粵海置地

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

(Incorporated in Bermuda with limited liability)

(Stock Code: 0124)

Positive Profit Alert

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 profit attributable to owners of the Company of not less than HK$180 million for the nine months ended 30 September 2018, while the unaudited loss attributable to owners of the Company for the same period in 2017 was approximately HK$2.79 million. As at 30 September 2018, the Group's financial position remained stable.

The Company is still in the process of finalising the quarterly results of the Group for the nine months ended 30 September 2018. The information contained in this announcement is only based on a preliminary review of the unaudited consolidated management accounts of the Group for the nine months ended 30 September 2018 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 nine months ended 30 September 2018 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 profit attributable to owners of the Company of not less than HK$180 million for the nine months ended 30 September 2018, while the unaudited loss attributable to owners of the Company for the same period in 2017 was approximately HK$2.79 million. As at 30 September 2018, the Group's financial position remained stable.

When comparing to the same period last year, the major factors that contributed to the said anticipated results of the Group for the nine months ended 30 September 2018 include the following:

(a) in July 2018, the Group completed the acquisition of 100% equity interest in 廣東粵海房地產開發有限公司 (Guangdong Yuehai Property Development Co., Ltd.*) ("**GYPD**") from 廣東粵港投資開發有限公司 (Guangdong Yuegang Investment Development Co., Ltd.*) and 廣東粵港投資置業有限公司 (Guangdong Yuegang Investment Property Co., Ltd.*), both of which are the Group's fellow subsidiaries. Please refer to the circular of the Company dated 18 May 2018 for details of the above transaction. The acquisition consideration was determined on the basis of the market value of the assets and liabilities of GYPD (at a discount) as of the completion date. As the consideration of the acquisition was less than the fair value of net assets acquired, a provisional gain on bargain purchase was recognised in the statement of profit or loss during the period under review; and

(b) 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$77.17 million had been reversed following tax clearance with the local tax authorities. For the same period of 2017, no such a reversal of land appreciation tax was recorded. It is expected that no further reversal of the land appreciation tax for the same properties will be recorded in the future.

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

(a) a subsidiary of the Company had received demolition compensation income from another subsidiary of the Company for the nine months ended 30 September 2018. During the period under review, the first-mentioned subsidiary recognised an income tax expense accordingly. For the same period last year, no such an income tax expense was recorded; and

(b) as funds of the Group were used for the acquisition of GYPD and the development of the Buxin Project, interest income from banks and financial assets at fair value through profit or loss/available-for-sale financial assets were less than those in the same period last year. In addition, the Group had borrowed external loans for business development since July 2018 and recorded interest expenses during the period under review. The Group did not borrow any loan in the same period last year and, therefore, did not record any interest expense.

The Company is still in the process of finalising the quarterly results of the Group for the nine months ended 30 September 2018. The information contained in this announcement is only based on a preliminary review of the unaudited consolidated management accounts of the Group for the nine months ended 30 September 2018 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 nine months ended 30 September 2018 have not yet been finalised, and may be subject to adjustments. The Group's unaudited financial information for the nine months ended 30 September 2018, which may be different from the information contained in this announcement, is expected to be announced by the end of October 2018.

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
HUANG Xiaofeng
Chairman

Hong Kong, 23 October 2018

* *In this announcement, the English name of the entity marked with an * is a translation of its Chinese name, and is included herein for identification purposes only. In the event of any inconsistency, the Chinese name shall prevail.*

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.