



PAN HONG HOLDINGS GROUP LIMITED

(Incorporated in Bermuda on 20 December 2005)

(Co. Reg. No: 37749)

FULL YEAR FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR THE YEAR ENDED 31 MARCH 2018

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2, Q3 & Q4), HALF-YEAR AND FULL YEAR RESULTS

1(a) An income statement (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year.

RMB'000	Group		Increase/ (Decrease)
	Year ended 31 March 2018	Year ended 31 March 2017	
CONTINUING OPERATIONS			
Revenue	386,842	708,918	(45.4%)
Cost of sales	(331,186)	(578,188)	(42.7%)
Gross profit	55,656	130,730	(57.4%)
Other income and other gains and losses	11,348	2,904	290.8%
Selling and distribution expenses	(9,397)	(9,417)	(0.2%)
Administrative expenses	(18,789)	(14,739)	27.5%
Operating profit	38,818	109,478	(64.5%)
Finance costs	(2,475)	(2,251)	10.0%
Profit before income tax	36,343	107,227	(66.1%)
Income tax expense	(12,614)	(38,156)	(66.9%)
Profit for the year from continuing operations	23,729	69,071	(65.6%)
DISCONTINUED OPERATIONS			
Profit for the year from discontinued operations	17,913	73,674	(75.7%)
Profit for the year	41,642	142,745	(70.8%)
Other comprehensive income, net of tax			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of financial statements of foreign operations	27,756	(6,887)	503.0%
Reclassification adjustments for foreign operations discontinued during the year	(16,725)	-	NM
Other comprehensive income for the year	11,031	(6,887)	260.2%
Total comprehensive income for the year	52,673	135,858	(61.2%)
Profit for the year attributable to:			
Owners of the Company			
-from continuing operations	24,558	62,685	(60.8%)
-from discontinued operations	20,292	38,252	(47.0%)
	44,850	100,937	(55.6%)
Non-controlling interests	(3,208)	41,808	(107.7%)
	41,642	142,745	(70.8%)
Total comprehensive income attributable to:			
Owners of the Company			
-from continuing operations	38,802	56,365	(31.2%)
-from discontinued operations	13,438	37,838	(64.5%)
	52,240	94,203	(44.5%)
Non-controlling interests	433	41,655	(99.0%)
	52,673	135,858	(61.2%)
Earnings per share for profit attributable to the owners of the Company during the year (in RMB cents):			
- Basic and diluted	8.75	19.70	
Earnings per share for profit attributable to the owners of the Company during the year from continuing operations (in RMB cents):			
- Basic and diluted	4.79	12.24	

NM: Not meaningful



Note:

RMB'000	Group	
	Year ended 31 March 2018	Year ended 31 March 2017
Profit before income tax from continuing operations is arrived at after charging/(crediting):		
Interest charges on financial liabilities stated at amortised cost		
- Bank loans wholly repayable within five years	3,624	6,475
Less: amount capitalised in properties held under development	(1,149)	(4,224)
	2,475	2,251
Depreciation of property, plant and equipment	842	1,906
Less: amount capitalised in properties held under development	(20)	(398)
	822	1,508
Cost of properties held for sale recognised as expense	316,942	555,146
Operating lease charge in respect of land and buildings	164	187
Less: amount capitalised in properties held under development	(39)	(54)
	125	133
Outgoings in respect of investment properties that generated rental income during the year	98	54
Employee costs, including directors' remuneration		
- Wages and salaries	9,746	10,269
- Retirement benefit scheme contributions - defined contribution plans	1,180	1,715
Less: amount capitalised in properties held under development	(1,689)	(2,696)
	9,237	9,288
and crediting/(charging):		
Exchange gain, net	91	98
Net fair value loss for financial assets at fair value through profit or loss	(3,263)	(1,663)
Net fair value change of investment properties	348	632
Interest income		
- from bank deposits	4,227	715
- from structured bank balances	4,051	913
- from other receivables	4,609	1,600
Rental income	975	377
Loss on disposal of property, plant and equipment	-	(1)
Sundry income	310	233



1(b)(i) A balance sheet (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

	Group		Company	
	Year ended 31 March 2018	Year ended 31 March 2017	Year ended 31 March 2018	Year ended 31 March 2017
RMB'000				
ASSETS AND LIABILITIES				
Non-current assets				
Property, plant and equipment	37,038	76,533	-	-
Investment properties	20,841	557,247	-	-
Investments in subsidiaries	-	-	278,608	564,060
Interests in joint ventures	-	184,764	-	-
Interests in associates	-	5,673	-	-
Other financial assets	20,000	28,627	20,000	20,000
Financial assets at fair value through profit or loss	-	7,070	-	-
Long-term pledged deposits	-	5,500	-	-
Deferred tax assets	6,790	22,810	-	-
	84,669	888,224	298,608	584,060
Current assets				
Properties held under development	788,559	1,721,126	-	-
Properties held for sale	130,596	790,884	-	-
Accounts receivable	1,410	3,077	-	-
Prepayments and other receivables	157,168	405,928	113	116
Amounts due from subsidiaries	-	-	328,892	328,892
Financial assets at fair value through profit or loss	8,077	11,327	-	-
Held-to-maturity investments	90,303	-	-	-
Tax recoverable	7,765	25,647	-	-
Structured bank balances	50,000	120,100	-	-
Pledged deposits	109,629	373,488	-	-
Cash and bank balances	202,198	288,122	161	131
	1,545,705	3,739,699	329,166	329,139
Current liabilities				
Accounts payable	7,462	92,172	-	-
Accruals, receipts in advance and other payables	797,951	1,090,430	899	276
Current tax liabilities	58,013	171,837	-	-
Amounts due to related parties	11,352	33,006	326,064	312,922
Bank and other loans	100,407	332,253	-	-
	975,185	1,719,698	326,963	313,198
Net current assets	570,520	2,020,001	2,203	15,941
Total assets less current liabilities	655,189	2,908,225	300,811	600,001
Non-current liabilities				
Bank and other loans	-	604,565	-	-
Deferred tax liabilities	3,748	83,697	-	-
	3,748	688,262	-	-
Net assets	651,441	2,219,963	300,811	600,001
EQUITY				
Equity attributable to the Company's owners				
Share capital	52,241	313,446	52,241	313,446
Reserves	593,544	1,319,212	248,570	286,555
	645,785	1,632,658	300,811	600,001
Non-controlling interests	5,656	587,305	-	-
Total equity	651,441	2,219,963	300,811	600,001



1(b)(ii) Aggregate amount of group's borrowings and debt securities. Amount repayable in one year or less, or on demand

Amount repayable in one year or less, or on demand

Year ended 31 March 2018		Year ended 31 March 2017	
Secured	Unsecured	Secured	Unsecured
RMB'000	RMB'000	RMB'000	RMB'000
100,407	-	332,253	-

Amount repayable after one year

Year ended 31 March 2018		Year ended 31 March 2017	
Secured	Unsecured	Secured	Unsecured
RMB'000	RMB'000	RMB'000	RMB'000
-	-	604,565	-

Details of any collateral

Bank loans of approximately RMB 8,576,000 were secured by the Group's property, plant and equipment as at 31 March 2018. Bank loans of approximately RMB 91,831,000 were mainly secured by deposits of RMB103,500,000 which were classified as pledged deposits as at 31 March 2018.



1(c) A statement of cash flow (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

RMB'000

	Group	
	Year ended 31 March 2018	Year ended 31 March 2017
Cash flows from operating activities		
Profit before income tax		
From continuing operations and discontinued operations	94,370	230,191
Adjustments for:		
Interest income	(22,087)	(8,184)
Interest expense	7,588	8,139
Depreciation of property, plant and equipment	3,677	4,561
Amortisation of an intangible asset	600	-
Loss on disposal of property, plant and equipment	91	1
Share of results of an associate	1,315	414
Share of results of joint ventures	501	500
Net fair value loss/(gain) for financial assets at fair value through profit or loss	2,643	(629)
Fair value adjustment on investment properties	(14,675)	(31,174)
Impairment loss on other financial assets	360	-
Operating profit before working capital changes	74,383	203,819
(Increase)/decrease in properties held under development and properties held for sale	(44,502)	550,286
(Increase)/decrease in accounts and other receivables and prepayments	(251,711)	141,177
Increase in financial assets at fair value through profit or loss	-	(10,028)
Increase/(decrease) in accounts and other payables, accruals and receipts in advance	181,928	(326,318)
Cash (used in)/generated from operations	(39,902)	558,936
Interest received	22,087	8,184
Income taxes paid	(34,487)	(93,731)
<i>Net cash (used in)/generated from operating activities</i>	<i>(52,302)</i>	<i>473,389</i>
Cash flows from investing activities		
Purchases of property, plant and equipment	(15,727)	(746)
Proceeds from disposals of property, plant and equipment	51	1
Purchase of other financial assets	(21,890)	(8,627)
Proceeds from disposal of other financial assets	1,800	-
Purchase of held-to-maturity investments	(90,303)	-
Decrease/(increase) in structured bank balances	70,100	(120,100)
Decrease in pledged deposits with original maturity over three months	38,977	28,872
<i>Net cash used in investing activities</i>	<i>(16,992)</i>	<i>(100,600)</i>
Cash flows from financing activities		
Proceeds from shares issued to non-controlling interests by subsidiary	-	400
(Repayment to)/advance from a related company	(21,640)	2,758
Proceeds from new borrowings	728,098	398,918
Repayment of borrowings	(403,282)	(548,965)
Advance to a joint venture	(2)	-
Distributions to non-controlling interests by subsidiary	(5,887)	(39,578)
Net cash outflow on distribution in specie	(222,147)	-
Dividend paid	(25,202)	(62,257)
Interest paid	(65,679)	(58,361)
<i>Net cash used in financing activities</i>	<i>(15,741)</i>	<i>(307,085)</i>
Net (decrease)/increase in cash and cash equivalents	(85,035)	65,704
Effect of foreign exchange difference	(889)	665
Cash and cash equivalents at beginning of the year	288,122	221,753
Cash and cash equivalents at end of the year	202,198	288,122



1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalization issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

The Group	Equity attributable to owners of the Company										Non-controlling interests	Total equity
	Share capital	Treasury shares	Share premium	Merger reserve	Statutory reserve	Capital reserve	Other reserve	Exchange reserve	Retained earnings	Total		
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 1 April 2016	313,446	(12,817)	203,250	(2,243)	88,385	3,838	87,128	(12,580)	932,305	1,600,712	584,828	2,185,540
Transactions with owners												
Dividend declared	-	-	-	-	-	-	-	-	(62,257)	(62,257)	-	(62,257)
Distributions to non-controlling interests	-	-	-	-	-	-	-	-	-	-	(39,578)	(39,578)
Capital contribution to a subsidiary	-	-	-	-	-	-	-	-	-	-	400	400
	-	-	-	-	-	-	-	-	(62,257)	(62,257)	(39,178)	(101,435)
Profit for the year	-	-	-	-	-	-	-	-	100,937	100,937	41,808	142,745
Other comprehensive income												
Exchange differences on translation of financial statements of foreign operations	-	-	-	-	-	-	-	(6,734)	-	(6,734)	(153)	(6,887)
Total comprehensive income for the year	-	-	-	-	-	-	-	(6,734)	100,937	94,203	41,655	135,858
Transfer to statutory reserves	-	-	-	-	12,144	-	-	-	(12,144)	-	-	-
At 31 March 2017 and 1 April 2017	313,446	(12,817)	203,250	(2,243)	100,529	3,838	87,128	(19,314)	958,841	1,632,658	587,305	2,219,963
Transactions with owners												
Dividend declared	-	-	-	-	-	-	-	-	(25,202)	(25,202)	-	(25,202)
Dividend by way of distribution in specie of subsidiaries	-	-	-	-	-	-	-	-	(1,013,911)	(1,013,911)	(588,195)	(1,602,106)
Capital reduction	(261,205)	-	(203,250)	-	-	-	-	-	464,455	-	-	-
Transfer upon distribution in specie of subsidiaries	-	-	-	-	(70,236)	-	-	-	70,236	-	-	-
Distributions to non-controlling interests	-	-	-	-	-	-	-	-	-	-	(5,887)	(5,887)
Capital contribution to a subsidiary	-	-	-	-	-	-	-	-	-	-	12,000	12,000
	(261,205)	-	(203,250)	-	(70,236)	-	-	-	(504,422)	(1,039,113)	(582,082)	(1,621,195)
Profit for the year	-	-	-	-	-	-	-	-	44,850	44,850	(3,208)	41,642
Other comprehensive income												
Exchange differences on translation of financial statements of foreign operations	-	-	-	-	-	-	-	24,115	-	24,115	3,641	27,756
Reclassification adjustments relating to distribution of subsidiaries during the year	-	-	-	-	-	-	-	(16,725)	-	(16,725)	-	(16,725)
Total comprehensive income for the year	-	-	-	-	-	-	-	7,390	44,850	52,240	433	52,673
Transfer to statutory reserves	-	-	-	-	5,075	-	-	-	(5,075)	-	-	-
At 31 March 2018	52,241	(12,817)	-	(2,243)	35,368	3,838	87,128	(11,924)	494,194	645,785	5,656	651,441

Company	Share capital	Treasury shares	Share premium	Contributed surplus	Retained earnings	Total
RMB'000						
At 31 March 2016 and 1 April 2016	313,446	(12,817)	203,250	59,579	30,821	594,279
Dividend declared	-	-	-	-	(62,257)	(62,257)
Profit for the year	-	-	-	-	67,979	67,979
At 31 March 2017 and 1 April 2017	313,446	(12,817)	203,250	59,579	36,543	600,001
Dividend declared	-	-	-	-	(25,202)	(25,202)
Capital reduction	(261,205)	-	(203,250)	-	464,455	-
Transfer upon distribution in specie of a subsidiary	-	-	-	-	(285,452)	(285,452)
Profit for the year	-	-	-	-	11,464	11,464
At 31 March 2018	52,241	(12,817)	-	59,579	201,808	300,811

- 1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on.**

State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares and the number of subsidiary holdings, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

SHARE CAPITAL

	Number of shares	RMB'000
Authorised:		
Ordinary shares		
At 1 April 2016 and 31 March 2017	850,000,000	517,374
Capital Reduction (note)	-	(431,145)
At 31 March 2018	850,000,000	86,229
Issued and fully paid:		
Ordinary shares		
At 1 April 2016 and 31 March 2017	518,855,024	313,446
Capital Reduction (note)	-	(261,205)
At 31 March 2018	518,855,024	52,241

Note:

The Company had obtained Shareholders' approval at a Special General Meeting of the Company held on 8 February 2018 for the reduction of the issued and paid-up share capital of the Company by cancelling the paid-up share capital of the Company to the extent of HK\$0.50 on each of the shares with a par value of HK\$0.60 in the share capital of the Company in issue ("Capital Reduction") with effect from 26 February 2018 or such other date as the Directors of the Company may determine in accordance with the Companies Act 1981 of Bermuda, and each issued share with a par value of HK\$0.60 shall be treated as one (1) fully paid up share with a par value of HK\$0.10. The Capital Reduction took effect from 26 February 2018.

There are no subsidiary holdings at the beginning and the end of the period.

- 1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.**

The total number of issued ordinary shares as at 31 March 2018 was 518,855,024 (31 March 2017: 518,855,024), of which 6,544,000 (31 March 2017: 6,544,000) were held by the Company as treasury shares.

- 1(d)(iv) A statement showing all sales, transfers, cancellation and/or use of treasury shares as at the end of the current financial period reported on.**

NIL

- 1(d)(v) A statement showing all sales, transfer, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.**

NIL

2. Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.

The figures have not been audited or reviewed by the Company's auditors.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).

Not applicable.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

The Group had applied the same accounting policies and methods of computation in the financial statements for the current reporting period as in those of the audited financial statement for the year ended 31 March 2017.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

The Group has adopted the new and revised International Financial Reporting Standards (IFRSs) which became effective for financial periods beginning on 1 April 2017. The adoption of these new and amended IFRSs did not give rise to significant change to the financial statements.

6. Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

	FY 2018	FY 2017
Earnings per share for profit attributable to the owners of the Company during the year (in RMB cents):		
- Basic and diluted	8.75	19.70
Earnings per share for profit attributable to the owners of the Company during the year from continuing operations (in RMB cents):		
- Basic and diluted	4.79	12.24

Note:

The calculation of basic earnings per share was based on the profit attributable to equity holders of the Company of approximately RMB44,850,000 (2017: RMB100,937,000) divided by the weighted average of 512,311,024 ordinary shares (excluding treasury shares) ("Denominators") (2017: the weighted average of 512,311,024) during the year.

Basic earnings per share for continuing operations for the year is RMB4.79 cents (2017: RMB12.24 cents), based on the profit for the year from continuing operations of RMB24,558,000 (2017: RMB62,685,000) divided by the Denominators.

Basic earnings per share for discontinued operations for the year is RMB3.96 cents (2017: RMB7.47 cents), based on the profit for the year from discontinued operations of RMB20,292,000 (2017: RMB38,252,000) divided by the Denominators.

Diluted earnings per share for the year is the same as the basic earnings per share as there is no dilutive potential share (2017: Nil).

7. Net asset value (for the issuer and group) per ordinary share based on of the total number of issued shares excluding treasury shares of the issuer at the end of the:

- (a) current financial period reported on; and
(b) immediately preceding financial year.

	Group		Company	
	Year ended 31 March 2018	Year ended 31 March 2017	Year ended 31 March 2018	Year ended 31 March 2017
Net asset value per ordinary share (in RMB cents)	127.16	433.32	58.72	117.12

- (1) The number of ordinary shares of the Company as at 31 March 2018 was 512,311,024 (excluding treasury shares) (31 March 2017: 512,311,024).
- (2) For information purposes, the net asset value per ordinary share attributable to the Company's owners of the Group (excluding non-controlling interests) as at 31 March 2018 was RMB126.05 cents (31 March 2017: RMB318.68 cents).

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:

- (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and
(b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period report on.

(a) REVIEW OF FINANCIAL RESULTS FOR THE YEAR ENDED 31 MARCH 2018 ("FY2018") COMPARED TO THE PREVIOUS CORRESPONDING YEAR ENDED 31 MARCH 2017 ("FY2017")

The Shareholders of the Company had approved a distribution, satisfied by a dividend in specie of 1,800,000,000 fully-paid ordinary shares with a par value of HK\$0.01 each in the share capital of Sino Harbour Holdings Group Limited ("Sino Harbour Shares") held by the Company in proportion to their respective shareholdings in the Company, on the basis of 3.51349 Sino Harbour Shares for each share of the Company held by an entitled shareholder as at the Books Closure Date on 6 March 2018, fractional entitlements to be disregarded ("Distribution"). The Company held approximately 73.05% of the issued capital of Sino Harbour Holdings Group Limited ("Sino Harbour") prior to the completion of the Distribution.

The Distribution by the Company was recognised at the carrying amount of the net assets of Sino Harbour and its subsidiaries (collectively referred to as "Sino Harbour Group") attributable to the owners of Company as the directors of the Company considered that Sino Harbour was ultimately under the control of the same party before and after the Distribution. Sino Harbour Group is engaged in property development.

Upon the completion of the Distribution on 29 March 2018, the Group ceased to hold any shares in Sino Harbour Group and Sino Harbour Group ceased to be subsidiaries of the Company. Sino Harbour Group's profit the period from 1 April 2017 to 29 March 2018 (immediately before completion of the Distribution) was presented as ("Discontinued Operation") in the consolidated financial statements and the comparative figures were restated accordingly.

Revenue

RMB'000	Year ended 31 March 2018	Year ended 31 March 2017
Revenue		
Residential	357,112	690,986
Commercial and others	29,730	17,932
	386,842	708,918

The Group's revenue in FY2018 was RMB386.8 million compared to RMB708.9 million in FY2017, there was a decrease of 45.4%. The decrease was mainly attributable to less handover of property units of Pan Hong Run Yuan (汎港潤園) Phase 1 and Huzhou Hua Cui Ting Yuan (湖州華萃庭院) 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 sold properties. Consequently, revenue and profit for the Group looking across quarters will appear irregular.

Cost of Sales and Gross Profit Margin

In line with the decrease in revenue, cost of sales decreased from RMB578.2 million in FY2017 to RMB331.2 million in FY2018 due to less handover of residential units.

The decrease in gross profit margin from 18.4% in FY2017 to 14.4% in FY2018 was mainly due to the increase of handover of commercial and others units in FY2018.

Other Income and Other Gains and Losses

Other income and other gains and losses increased by 290.8% from RMB2.9 million in FY2017 to RMB11.3 million in FY2018. It was due to the net effect of the increase of interest income of bank deposits and other receivables from RMB3.2million in FY2017 to RMB12.9million in FY2018, and the net fair value loss for financial assets at fair value through profit or loss increase from RMB 1.7million in FY2017 to RMB 3.3million.

Administrative Expenses

Administrative expenses increased by 27.5% from RMB 14.7million in FY2017 to RMB18.8 million in FY2018. It was mainly due to legal and professional fees and related expenses incurred for the Distribution and the filing of appeal for the compensation from the Bureau of Land Resources of Huzhou in relation to Taihu Meixi Land construction project which was hindered due to discovery of cultural buildings.

Finance Costs

The increase in finance costs from RMB2.3 million in FY2017 to RMB2.5 million in FY2018 was attributable to an increase in interest expenses which were not capitalised in properties held under development during the financial year.

Income Tax Expense

Income tax expense decreased from RMB38.2 million in FY2017 to RMB12.6 million in FY2018. The decrease was mainly attributable to lesser profits in FY2018.

Profit for the Year From Continuing Operations

As a result of the foregoing factors, the Group recorded a decrease of 65.6% profit after tax of RMB23.7 million in FY2018 from RMB69.1 million in FY2017.

Profit for the Year From Discontinued Operations

The consolidated profit for the period from 1 April 2017 to 29 March 2018 from the discontinued operations

	For the period from 1 April 2017 to 29 March 2018 RMB'000	For the year ended 31 March 2017 RMB'000
Discontinued operations		
Revenue	134,082	693,512
Cost of sales	(89,321)	(559,414)
Gross profit	44,761	134,098
Other income and other gains and losses	62,996	53,929
Selling and distribution expenses	(10,776)	(17,920)
Administrative expenses	(48,750)	(40,341)
Operating profit	48,231	129,766
Finance costs	(5,113)	(5,888)
Share of results of joint ventures	(501)	(500)
Share of results of an associate	(1,315)	(414)
Profit before income tax	41,302	122,964
Income tax expense	(40,114)	(49,290)
Profit after tax	1,188	73,674
Gain on reclassification of foreign currency translation reserve from equity to profit or loss in relation to the Sino Harbour Group	16,725	-
Profit for the period	17,913	73,674

Exchange Differences on Translation of Financial Statements of Foreign Operations

Exchange differences on translation of financial statements of foreign operations change adversely from loss of RMB 6.9 million in FY2017 to gain of RMB27.8 million in FY2018. The increase was mainly due to higher translation gain as a result of the translation of the Group's subsidiaries which were denominated in Hong Kong Dollar during the financial year.

Reclassification adjustment for foreign operations discontinued during the year was due to the reclassification of foreign exchange reserve of Sino Harbour Group from equity to profit or loss in relation to the Distribution.

Total Comprehensive Income for the Year

As a cumulative effect of the above factors, the Group recorded a total comprehensive income for the year of RMB52.7 million in FY2018, compared to a total comprehensive income for the year of RMB135.9 million in FY2017.

(b) REVIEW OF FINANCIAL POSITION AS AT 31 MARCH 2018 AND CASH FLOW FOR FY2018
Property, Plant and Equipment

As at 31 March 2018, the Group had property, plant and equipment of RMB37.0 million, compared to RMB76.5 million as at 31 March 2017, the decrease was due to the net effect of increase contributed by the transfer from properties held for sale of RMB17.6 million and the decrease of RMB67.6 million due to the Distribution.

Investment Properties

As at 31 March 2018, the Group had investment properties of RMB20.8 million, compared to RMB557.2 million as at 31 March 2017. The decrease was attributable to the the Distribution.

Other Financial Assets

Other financial assets decreased from RMB28.6 million as at 31 March 2017 to RMB 20 million as at 31 March 2018. The decrease was attributable to the Distribution.

Financial Assets at Fair Value Through Profit or Loss

Non-current assets relating to the financial assets at fair value through profit or loss which were in respect of the option granted for the resale of the entire equity interests of an associate and the contingent consideration receivable in relation to the investment in equity interests of the associate. The decrease from RMB7.0 million as at 31 March 2017 to nil as at 31 March 2018 was mainly attributable to the Distribution.

Current assets relating to the financial assets at fair value through profit or loss included listed equity securities in Hong Kong and the PRC, decreased to RMB8.1 million as at 31 March 2018 from RMB11.3 million as at 31 March 2017. The decrease was mainly attributable to the net fair value loss during the financial year.

Held-To-Maturity Investments

As at 31 March 2018, the Group had a held-to-maturity investment which bore interest rate ranging from 4.3% to 4.6% per annum and had maturity up to one month.

Properties Held Under Development

The Group's properties held under development decreased by RMB932.5 million from RMB1,721.1 million as at 31 March 2017 to RMB 788.6 million as at 31 March 2018. The decrease was mainly attributable to the net effect of the increase due to the construction progress of property projects such as Pan Hong Run Yuan Phase 2 and Pan Hong Run He (汎港潤合) and the decrease due to the Distribution.

Properties Held for Sale

Properties held for sale decreased from RMB790.9 million as at 31 March 2017 to RMB130.6 million as at 31 March 2018, mainly due to sales of properties of Huzhou Hua Cui Ting Yuan Phase 2 and Pan Hong Run Yuan Phase 1 and the Distribution of Sino Harbour Group.

Prepayments and Other Receivables

The Group's prepayments and other receivables decreased from RMB405.9million as at 31 March 2017 to RMB157.2 million as at 31 March 2018. The decrease of RMB 248.8 million was mainly due to the net effect of the re-classification of the prepaid land use rights of Pan Hong Run He which amounting to RMB 217 million to property held under development and the prepayments to the contractors for the construction of the Group's projects.

Tax Recoverable

Tax recoverable decreased from approximately RMB25.6 million as at 31 March 2017 to approximately RMB7.8 million as at 31 March 2018 mainly due to the Distribution.

Pledged Deposits

Long-term and short-term pledged deposits decreased from RMB379.0 million as at 31 March 2017 to RMB109.6million as at 31 March 2018. The decrease was mainly due to the decrease in deposits pledged and secured against the banking facilities granted to the mortgages and the Distribution.

Accounts Payable, Accruals, Receipts in Advance and Other Payables

Accounts payable decreased to RMB7.5 million as at 31 March 2018 from RMB92.2 million as at 31 March 2017 mainly due to the Distribution and the decrease in the amounts payable to suppliers for construction costs incurred in respect of the Group's properties held under development.

Accruals, receipts in advance and other payables decreased from RMB1,090.4 million as at 31 March 2017 to RMB798.0 million as at 31 March 2018.

Accruals, receipts in advance and other payables comprised mainly of advance receipts from customers in respect of the Group's property pre-sales, accrued construction costs and project-related expenses that were based on the progress of the project development but were not due for payment as well as guarantee deposits by the subcontractor as at 31 March 2018.

The decrease in accruals, receipts in advance and other payables was mainly due to the net effect of the (i) the increase in advance receipts from the customers of Pan Hong Run Yuan Phase 2, (ii) decrease in advance receipts from the customers of Pan Hong Run Yuan Phase 1 and Huzhou Hua Cui Ting Yuan Phase 2 upon the handover and recognition of sale of properties, and (iii) the Distribution.

Current tax liabilities

Current tax liabilities decreased from RMB171.8 million as at 31 March 2017 to RMB 58.0 million as at 31 March 2018. The decrease was mainly attributable to the Distribution and the repayment of tax liabilities during the financial year.

Amounts Due to Related Parties

Amounts due to related parties decreased from RMB33.0 million as at 31 March 2017 to RMB11.4 million as at 31 March 2018. The decrease was mainly attributable to repayment to non-controlling interests of a subsidiary.

Bank Loans

As at 31 March 2018, the Group had total borrowings of RMB100.4 million, a decrease from RMB936.8 million as at 31 March 2017, mainly due to the Distribution.

Bank loans of approximately RMB8.6 million were secured by the Group's property, plant and equipment as at 31 March 2018. Bank loans of approximately RMB91.8 million were mainly secured by deposits of RMB103.5 million which were classified as Pledged deposits as at 31 March 2018.

Based on the Group's total equity of RMB651.4 million and deposit collateral of RMB103.5 million, the Group recorded a gearing ratio (total bank and other loans/ total equity) of 15.4% as at 31 March 2018, compared to 42.2% as at 31 March 2017.

Deferred Tax Liabilities

Deferred tax liabilities decreased from RMB83.7 million as at 31 March 2017 to RMB3.7 million as at 31 March 2018, mainly due to the Distribution.

Cash Flow Analysis

In FY2018, the Group recorded RMB52.3 million of net cash used in operating activities which was mainly due to the net effect of advance receipts from customers for pre-sale of properties and the progress payment for the construction.

Net cash used in investing activities in FY2018 amounted to RMB17.0 million, mainly due to the net effect of the purchase of held to maturity investment and other financial asset.

Net cash used in financing activities in FY2018 amounted to RMB15.7 million, mainly due to net

effect of the net increase of bank borrowings and the disposal of subsidiaries due to the Distribution.

As at 31 March 2018, the Group had cash and cash equivalents of RMB202.2 million.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

The financial results for the year ended 31 March 2018 is in line with the statement made in Paragraph 10 disclosed in its previous results announcement. There was no forecast or prospect statement previously disclosed to shareholders.

10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

Industry Outlook

The property market in the PRC has been improving gradually as evidenced by official data published by the National Bureau of Statistics. Official data indicated that new home prices recorded a month-on-month increase in March and April 2018 of 55 and 58 out of a statistical pool of 70 major PRC cities respectively. On a year-on-year basis, 59 out of the 70 cities recorded higher prices in April 2018.

In recent months, the PRC Central government has emphasised on the use of residential properties for owner occupation rather than investment purposes. The local governments have also continued to control housing prices to prevent the formation of bubbles and to cut excess real estate inventories concurrently. Due to such policy headwinds, the Group believes that a negative impact on the overall real estate industry is inevitable in the short term but it should be positive from a long-term macro perspective.

Company Update

Property Pre-sales

The cumulative results for the pre-sale and delivery of properties under each project up to 18 May 2018 are summarized as follows:

Residential Units

	Pan Hong Run Yuan Phase 2	Pan Hong Run He
Est. total GFA released for sale (total units)	96,720 sq.m. (750 units)	31,682 sq.m. (292 units)
Est. total GFA pre-sold (total units)	94,837 sq.m. (737units)	28,054 sq.m. (267 units)
Percentage of pre-sold	98%	89%
Pre-sale GFA (units pre-sold) not handed over to buyers as at 31 March 2018 ^	94,837 sq.m. (737units)	28,054 sq.m. (267 units)
Pre-sale value not handed over to buyers as at 31 March 2018 ^ (RMB)	820.9 million	246.5 million
ASP per sq m*	RMB 8,656	RMB 8,788

Expected completion date	CY2019 Q2	CY2020 Q2
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*: Average Sales Price ("ASP") of the projects is computed as follows: Pre-sale value not handed over to buyer divided by Pre-sale GFA not handed over to buyer.

^: Pre-sale value not handed over to buyer is computed as follows: Beginning period pre-sales plus New pre-sales during the period less those handed over to buyers as at 31 March 2018.

Company Strategies

Focusing on pre-sales and quickening its pace of property development will continue to be the key strategies of the Group. The Group will continue seeking opportunities to acquire land parcels in second- to third-tier cities and consider expanding its property investments portfolio to provide more stable returns through rental income in the longer term.

The Group may also consider exploring suitable business opportunities to broaden its revenue base and diversifying its core business.

11. Dividend

(a) Current Financial Period Reported On

Name of proposed dividend: Final
 Proposed dividend Type: Cash
 Proposed dividend amount per share: S\$0.015 per ordinary share (tax not applicable)
 Par value per share: HK\$0.10
 Tax rate: Tax not applicable

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year?

Name of dividend: Final
 Dividend Type: Cash
 Dividend amount per share: S\$0.01 per ordinary share (tax not applicable)
 Par value per share: HK\$0.60
 Tax rate: Tax not applicable

(c) Date payable

To be announced later.

(d) Books closure date

To be announced later.

12. If no dividend has been declared/recommended, a statement to that effect.

Not applicable.

13. Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1) of the SGX-ST Listing Manual

The Company confirms that the undertakings under Rule 720(1) of the Listing Manual have been obtained from all its directors and executive officers in the format set out in Appendix 7.7 under Rule 720(1) of the SGX-ST Listing Manual.

PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT (This part is not applicable to Q1, Q2, Q3 or Half Year Results)
14. Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.

The Group has identified the following reportable segments:

- Northern Region, which includes the Group's business in Zhejiang, Xinjiang, Tibet, Gansu, Shaanxi, Qinghai, Inner Mongolia, Ningxia, Shanxi, Henan, Hebei, Shandong, Jiangsu, Anhui, Liaoning, Jilin, Heilongjiang, Beijing, Tianjin and Shanghai of the PRC
- Southern Region, which includes the Group's business in Jiangxi, Sichuan, Chongqing, Hubei, Fujian, Yunnan, Guangxi, Hunan, Guangdong, Guizhou and Hainan of the PRC

<u>UNAUDITED SEGMENTAL ANALYSIS</u>	Northern Region RMB'000 (note)	Southern Region (Discontinued Operation) RMB'000 (note)	Unallocated (Expenses)/Inc ome RMB'000	Total RMB'000
By Geographical segment				
Year ended 31 March 2018				
Revenue from external customers				
Sales of properties held for sale	386,842	134,082	-	520,924
Reportable segment revenue	386,842	134,082	-	520,924
Reportable segment profit	23,729	17,913	-	41,642
Year ended 31 March 2017				
Revenue from external customers				
Sales of properties held for sale	708,918	693,512	-	1,402,430
Reportable segment revenue	708,918	693,512	-	1,402,430
Reportable segment profit/(loss)	75,577	73,674	(6,506)	142,745

Note

During the year ended 31 March 2018, Sino Harbour Group, which is engaged in the property development in the Southern Region, is considered as an operating segment and is presented as discontinued operations of the Group. Upon the discontinuation of the business in the Southern Region, the Group's management had reassessed the Group's segment reporting and decided that for financial reporting purposes, the Group operates as a single operating segment.

15. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.

Please refer to Section 8.

16. A breakdown of sales from continuing and discontinued operation..

(RMB'000)	Year ended 31 March 2018	Year ended 31 March 2017	% increase/ (decrease)
(a) Sales reported for the first half year	447,738	507,285	(11.7%)
(b) Operating profit after tax before deducting non-controlling interests reported for the first half year	43,463	59,059	(26.4%)
(c) Sales reported for the second half year	73,186	895,145	(91.8%)
(d) Operating profit after tax before deducting non-controlling interests	(18,546)	83,686	(122.2%)

reported for the second half year

17. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year.

	2018 RMB'000	2017 RMB'000
Final dividends paid in respect of prior year	25,202	37,552
Interim dividends paid in respect of current year	-	24,705
	25,202	62,257
Distribution by way of dividend in specie of subsidiaries	1,602,106	-
	1,627,308	62,257

18. If the Group has obtained a general mandate from shareholders for Interested Parties Transactions (IPTs), the aggregate value of such transactions as required under Rule 920(1)(a)(II). If no IPT mandate has been obtained, a statement to that effect.

The Group does not have any general mandate from shareholders for IPTs.

19. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(13). If there are no such persons, the issuer must make an appropriate negative statement.

During the financial period from 1 April 2017 to 29 March 2018 (i.e. the date of completion of the Distribution), the persons occupying managerial position in its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the Company are as follows:-

Name	Age	Family Relationship with any director and/or CEO and/or substantial shareholder	Current position and duties, and the year position was first held	Details of changes in duties and position held, if any, during the year
Wong Lam Ping	63	<ul style="list-style-type: none"> Spouse of Ms. Chan Heung Ling, a Substantial Shareholder of the Company. 	<p>Executive Chairman and Chief Executive Officer ("CEO") of the Company since 3 January 2006.</p> <p>Mr. Wong Lam Ping is responsible for the formulation and execution of overall business strategies and policies as well as the overall management of the Group.</p>	Nil
Chan Heung Ling	59	<ul style="list-style-type: none"> Spouse of Mr. Wong Lam Ping, the Executive Chairman and CEO (who is also a Substantial Shareholder of the Company). 	<p>Non-Executive Director of Sino Harbour Holdings Group Limited, a subsidiary of the Group since 4 July 2011, which is listed on the Stock Exchange of Hong Kong ("Sino Harbour").</p> <p>Ms. Chan Heung Ling is responsible for the formulation of the overall strategy of Sino Harbour.</p>	Nil
Wong Lui	34	<ul style="list-style-type: none"> Son of Mr. Wong Lam Ping, the Executive 	Executive Director of Sino Harbour since 4 July 2011.	Nil



		Chairman and CEO (who is also a Substantial Shareholder) of the Company. • Son of Ms. Chan Heung Ling, a Substantial Shareholder of the Company.	Mr. Wong Lui is responsible for the operational management and development of the projects of Sino Harbour.	
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Subsequent to the completion of the Distribution on 29 March 2018 and as at the date of this announcement, Sino Harbour is no longer a principal subsidiary of the Company.

BY ORDER OF THE BOARD

Wong Lam Ping
Executive Chairman
25 May 2018