

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



漢港控股
SINO HARBOUR HOLDINGS

Sino Harbour Holdings Group Limited

漢港控股集團有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 1663)

ANNOUNCEMENT OF UNAUDITED INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2024

HIGHLIGHTS

- During 1H 2024/25, the Group recorded revenue of approximately RMB451.3 million, mainly attributable to the delivery of residential units of Sino Harbour • Guanlan (漢港 • 觀瀾) Phase 2 in Yichun, the PRC.
- Gross profit margin in 1H 2024/25 was approximately 32.5%.
- Profit in 1H 2024/25 attributable to owners of the Company amounted to approximately RMB25.2 million.
- As at 30 September 2024, cash and bank balances were approximately RMB104.9 million and the Group’s net gearing ratio remained unchanged at 26.2% compared to that of 31 March 2024.

The board of directors (the “**Directors**” and the “**Board**”, respectively) of Sino Harbour Holdings Group Limited (the “**Company**”) announces the unaudited condensed consolidated interim results of the Company and its subsidiaries (collectively, the “**Group**”) for the six months ended 30 September 2024 (the “**1H 2024/25**”) with the comparative figures for the six months ended 30 September 2023 (the “**1H 2023/24**”) as follows:

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 September 2024

		Six months ended 30 September 2024	Six months ended 30 September 2023
	<i>Notes</i>	<i>RMB'000</i> (Unaudited)	<i>RMB'000</i> (Unaudited)
Revenue	3	451,331	351,405
Cost of sales		<u>(304,871)</u>	<u>(228,853)</u>
Gross profit		146,460	122,552
Other income	4	2,883	3,512
Selling and distribution expenses		(12,482)	(9,290)
Administrative expenses		<u>(24,779)</u>	<u>(31,976)</u>
Operating profit		112,082	84,798
Finance costs	5	<u>(9,075)</u>	<u>(1,455)</u>
Profit before income tax	5	103,007	83,343
Income tax expense	6	<u>(79,157)</u>	<u>(65,341)</u>
Profit for the period		23,850	18,002
Other comprehensive income (net of tax)			
<i>Item that may be reclassified subsequently to profit or loss:</i>			
Exchange differences on translation of financial statements of foreign operations		<u>(624)</u>	<u>(507)</u>
Other comprehensive income for the period		<u>(624)</u>	<u>(507)</u>
Total comprehensive income for the period		<u>23,226</u>	<u>17,495</u>

	Six months ended 30 September 2024	Six months ended 30 September 2023
<i>Notes</i>	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
Profit/(loss) for the period attributable to:		
Owners of the Company	25,202	20,197
Non-controlling interests	(1,352)	(2,195)
	<u>23,850</u>	<u>18,002</u>
Total comprehensive income attributable to:		
Owners of the Company	24,578	19,690
Non-controlling interests	(1,352)	(2,195)
	<u>23,226</u>	<u>17,495</u>
Earnings per share for profit attributable to owners of the Company during the period (in Renminbi (“RMB”) cents)		
Basic and diluted	8 <u>1.02</u>	<u>0.82</u>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2024

		As at 30 September 2024	As at 31 March 2024
	<i>Notes</i>	RMB'000 (Unaudited)	RMB'000 (Audited)
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment	9	50,992	56,334
Investment properties		1,536,990	1,536,990
Right-of-use assets		13,261	15,138
Financial assets at fair value through other comprehensive income		7,650	5,650
Deposit paid		4,171	4,171
Pledged deposits		5,500	5,500
Deferred tax assets		<u>38,275</u>	<u>38,275</u>
		<u>1,656,839</u>	<u>1,662,058</u>
Current assets			
Properties held under development		1,109,209	1,021,217
Properties held for sale		489,756	765,333
Prepayments and other receivables		510,475	572,182
Contract cost assets		2,549	5,049
Pledged deposits		41,643	48,773
Cash and bank balances		<u>104,927</u>	<u>184,415</u>
		<u>2,258,559</u>	<u>2,596,969</u>
Current liabilities			
Accounts payable	10	17,888	15,994
Accruals and other payables		316,108	239,711
Contract liabilities		520,132	929,002
Lease liabilities		9,598	9,598
Bank loans	11	68,450	68,450
Provision for tax		<u>375,869</u>	<u>323,306</u>
		<u>1,308,045</u>	<u>1,586,061</u>
Net current assets		<u>950,514</u>	<u>1,010,908</u>
Total assets less current liabilities		<u>2,607,353</u>	<u>2,672,966</u>

		As at 30 September 2024	As at 31 March 2024
	<i>Notes</i>	<i>RMB'000</i> (Unaudited)	<i>RMB'000</i> (Audited)
Non-current liabilities			
Bank loans	<i>11</i>	451,000	463,500
Lease liabilities		74,168	79,707
Deferred tax liabilities		119,421	119,421
		<u>644,589</u>	<u>662,628</u>
Net assets		<u>1,962,764</u>	<u>2,010,338</u>
EQUITY			
Equity attributable to owners of the Company			
Share capital	<i>12</i>	20,735	20,735
Reserves		1,737,715	1,713,137
		<u>1,758,450</u>	<u>1,733,872</u>
Non-controlling interests		<u>204,314</u>	<u>276,466</u>
Total equity		<u>1,962,764</u>	<u>2,010,338</u>

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 September 2024

	Unaudited									
	Equity attributable to owners of the Company									
	Share capital RMB'000	Share premium RMB'000	Statutory reserve RMB'000	Fair value through other comprehensive income reserve RMB'000	Property revaluation reserve RMB'000	Exchange reserve RMB'000	Retained profits RMB'000	Total RMB'000	Non-controlling interest RMB'000	Total equity RMB'000
As at 1 April 2024 (Audited)	20,735	565,212	144,164	(23,357)	58,500	(7,669)	976,287	1,733,872	276,466	2,010,338
Profit/(loss) for the period	-	-	-	-	-	-	25,202	25,202	(1,352)	23,850
Other comprehensive income										
Exchange differences on translation of financial statements of foreign operations	-	-	-	-	-	(624)	-	(624)	-	(624)
Total comprehensive income for the period	-	-	-	-	-	(624)	25,202	24,578	(1,352)	23,226
Dividend distribution to minority shareholder	-	-	-	-	-	-	-	-	(70,800)	(70,800)
As at 30 September 2024 (Unaudited)	20,735	565,212	144,164	(23,357)	58,500	(8,293)	1,001,489	1,758,450	204,314	1,962,764

	Unaudited									
	Equity attributable to owners of the Company									
	Share capital RMB'000	Share premium RMB'000	Statutory reserve RMB'000	Fair value through other comprehensive income reserve RMB'000	Property revaluation reserve RMB'000	Exchange reserve RMB'000	Retained profits RMB'000	Total RMB'000	Non-controlling interest RMB'000	Total equity RMB'000
As at 1 April 2023 (Audited)	20,735	565,212	142,909	(20,357)	58,500	(9,254)	925,089	1,682,834	297,514	1,980,348
Profit/(loss) for the period	-	-	-	-	-	-	20,197	20,197	(2,195)	18,002
Other comprehensive income										
Exchange differences on translation of financial statements of foreign operations	-	-	-	-	-	(507)	-	(507)	-	(507)
Total comprehensive income for the period	-	-	-	-	-	(507)	20,197	19,690	(2,195)	17,495
As at 30 September 2023 (Unaudited)	20,735	565,212	142,909	(20,357)	58,500	(9,761)	945,286	1,702,524	295,319	1,997,843

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 September 2024

	Six months ended 30 September 2024 RMB'000 (Unaudited)	Six months ended 30 September 2023 RMB'000 (Unaudited)
Net cash generated from/(used in) operating activities	84,859	(40,446)
Net cash generated from/(used in) investing activities	5,130	(7,719)
Net cash (used in)/generated from financing activities	<u>(104,470)</u>	<u>12,301</u>
Net decrease in cash and cash equivalents	(14,481)	(35,864)
Effect of foreign exchange rates, net	(407)	(507)
Cash and cash equivalents at beginning of the period	<u>88,215</u>	<u>99,603</u>
Cash and cash equivalents at end of the period	<u><u>73,327</u></u>	<u><u>63,232</u></u>

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL INFORMATION

The Company was incorporated in Bermuda on 5 January 2011 as an exempted company with limited liability under the Companies Act 1981 of Bermuda.

The registered office of the Company is located at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda and the principal place of business of the Company in Hong Kong is located at Room 1215, Tower B, Hunghom Commercial Centre, 37-39 Ma Tau Wai Road, Hunghom, Kowloon, Hong Kong.

The Company acts as an investment holding company and its subsidiaries are principally engaged in property development in the People's Republic of China (the "PRC" or "China").

2. BASIS OF PREPARATION AND PRINCIPAL ACCOUNTING POLICIES

The unaudited consolidated interim results of the Group for 1H 2024/25 (the "Unaudited Results") have been prepared in accordance with accounting principles generally accepted in Hong Kong, Hong Kong Accounting Standards ("HKASs") and Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") and the disclosure requirements of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules"). They have been prepared under the historical cost basis except for investment properties and financial assets at fair value through other comprehensive income, which are stated at fair value. The Unaudited Results do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the audited consolidated financial statements of the Group for the year ended 31 March 2024 (the "Year 2023/24").

The accounting policies used in the preparation of the Unaudited Results are consistent with those used in the annual financial statements for the Year 2023/24, except for the adoption of the standards, amendments and interpretations issued by the HKICPA mandatory for annual periods beginning on or after 1 April 2024.

The Group has initially adopted the following new and revised HKFRSs for the financial period beginning on or after 1 April 2024:

Amendments to HKAS 1	<i>Classification of Liabilities as Current or Non-current</i>
Amendments to HKAS 1	<i>Non-current Liabilities with Covenants</i>
Amendments to HKAS 7 and HKFRS 7	<i>Supplier Finance Arrangements</i>
Amendments to HKFRS 16	<i>Lease Liability in a Sale and Leaseback</i>

The effect of the adoption of these standards, amendments and interpretations was not material to the Group's results of operations or financial position.

3. SEGMENT REPORTING

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 executive Directors in order to allocate resources and assess performance of the segment. For the period presented, executive Directors considered the segment from a business perspective, including sale and leasing of self-constructed 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	
	1H 2024/25 RMB'000 (Unaudited)	1H 2023/24 RMB'000 (Unaudited)	1H 2024/25 RMB'000 (Unaudited)	1H 2023/24 RMB'000 (Unaudited)	1H 2024/25 RMB'000 (Unaudited)	1H 2023/24 RMB'000 (Unaudited)
Revenue from external customers	<u>446,127</u>	<u>344,362</u>	<u>5,204</u>	<u>7,043</u>	<u>451,331</u>	<u>351,405</u>
Segment profit/(loss) from operating activities	<u>123,140</u>	<u>105,638</u>	<u>(18,677)</u>	<u>(20,859)</u>	<u>104,463</u>	<u>84,779</u>
Unallocated expenses*					<u>(1,456)</u>	<u>(1,436)</u>
Profit before income tax					<u>103,007</u>	<u>83,343</u>
Income tax expense					<u>(79,157)</u>	<u>(65,341)</u>
Profit for the period					<u>23,850</u>	<u>18,002</u>
	As at 30 September 2024 RMB'000 (Unaudited)	As at 31 March 2024 RMB'000 (Audited)	As at 30 September 2024 RMB'000 (Unaudited)	As at 31 March 2024 RMB'000 (Audited)	As at 30 September 2024 RMB'000 (Unaudited)	As at 31 March 2024 RMB'000 (Audited)
Segment assets	<u>3,840,973</u>	4,155,527	<u>70,918</u>	102,540	<u>3,911,891</u>	4,258,067
Other corporate assets [#]					<u>3,507</u>	<u>960</u>
Total assets					<u>3,915,398</u>	<u>4,259,027</u>
Segment liabilities	<u>1,905,770</u>	2,213,954	<u>46,864</u>	34,675	<u>1,952,634</u>	2,248,629
Other corporate liabilities [#]					<u>-</u>	<u>60</u>
Total liabilities					<u>1,952,634</u>	<u>2,248,689</u>

* The unallocated expenses mainly consist of staff costs, Directors’ emoluments and exchange differences.

[#] The other corporate assets and liabilities mainly consist of corporate bank balances and dividend payable to owners of the Company.

Other segment information:

	Property Development		Others		Total	
	1H 2024/25	1H 2023/24	1H 2024/25	1H 2023/24	1H 2024/25	1H 2023/24
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Depreciation of property, plant and equipment	(1,539)	(2,018)	(3,586)	(7,126)	(5,125)	(9,144)
Depreciation of right-of-use assets	-	-	(1,877)	(362)	(1,877)	(362)
Interest income	479	2,284	-	14	479	2,298
Interest expenses	(8,621)	(1,199)	(454)	(256)	(9,075)	(1,455)

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 PRC, 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 six months ended 30 September 2024 and 2023.

4. OTHER INCOME

Other income recognised during the period are as follows:

	Six months ended 30 September 2024 <i>RMB'000</i> (Unaudited)	Six months ended 30 September 2023 <i>RMB'000</i> (Unaudited)
Other income		
Government grant	11	80
Interest income	479	2,298
Others	2,393	1,134
	<u>2,883</u>	<u>3,512</u>

5. PROFIT BEFORE INCOME TAX

	Six months ended 30 September 2024 <i>RMB'000</i> (Unaudited)	Six months ended 30 September 2023 <i>RMB'000</i> (Unaudited)
Profit before income tax is arrived at after charging/(crediting):		
Finance costs		
– Interest on bank loans wholly repayable within five years	15,632	15,461
– Interest on lease liabilities	3,144	256
Less: amount capitalised in properties held under development	(9,701)	(14,262)
	9,075	1,455
Cost of properties held for sale recognised as expense	280,861	206,863
Depreciation of property, plant and equipment	5,125	9,144
Depreciation of right-of-use assets	1,877	362
Staff costs, including Directors' emoluments		
– Wages and salaries	20,670	21,210
– Retirement benefit scheme contributions – defined contribution plans	2,613	2,385
Less: amount capitalised in properties held under development	–	(1,140)
	<u>23,283</u>	<u>22,455</u>

6. INCOME TAX EXPENSE

	Six months ended 30 September 2024 <i>RMB'000</i> (Unaudited)	Six months ended 30 September 2023 <i>RMB'000</i> (Unaudited)
Current tax – the PRC		
Enterprise Income Tax (“EIT”)	44,426	16,213
Land Appreciation Tax (“LAT”)	34,731	49,128
	79,157	65,341
Deferred income tax	–	–
Total income tax expense	<u>79,157</u>	<u>65,341</u>

EIT has been provided on the estimated profits of subsidiaries operating in the PRC at 25% (1H 2023/24: 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% (1H 2023/24: 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 HK\$2 million of the estimated assessable profits and at 16.5% on the estimated assessable profits above HK\$2 million (1H 2023/24: 8.25% on the first HK\$2 million of the estimated assessable profits and at 16.5% on the estimated assessable profits 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 periods.

7. DIVIDENDS

The Board has resolved not to declare the payment of an interim dividend to the shareholders of the Company (the "Shareholders") for 1H 2024/25 (1H 2023/24: nil).

8. EARNINGS PER SHARE

	Six months ended 30 September 2024 (Unaudited)	Six months ended 30 September 2023 (Unaudited)
Profit attributable to owners of the Company (in RMB thousands)	25,202	20,197
Weighted average number of ordinary shares for the purposes of calculating basic earnings per share (shares in thousands)	<u>2,464,000</u>	<u>2,464,000</u>
Basic earnings per share (in RMB cents)	<u><u>1.02</u></u>	<u><u>0.82</u></u>

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

9. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 September 2024, the Group did not acquire items of property, plant and equipment (1H 2023/24: RMB7,952,000).

10. ACCOUNTS PAYABLE

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

	30 September 2024 RMB'000 (Unaudited)	31 March 2024 RMB'000 (Audited)
Less than 3 months	5,584	4,697
3 months–6 months	1,886	2,247
6 months–1 year	1,368	489
More than 1 year	<u>9,050</u>	<u>8,561</u>
	<u>17,888</u>	<u>15,994</u>

11. BANK LOANS

	30 September 2024 RMB'000 (Unaudited)	31 March 2024 RMB'000 (Audited)
Current:		
– Portion of bank loans due for repayment within one year or on demand	68,450	68,450
Non-current:		
– Portion of bank loans due for repayment after one year	<u>451,000</u>	<u>463,500</u>
Total borrowings	<u>519,450</u>	<u>531,950</u>

12. SHARE CAPITAL

	<i>Number of shares</i>	<i>RMB'000</i>
Authorised:		
Ordinary shares of HK\$0.01 each		
As at 1 April 2023, 30 September 2023, 1 April 2024 and 30 September 2024	<u>4,500,000,000</u>	<u>37,401</u>
Issued and fully paid:		
Ordinary shares of HK\$0.01 each		
As at 1 April 2023, 30 September 2023, 1 April 2024 and 30 September 2024	<u><u>2,464,000,000</u></u>	<u><u>20,735</u></u>

MANAGEMENT DISCUSSION AND ANALYSIS

REVIEW OF FINANCIAL RESULTS IN 1H 2024/25 COMPARED TO 1H 2023/24

Revenue

	1H 2024/25 RMB'000 (Unaudited)	1H 2023/24 RMB'000 (Unaudited)
Revenue from contracts with customers under HKFRS 15		
Sales of properties held for sale	419,863	320,526
Chemistry, manufacturing and control related service income	–	1,947
Dental service income	5,204	5,096
	425,067	327,569
Revenue from other source		
Rental income	26,264	23,836
	451,331	351,405

Revenue in 1H 2024/25 was approximately RMB451.3 million compared to approximately RMB351.4 million in 1H 2023/24, an increase of 28.4%.

Revenue from sales of properties held for sale

Revenue in 1H 2024/25 was primarily derived from the delivery of residential units of Sino Harbour • Guanlan (漢港 • 觀瀾) Phase 2 in Yichun, China (the “**Guanlan Phase 2**”).

As the Group is primarily engaged in property development business, revenue recognition is dependent on the launch of new projects and completion of handover of properties that are sold. Consequently, revenue and profit for the Group looking across the quarters will appear irregular.

Cost of Sales and Gross Profit Margin

In line with an increase in revenue, cost of sales increased to approximately RMB304.9 million in 1H 2024/25 from approximately RMB228.9 million in 1H 2023/24. Gross profit margin decreased from 34.9% in 1H 2023/24 to 32.5% in 1H 2024/25.

Other Income

Other income decreased from approximately RMB3.5 million in 1H 2023/24 to approximately RMB2.9 million in 1H 2024/25. The decrease was mainly attributable to a decrease of interest income.

Selling and Distribution Expenses

Selling and distribution expenses increased from approximately RMB9.3 million in 1H 2023/24 to approximately RMB12.5 million in 1H 2024/25. The increase of selling and distribution expenses in 1H 2024/25 was mainly due to an increment in marketing expenses incurred for Sino Harbour • Guanlan located in Yichun, China.

Administrative Expenses

Administrative expenses decreased to approximately RMB24.8 million in 1H 2024/25 from approximately RMB32.0 million in 1H 2023/24. It was mainly due to the decrease of staff cost, depreciation expenses and utility expense.

Profit for 1H 2024/25

As a cumulative effect of the foregoing factors, the Group recorded a profit before income tax of approximately RMB103.0 million in 1H 2024/25, compared to approximately RMB83.3 million in 1H 2023/24.

Income tax expense increased from approximately RMB65.3 million in 1H 2023/24 to approximately RMB79.2 million in 1H 2024/25, which was mainly attributable to an increase in the LAT and EIT provision in line with an increase in profit in 1H 2024/25.

As a result, profit after income tax was approximately RMB23.9 million in 1H 2024/25, an increase of 32.5% from approximately RMB18.0 million in 1H 2023/24.

REVIEW OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2024

Properties Held Under Development

As at 30 September 2024, the Group's properties held under development increased to approximately RMB1,109.2 million from approximately RMB1,021.2 million as at 31 March 2024. The increase was due to the construction in Leping project.

Properties Held For Sale

Properties held for sale decreased to approximately RMB490.0 million as at 30 September 2024 from approximately RMB765.3 million as at 31 March 2024. The decrease was mainly due to the handover of property units of Guanlan Phase 2. The properties held for sale are transferred to cost of sales in line with the recognition of revenue upon the handover of properties.

Prepayments and Other Receivables

As at 30 September 2024, the Group's prepayments and other receivables decreased to approximately RMB510.5 million from approximately RMB572.2 million as at 31 March 2024. The decrease was mainly due to the prepayments paid to the contractors transferred to properties held under development of Leping project and the receipts from other receivables.

Contract Cost Assets

During the 1H 2024/25, the contract costs amortised related to the incremental sales commissions paid to property agents whose selling activities resulted in customers entering into sale and purchase agreements for the Guanlan Phase 2.

Accounts Payable, Accruals and Other Payables and Contract Liabilities

Accounts payable increased from approximately RMB16.0 million as at 31 March 2024 to approximately RMB17.9 million as at 30 September 2024, mainly due to an increase of the construction costs payable in 1H 2024/25.

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

Contract liabilities were the advance receipts from customers in respect of the deposits and prepayments for pre-sales of the Group's properties.

Accruals and other payables increased from approximately RMB239.7 million as at 31 March 2024 to approximately RMB316.1 million as at 30 September 2024. The increase was mainly due to an increase of the accrued construction cost and other payables of property project in Leping City.

Contract liabilities decreased from approximately RMB929.0 million as at 31 March 2024 to approximately RMB520.1 million as at 30 September 2024. The decrease was mainly due to the handover of the Guanlan Phase 2.

LIQUIDITY AND FINANCIAL RESOURCES

Cash Position

Cash and Bank Balances

In 1H 2024/25, the Group had recorded a net cash inflow of approximately RMB84.9 million (1H 2023/24: outflow of approximately RMB40.4 million) from operating activities, mainly attributable to the decrease of properties held for sales.

Net cash inflow from investing activities in 1H 2024/25 was approximately RMB5.3 million (1H 2023/24: outflow of approximately RMB7.7 million), which was mainly due to the decrease in pledged bank deposits.

Net cash outflow from financing activities in 1H 2024/25 was approximately RMB104.5 million (1H 2023/24: inflow of approximately RMB12.3 million), which was mainly attributable to the repayment of borrowings and finance cost and dividend distributed to minority shareholder.

As at 30 September 2024, the Group had cash and bank balances of approximately RMB104.9 million (31 March 2024: RMB184.4 million), which consisted of cash and cash equivalents of approximately RMB73.3 million (31 March 2024: RMB88.2 million) and bank balances restricted for construction work of approximately RMB31.6 million (31 March 2024: RMB96.2 million), of which most of them were denominated in RMB.

Bank Loans and Finance Cost

As at 30 September 2024, the Group had total borrowings of approximately RMB519.5 million, decreased from approximately RMB532.0 million as at 31 March 2024. The decrease mainly represented repayment of borrowings in 1H 2024/25. The Group's bank loans were denominated in RMB. The Group recorded approximately RMB15.6 million finance costs before capitalisation in FY2025Q2, which had increased from approximately RMB15.5 million in FY2024Q2. The increase was mainly attributable to the net effect of increase average total borrowing compared to FY2024Q2 and the decrease of effective interest rate.

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 30 September 2024, the Group's gearing ratio was 26.2% (31 March 2024: 26.2%). 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 borrowings. 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 borrowings 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 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 which are denominated in Hong Kong dollars ("HK\$"). 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

During 1H 2024/25, the Company had no material acquisition or disposal of assets, subsidiaries, associated companies or joint ventures.

SIGNIFICANT INVESTMENT

The Group did not hold any significant investment in 1H 2024/25 (1H 2023/24: nil).

CONTINGENT LIABILITIES

As at 30 September 2024, the Group had no significant contingent liabilities (31 March 2024: nil).

EMPLOYEE AND REMUNERATION POLICY

There were 306 employees in the Group as at 30 September 2024 (31 March 2024: 331). Staff remuneration packages are determined, taking the market conditions and the performance of the individuals concerned into consideration, and are subject to review from time to time. The Group also provides other staff benefits including medical insurance and discretionary incentive bonuses to eligible staff based on their performance and contributions to the Group. Employee costs, including Directors' emoluments, amounted to approximately RMB23.2 million in 1H 2024/25 (1H 2023/24: RMB23.6 million).

COMPANY UPDATE

Property Pre-sales

The results of property pre-sale launches (as at 26 November 2024) are summarised in the table below:

Residential Units

**Yichun
Sino Harbour •
Guanlan
Phase 2
(宜春漢港 •
觀瀾二期)**

Estimated total gross floor area (“GFA”) released for sale (total units)	223,643 sq.m. (1,920 units)
Estimated total GFA pre-sold (total units)	222,444 sq.m. (1,909 units)
Percentage of pre-sale	99%
Pre-sale GFA (units pre-sold) not handed over to buyers as at 30 September 2024 [^]	62,591 sq.m. (524 units)
Pre-sale value not handed over to buyers as at 30 September 2024 [^]	RMB494.5 million
Average selling price (“ASP”) per square metre*	RMB7,900
Expected completion date	Completed

[^]: Pre-sale value not handed over to buyers is computed as follows: Beginning period pre-sales plus new pre-sales during the period less those handed over to buyers during the period (Recognised as sales during the period).

*: ASP of the projects is computed as follows: Pre-sale value not handed over to buyers divided by pre-sale GFA not handed over to buyers.

FUTURE OUTLOOK

In the second half of 2024, the central government successively introduced several policies to boost the economy and loosened the real estate regulatory policies, continuing to implement the “region-specific regulatory policies” relaxation measures. The market atmosphere is expected to improve, providing positive support and injecting growth momentum into the Mainland real estate market.

With the global inflation slowing down, major economies are gradually entering a rate-cutting cycle, and the steadily declining interest rates are expected to optimise the financing of the real estate market and development environment of the industry. It is expected that the improving domestic real estate operating environment will lead to an improvement in sales performance in the second half of the year. The Group will seize the opportunities presented by the recovery of the domestic real estate market, optimising marketing and pricing according to strategies tailored to local conditions, keeping “Quality Projects, Reasonable Prices” as the base of its approach, actively promoting project sales to enhance the Group’s risk management capabilities, strengthen the Group’s cash flow, and achieve the Group’s goal on developing while maintaining stability.

Furthermore, the Group will continue to deepen the development of the “Big Health” business to diversify operational risks and seek new growth opportunities. During the period, the dentistry business performed well. The Group will strengthen the development planning of the dentistry business to ensure that the “Big Health” business can grow steadily.

Looking forward, the Group will continue to focus on real estate in the future, and at the same time, continue to actively expand the dentistry 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 the Shareholders.

DIVIDEND

The Board has resolved not to declare the payment of an interim dividend in respect of 1H 2024/25 (1H 2023/24: nil).

PURCHASE, SALE OR REDEMPTION OF COMPANY’S LISTED SECURITIES

The Company did not redeem any of its listed securities nor did the Company or any of its subsidiaries purchase or sell such securities in 1H 2024/25 (1H 2023/24: nil).

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 in the areas of internal control, fair disclosure and accountability to all Shareholders.

Save as disclosed below, the Company has applied the principles and complied with all the code provisions as stated in the section headed “Part 2 – Principles of good corporate governance, code provisions and recommended best practices” of the Corporate Governance Code contained in Appendix 14 to the Listing Rules (the “**CG Code**”) during 1H 2024/25.

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 of the Board (the “**Chairman**”), an executive Director (the “**ED**”) as well as the Company’s chief executive officer (the “**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 maximise the effectiveness of its operation. In addition, Mr. SHI Feng, the deputy Chairman and an ED, will be a balance of power and authority for Mr. WONG as both the Chairman and the Chief Executive Officer.

SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted a code of conduct regarding Directors’ securities transactions (the “**Own Code of Conduct**”) on terms no less exacting from the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as set out in Appendix 10 to the Listing Rules. In response to a specific enquiry made by the Company on each of the Directors, all Directors have confirmed that they had complied with the required standard set out in the Model Code and its Own Code of Conduct throughout 1H 2024/25.

AUDIT COMMITTEE AND REVIEW OF RESULTS

The audit committee of the Board (the “**Audit Committee**”) consists of three independent non-executive Directors (the “**INEDs**”), namely Mr. WONG Ping Kuen (*Chairman*), Mr. XIE Gang and Mr. HE Dingding. The Group’s unaudited condensed consolidated interim results for 1H 2024/25 were reviewed by the members of the Audit Committee before submission to the Board for approval.

CAUTION STATEMENT

The Board wishes to remind investors that the above unaudited interim results and operational statistics for 1H 2024/25 and 1H 2023/24 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
WONG Lam Ping
*Chairman, Chief Executive Officer,
Executive Director and General Manager*

Hong Kong, 28 November 2024

As at the date of this announcement, the Board comprises eight Directors, including four EDs, 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, namely Mr. CHAN Kin Sang; and three INEDs, namely Mr. XIE Gang, Mr. HE Dingding and Mr. WONG Ping Kuen.