

**SINO HARBOUR PROPERTY GROUP LTD:
ITS LINES OF CREDIT ARE FULLY UTILISED, SO ...**

Without a shadow of a doubt, Sino Harbour Property Group Ltd () (Code: 1663, Main Board, The Stock Exchange of Hongkong Ltd) has come to the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC) in order to raise badly needed, interest-free money – because it has fully utilised all avenues of borrowing from its traditional banks, at least, for the time being.

This is made painfully aware in the Placing and Public Offer Prospectus of the Company, dated July 12, 2011.

Sino Harbour Property Group Ltd is a property development company, focusing on residential properties in the Jiangxi Province of the PRC.

It is Offering 300 million, one-cent Shares at the Indicative Offer Price Per Share of between \$HK1.10 and \$HK1.68.

At Pages 231 and 232 of the Placing and Public Offer Prospectus, it is stated that, as at March 31, 2011, the total borrowings of the Company stood at 210 million renminbi, comprising bank loans, secured, 150 million renminbi, and 'other loan', repayable within one year, unsecured, 60 million renminbi.

The 'other loan' was repaid on May 12, 2011, one is told at Page 231.

Then, one reads:

'Banking facilities

'As at 31 May 2011, being the latest practicable date for the purpose of this indebtedness statement prior to the printing of this prospectus, we had total banking facilities of approximately RMB150.0 million, of which the Group had utilised the entire facility amount. Save for the aforesaid, our Group had no other unutilised facility and financial guarantee as at 31 May 2011.'

Under the heading of '**Risk Factors**', located at Page 42 of the Placing and Public Offer Prospectus, it is stated:

'We have already fully utilised the entire facility amount of the existing bank loan

'As at 31 May 2011, being the latest practicable date for the purpose of the indebtedness statement prior to the printing of this prospectus, we had a bank loan of RMB150.0 million and our Group has utilised the entire facility amount. In the event that our Group requires additional financial resources for our business, there is no assurance that we will be able to obtain further financing from banks or other financial institutions. If the banks or other financial institutions refuse to grant further loan facilities to our Group, our business plan and operations may be adversely affected.'

That, just about, says it all.

But the net proceeds from the flotation of this Company on the Main Board of The Stock Exchange of Hongkong Ltd are not to repay any outstanding borrowings from bankers, but to fund the business for which this Company is claiming to be well known.

On the basis that ... [CLICK TO ORDER FULL ARTICLE](#)

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