associated companies or joint ventures.

EVENT AFTER THE END OF FY2024

There was no event after the end of FY2024.

SIGNIFICANT INVESTMENT

The Group did not hold any significant investment in FY2024 (FY2023: nil).

CONTINGENT LIABILITIES

As at 31 March 2024, the Group had no significant contingent liabilities (31 March 2023: nil).

EMPLOYEE AND REMUNERATION POLICY

There were 331 employees in the Group as at 31 March 2024 (31 March 2023: 333). Staff's remuneration packages are determined in consideration of market conditions, the Group's results as well as the experience and performance of the individuals concerned, and are subject to review from time to time. The Group also provides other staff benefits, including medical insurance, and grants of discretionary incentive bonuses to eligible staff based on their performance and contributions to the Group. Employee costs, including Directors' emoluments, amounted to approximately RMB47.7 million in FY2024 (FY2023: approximately RMB47.7 million).

COMPANY UPDATE

Property Pre-sales

The cumulative results for the pre-sale and delivery of properties under each project up to 21 June 2024 are summarised as follows:

	Yichun Sino Harbour • Guanlan – Phase 2 (宜春漢港 • 觀瀾二期)
Residential Units	
Estimated total GFA released for sale (total units)	223,643 sq.m. (1,920 units)
Estimated total GFA pre-sold (total units)	220,148 sq.m. (1,889 units)
Percentage of pre-sale	98%
Pre-sale GFA (units pre-sold) not handed over to buyers as at 31 March 2024 [^]	112,582 sq.m. (956 units)
Pre-sale value not handed over to buyers as at 31 March 2024 [^]	RMB907.7 million
ASP per sq.m.*	RMB8,063
Expected completion date	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 FY2024 plus new pre-sales during FY2024 less those handed over to buyers during FY2024, which was recognised as sales during FY2024.

FUTURE OUTLOOK

Grasping the opportunities arising from the national policy, and moving forward steadily to achieve growth

The property market in China continued to face severe challenges in the first half of 2024, with property sales and prices remaining weak. However, with the government's recent introduction of positive policies to support the development of the domestic property market, including the relaxation of restrictions on home ownership, lowering of mortgage interest rates and lowering of downpayment requirements, the market has been stimulated by residents' demand for new and improved properties, which will help to speed up the de-inventorying of the industry and maintain a healthy development of the market. It is believed that these relaxation policies, which are based on "city-specific measures", "precise measures" and "one-city-one-approach", will continue to help restore homebuyers' confidence and stabilise the domestic property market. The Group will closely monitor the effectiveness of the implementation of these policies and measures and formulate appropriate business operation strategies in response to the situation, so as to grasp the opportunity of the industry's rebound and regain its growth momentum.

In addition to existing development projects, the Group continues to explore new business markets and push into markets with high development potentials to ensure the sustainable development of the Group and to identify new business growth points in a challenging market. The commercial space co-operation agreement dated December 2022 (the "**Commercial Space Co-operation Agreement**") entered into between Hangzhou Gangyu Enterprises Management Company Limited (杭州港譽企業管理有限公司) ("**Hangzhou Gangyu**"), a wholly-owned subsidiary of Hangzhou Sino Harbour Commercial Management Co., Ltd., an indirect wholly-owned subsidiary of the Company, and Greentown Property Management Group Company (綠城物業服務集團有限公司) ("**Greentown PM**") will be delivered in the third quarter of 2024.

The development value of this project is highlighted by the quality of the hardware, the future development plan of the nearby areas, the demand of the nearby consumers, the rental level of the surrounding shops and the potential increase in the future. The Group will operate and manage the project on its own in the future so as to enhance the stability of the project's future development and operation and its revenue performance, and at the same time increase the Group's brand recognition in Zhejiang Province.

In the future, the Group will actively seek for such win-win co-operation projects, which will enable the Group to develop new markets with strategic resources, and deepen the co-operation with local governments and other enterprises while expanding the Company's business territories and enhancing its profitability and market influence. This will bring unrivalled advantages to the Group's future development.

As the political tension between the United States and China persisted, it seriously increased the uncertainty of the development of the high-tech and biotechnology sectors in the Mainland, which had a greater impact on the Group's "Big Health" business. Nevertheless, the "Big Health" segment has always been the Group's priority business, and the Group has also taken the early opportunity to actively develop other related "Big Health" businesses during the Year in order to diversify its operational risks and identify new growth opportunities. The Group's subsidiary, Pingxiang Ganghua Dentistry Hospital Company Limited, has commenced its operation in 2023, laying a solid foundation for the Group's goal of building a chain of dentistry hospitals and further planning the development blueprint of the Group's "Big Health" business. During the Year, the dentistry business performed well with strong growth momentum and is expected to become a stable pillar of the Group's "Big Health" business development in the future.

Overall, the Group will continue to focus on real estate in the future, and at the same time continue to actively develop the dentistry business and commercial management business, with business diversification as the direction of operation, and maintain the development strategy of seeking progress while maintaining stability. We will also continue to maintain good cost control to support the Group's development and seek growth opportunities steadily. The Board will remain prudent and implement a prudent and flexible financial policy to ensure the healthy and long-term development of the Group and to continue to create long-term investment value for our shareholders (the "**Shareholders**").

PROPOSED FINAL DIVIDEND AND SPECIAL DIVIDEND

The Board has resolved not to recommend the payment of a final dividend for FY2024 (FY2023: Nil).

AGM

It is proposed that the forthcoming 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 Friday, 20 September 2024. The notice of the Company's forthcoming AGM will be published on the respective websites of the Stock Exchange and the Company and despatched to the Shareholders in due course in the manner as required by the Listing Rules.

CLOSURE OF REGISTER OF MEMBERS

For determining the Shareholders' entitlement to attend and vote at the forthcoming AGM, the Register of Members will be closed from Monday, 16 September 2024 to Friday, 20 September 2024, both days inclusive, during which period no transfer of Shares will be registered. In order to be eligible to attend and vote at the AGM to be held on Friday, 20 September 2024, non-registered Shareholders must lodge all duly completed and stamped transfer forms accompanied by the relevant share certificates with the Company's Hong Kong branch share registrar and transfer office, Boardroom Share Registrars (HK) Limited at Room 2103B, 21/F., 148 Electric Road, North Point, Hong Kong, for registration not later than 4:30 p.m. on Friday, 13 September 2024.

SCOPE OF WORK OF BDO LIMITED ("BDO")

The figures in respect of the preliminary announcement of the Group's results for FY2024 have been agreed by BDO, the Group's independent auditor, to the amounts set out in the draft Consolidated Financial Statements. The work performed by BDO 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 on the preliminary announcement.

AUDIT COMMITTEE AND REVIEW OF ACCOUNTS

The audit committee of the Board (the "**Audit Committee**") comprises three members, namely Mr. WONG Ping Kuen (who is also the chairman thereof), Mr. XIE Gang and Mr. HE Dingding, all being the independent non-executive Directors (the "**INEDs**"). The Audit Committee has discussed and reviewed with the management of the Company the annual results for FY2024 and the Consolidated Financial Statements.

PURCHASE, SALE OR REDEMPTION OF COMPANY'S LISTED SECURITIES

During FY2024, the Company did not redeem its listed securities nor did the Company or any of its subsidiaries purchase or sell such securities.

CORPORATE GOVERNANCE COMPLIANCE

The Company focuses on maintaining a 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 section headed “Part 2 – Principles of good corporate governance, code provisions and recommended best practices” of the Corporate Governance Code as contained in Appendix C1 to the Listing Rules (the “**CG Code**”) throughout FY2024 save for the deviations from code provision C.2.1 of the CG Code and Rule 3.28 of the Listing Rules as follows:

Under code provision C.2.1 of the CG Code, the roles of the chairman and the chief executive should be separate and should not be performed by the same individual.

In view of the present composition of the Board as well as the in-depth knowledge and experience of Mr. WONG Lam Ping (“**Mr. WONG**”), the Chairman as well as Chief Executive Officer and General Manager, in relation to the operation and business of the Group and in the industry, the Board is of the opinion that it is appropriate and in the best interest of the Company at the present stage to vest the roles of the Chairman and the Chief Executive Officer in the same person as it helps to facilitate the execution of the Group’s business strategies and maximize the effectiveness of its operation. In addition, Mr. SHI Feng, the deputy Chairman and an executive Director, will be a balance of power and authority for Mr. WONG as both the Chairman and the Chief Executive Officer.

On 31 January 2024, an individual resigned as the company secretary of the Company (the “**Company Secretary**”) which resulted in the non-compliance of the Company of Rule 3.28 of the Listing Rules. Immediately following the appointment of Sir Kwok Siu Man KR as the Company Secretary on 21 February 2024, the Company complies with the requirements of Rule 3.28 of the Listing Rules.

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 C3 to the Listing Rules (the “**Model Code**”) as its own code of conduct governing securities transactions by the Directors. Following a specific enquiry made by the Company with each of the Directors, all Directors have confirmed that they had complied with the required dealing standards set out in the Model Code and the Company’s code of conduct throughout FY2024.

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 2023/24 annual report and a circular containing the notice of the AGM will be despatched to the Shareholders and published on the above websites in due course in the manner as required by the Listing Rules.

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
WONG Lam Ping
*Chairman, Chief Executive Officer,
Executive Director and General Manager*

Hong Kong, 26 June 2024

As at the date of this announcement, the Board comprises eight Directors, including four executive Directors, namely Mr. WONG Lam Ping (Chairman, Chief Executive Officer and General Manager), Mr. SHI Feng (Deputy Chairman), Mr. WONG Lui and Ms. GAO Lan; one non-executive Director, Mr. CHAN Kin Sang; and three INEDs, namely Mr. XIE Gang, Mr. HE Dingding and Mr. WONG Ping Kuen.