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GUANGDONG LAND HOLDINGS LIMITED

粵海置地控股有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 0124)

Unaudited Financial Information for the three months ended 31 March 2018

The board of directors (the “Board”) of Guangdong Land Holdings Limited (the “Company”) announces the unaudited financial information of the Company and its subsidiaries (the “Group”) for the three months ended 31 March 2018 together with comparative figures. This announcement is made by the Company on a voluntary basis in pursuance of its policy to achieve a higher level of corporate governance.

FINANCIAL HIGHLIGHTS

	For the three months ended 31 March		Change
	2018 HK\$ '000	2017 HK\$ '000	
Revenue	<u>9,661</u>	<u>26,911</u>	-64.1%
Profit before tax	<u>6,968</u>	<u>13,753</u>	-49.3%
Profit after tax	<u>1,428</u>	<u>8,012</u>	-82.2%
Profit attributable to owners of the Company	<u>495</u>	<u>6,884</u>	-92.8%
	As at 31 March 2018 HK\$ '000	As at 31 December 2017 HK\$ '000	
Total assets	<u>5,551,228</u>	<u>5,380,841</u>	+3.2%
Equity attributable to owners of the Company	<u>4,707,688</u>	<u>4,518,204</u>	+4.2%

RESULTS

For the three months ended 31 March 2018, the unaudited consolidated revenue of the Group was approximately HK\$9.66 million (three months ended 31 March 2017: HK\$26.91 million), representing a decrease of approximately 64.1% from the same period last year. During the period under review, the Group's unaudited profit attributable to owners of the Company was approximately HK\$0.5 million (three months ended 31 March 2017: HK\$6.88 million), representing a decrease of approximately 92.8% from the same period last year.

When comparing to the same period last year, the major factors that affected the results of the Group for the three months ended 31 March 2018 include the following:

- (a) a decrease in the available funds, resulting in a lower interest income. This was mainly due to the use of the Group's cash to make payments for land use rights and construction costs for its Buxin Project located in Shenzhen city in the People's Republic of China ("PRC"), which is still under development; and
- (b) a decrease in revenue and gross profit generated from the sale of residential units under its Ruyingju Project located in Panyu district, Guangzhou city in the PRC.

The Board would like to emphasise that the Group's financial position remains stable and the above results for the three months ended 31 March 2018 are consistent with the scheduled and healthy development of the Group's business, particularly that the Buxin Project is still under development, which is progressing on track.

BUSINESS REVIEW

The Buxin Project

The Group holds a 100% interest in the Buxin Project, which is a multi-functional commercial complex with jewellery as the main theme, located in Buxin Area, Luohu District, Shenzhen City, the PRC. The total site area of the project amounts to approximately 66,526 square meters ("sq. m."), and the gross floor area ("GFA") included in the calculation of the plot ratio amounts to approximately 432,051 sq. m. In addition, an underground area of 30,000 sq. m. could be developed for commercial use.

The Northwestern Land, which is under the first phase of the development of the Buxin Project, has a GFA of approximately 166,000 sq. m., of which the total saleable GFA is approximately 116,000 sq. m. During the period under review, construction of properties on the Northwestern Land was on track. With regard to the Southern Land and the Northern Land which are under the second phase of the development of the Buxin Project, the Group plans to build, among others, office buildings with a height of approximately 180 meters and 300 meters, respectively, as well as a shopping mall across the Southern Land and the Northern Land.

As at 31 March 2018, the cumulative development costs and fees of the Buxin Project amounted to approximately HK\$3,230 million (31 December 2017: HK\$3,038 million), representing a net increase of approximately HK\$192 million during the period under review.

The Ruyingju Project

The Group holds an 80% interest in the Ruyingju Project, which is located in Panyu district, Guangzhou city, the PRC, with a GFA of approximately 126,182 sq. m. The Ruyingju Project includes residential units and car-parking spaces for sale.

For the three months ended 31 March 2018, no residential unit was sold under the Ruyingju Project while GFA of residential units of approximately 899 sq. m. was sold for three months ended 31 March 2017. As at 31 March 2018, the accumulated GFA of the residential units sold represented approximately 91.5% of the GFA of the residential units.

The Group acquired the equity interest in the Ruyingju Project in April 2015. As the price paid to acquire such a project was determined with reference to the then market value of the Ruyingju Project (but acquired at a discount), the carrying value (and future cost of sales) of the Ruyingju properties consisted of its development costs and the fair value increases as of the completion date of the acquisition.

FINANCIAL REVIEW

As at 31 March 2018, the total assets of the Group was approximately HK\$5,551 million (31 December 2017: HK\$5,381 million), representing an increase of approximately 3.2% from the year-end of 2017. Based on the number of shares in issue as at 31 March 2018, the net asset value per share attributable to owners of the Company at the end of the period was approximately HK\$2.75 (31 December 2017: HK\$2.64) per share, representing an increase of approximately 4.2% over the year-end of 2017.

As at 31 March 2018, the Group did not have any outstanding bank loan. Given the construction works on the Northwestern Land under the first phase of the development of the Buxin Project was and will be in full swing in 2017 and 2018, the Group will review its funding needs according to the progress of business development from time to time so as to ensure that adequate financial resources will be available to support its business development.

OUTLOOK

The Company is optimistic about the outlook of the real estate industry's development in the first-tier cities of the mainland China. Development in the Guangdong-Hong Kong-Macau Greater Bay Area is currently in full swing. Subsequent to the implementation of the relevant plans and policies for the Guangdong-Hong Kong-Macau Greater Bay Area in the future, further integration and development of the cities in the Greater Bay Area are expected in the foreseeable future, and their economic positions will be further enhanced. It is anticipated that the real estate industry in the area would benefit from the social and economic integration as a whole.

The Group's Buxin Project which is currently under development and construction would likewise benefit from the strong development momentum in the Guangdong-Hong Kong-Macau Greater Bay Area. Located in Luohu District, Shenzhen City, the Buxin Project has an enormous development potential. The Group will invest appropriate resources to create and release the value of the project, and will consider arranging external financing to support the development of the project. It is expected that the business apartments and office premises under the first phase of the development of the Buxin Project will meet pre-sale conditions in the fourth quarter of 2018, and pre-sales would commence upon the pre-sale permit is granted. Looking ahead, while the Group will continue with and actively implement its existing strategy of seeking investment and development property project opportunities in first-tier cities in the mainland China, it will also actively study real estate development and investment projects in the second-tier cities in the mainland China, particularly those located in the Guangdong-Hong Kong-Macau Greater Bay Area and the Pearl River Delta, with a view to developing a long-term sustainable and stable and healthy business model.

Under the leadership of the Board, the Group is confident in the prospect of its future business development and will actively promote the development of its real estate business in order to create greater returns for the shareholders of the Company (the "Shareholders") as we did in the past.

CAUTION STATEMENT

The Board wishes to remind Shareholders and potential investors that the above financial information is based on the Company's internal records and management accounts. The above financial information for the three months ended 31 March 2018 has not been audited or reviewed by the external auditors of the Company. Accordingly, any information contained in this announcement should in no way be regarded as to provide any indication of or assurance on the financial information of the Group for the three months ended 31 March 2018.

Shareholders and potential investors are urged to exercise caution in dealing in the securities of the Company and are recommended to consult their own professional advisers if they are in doubt as to their investment positions.

By Order of the Board
Guangdong Land Holdings Limited
HUANG Xiaofeng
Chairman

Hong Kong, 26 April 2018

As at the date of this announcement, the Board comprises one Non-Executive Director, namely Mr. HUANG Xiaofeng; four Executive Directors, namely Ms. ZHAO Chunxiao, Mr. LI Wai Keung, Mr. WU Mingchang and Mr. ZENG Yi; and three Independent Non-Executive Directors, namely Mr. Alan Howard SMITH, Mr. Felix FONG Wo and Mr. Vincent Marshall LEE Kwan Ho.