粤海置地

**GUANGDONG LAND HOLDINGS LIMITED**
**粵 海 置 地 控 股 有 限 公 司**

*(Incorporated in Bermuda with limited liability)*
**(Stock Code: 0124)**

# Profit Warning

This announcement is made by the Company pursuant to the Inside Information Provisions under Part XIVA of the SFO and Rule 13.09(2)(a) of the Listing Rules.

The Board wishes to inform the Shareholders and potential investors that, based on a preliminary review of the unaudited consolidated management accounts of the Group, it is expected that the Group will record an unaudited loss attributable to owners of the Company of not more than HK$39 million for the six months ended 30 June 2019, while the unaudited profit attributable to owners of the Company for the same period in 2018 was approximately HK$62.40 million. As at 30 June 2019, the Group's financial position remained stable.

The Company is still in the process of finalising the interim results of the Group for the six months ended 30 June 2019. The information contained in this announcement is only based on a preliminary review of the unaudited consolidated management accounts of the Group for the six months ended 30 June 2019 and such information has not been audited or reviewed by the auditors of the Company. As at the date of this announcement, the Group's consolidated results for the six months ended 30 June 2019 have not yet been finalised, and may be subject to adjustments.

**Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.**

This announcement is made by Guangdong Land Holdings Limited (the "Company", which together with its subsidiaries shall be referred to as the "Group") pursuant to the Inside Information Provisions (as defined under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules")) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "SFO") and Rule 13.09(2)(a) of the Listing Rules.

The board of directors (the "Board") of the Company wishes to inform the shareholders of the Company (the "Shareholders") and potential investors that, based on a preliminary review of the unaudited consolidated management accounts of the Group, it is expected that the Group will record an unaudited loss attributable to owners of the Company of not more than HK$39 million for the six months ended 30 June 2019, while the unaudited profit attributable to owners of the Company for the same period in 2018 was approximately HK$62.40 million. As at 30 June 2019, the Group's financial position remained stable.

When comparing to the same period in 2018, the major factors that affected the said anticipated results of the Group for the six months ended 30 June 2019 compared to the same period in 2018 include the following:

(a) land appreciation tax was accrued as a result of the sale of certain properties by the Group in 2017. In the first half of 2018, the over-accrual of the land appreciation tax in 2017 of approximately HK$77 million had been reversed following tax clearance with the local tax authorities. In the first half of 2019, no such a reversal of the land appreciation tax for the same property project was recorded;

(b) as funds of the Group were used for business development, interest income and gain from banks and financial assets at fair value through profit or loss and at amortised costs were less than those in the same period last year. Also, since July 2018, the Group borrowed interest-bearing loans to finance its business development. Therefore, certain interest expenses for such loans were recorded in the first half of 2019. The Group did not borrow any interest-bearing loan during the first half of 2018 and no interest expense was recorded; and

(c) properties held by the Group under the first phase of the GDH City Project and Laurel House Project commenced pre-sale and sale, respectively in the fourth quarter of 2018. Accordingly, certain sale and marketing activities were launched, resulting in a significant increase in selling and market expenses.

While the effect of the above factors was mitigated by, among others, the following:

(a) increase in revenue and gross profit generated from the sale of properties, mainly comprising residential properties under the Laurel House Project and Ruyingju Project; and

(b) the net exchange gains of the Group in the first quarter of 2019 in the amount of approximately HK$12 million. The increase in net exchange gains was mainly resulted from the settlement of certain loans denominated in RMB due to the Company from a subsidiary of the Company.

The Company is still in the process of finalising the interim results of the Group for the six months ended 30 June 2019. The information contained in this announcement is only based on a preliminary review of the unaudited consolidated management accounts of the Group for the six months ended 30 June 2019 and such information has not been audited or reviewed by the auditors of the Company. As at the date of this announcement, the Group's consolidated results for the six months ended 30 June 2019 have not yet been finalised, and may be subject to adjustments. The Group's unaudited financial information for the six months ended 30 June 2019, which may be different from the information contained in this announcement, is expected to be announced by the end of August 2019.

**Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.**

By Order of the Board
**Guangdong Land Holdings Limited**
**HOU Wailin**
*Chairman*

Hong Kong, 31 July 2019

*As at the date of this announcement, the Board comprises one Non-Executive Director, namely Mr. HOU Wailin; 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.*