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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)

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 of the Company that the Group is expected to record an unaudited net loss attributable to owners of the Company of less than HK\$15 million for the six months ended 30 June 2016. While the Group recorded an unaudited net profit attributable to owners of the Company of approximately HK\$335 million for the same period last year, however, if the combined effect of three non-operating gain items in the aggregate amount of approximately HK\$302 million was excluded, the Group's unaudited net profit attributable to owners of the Company in the first half of 2015 would only have amounted to approximately HK\$33 million. The Group's financial position as at 30 June 2016 remained stable.

The information contained in this announcement is only based on the Company's preliminary evaluation of the unaudited consolidated management accounts of the Group, which have not been reviewed by the Company's auditors.

Shareholders of the Company 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**", 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 that, based on the Company’s preliminary evaluation of the unaudited consolidated management accounts of the Group, which have not been reviewed by the Company’s auditors, the Group is expected to record an unaudited net loss attributable to owners of the Company of less than HK\$15 million for the six months ended 30 June 2016. While the Group recorded an unaudited net profit attributable to owners of the Company of approximately HK\$335 million for the same period last year, however, if the combined effect of three non-operating gain items (as set out below) in the aggregate amount of approximately HK\$302 million was excluded, the Group’s unaudited net profit attributable to owners of the Company in the first half of 2015 would only have amounted to approximately HK\$33 million.

Reference is made to the Company’s 2015 interim report, where it was disclosed that the Group recorded a combined gain in the aggregate amount of approximately HK\$302 million due to the following three non-operating gain items in the first half of 2015, namely (i) the acquisition of 100% equity interest in Triumphant Success Limited (which indirectly holds an 80% interest in the “Ruyingju” (如英居) residential project located in Panyu District, Guangzhou, the PRC. Please refer to the details set out in the Company’s circular dated 2 April 2015) resulting in the recognition of a gain on bargain purchase of approximately HK\$234 million; (ii) the release of exchange reserve upon settlement of inter-company balance between the Company and its subsidiary of approximately HK\$48.05 million; and (iii) the imputed interest income arose from long-term receivables of approximately HK\$20.06 million. The non-operating gain under items (i) and (ii) above were of a one-off nature. Further, as mentioned in the Management Discussion and Analysis in the Company’s 2015 annual report, the said imputed interest income would not occur in 2016. If the combined effect of the above mentioned non-operating gain items was excluded, the Group’s unaudited net profit attributable to owners of the Company in the first half of 2015 would only have amounted to approximately HK\$33 million. During the first half of 2016, the Group did not record any of the above mentioned non-operating gains.

Other than the above non-operating gain items in the first half of 2015 (which did not occur in the first half of 2016), the material items that are expected to affect the results of the Group in the first half of 2016 include (i) a decrease in bank interest income due to the decrease in the interest rate on deposit of Renminbi (“**RMB**”); and (ii) a depreciation of RMB against HK\$ resulting in the recognition of exchange losses during the first half of 2016 (compared to the slight appreciation of RMB against HK\$ in the same period last year, resulting in the recognition of a slight exchange gain), which were partially offset by the sale of residential units under the Ruyingju residential project, which was stable and the average selling price was higher than that of last year. The revenue from such sale of residential units contributed to the consolidated revenue and results of the Group. The Group acquired its interest in the Ruyingju residential project in April 2015 and that during the first six months of 2015, there was no such residential unit delivered and the Ruyingju residential project recorded operating expenses only.

Despite the expected unaudited net loss attributable to owners of the Company of less than HK\$15 million for the six months ended 30 June 2016 (while the profit in the same period last year was to a large extent affected by certain non-operating gain items), the Group’s financial position remained stable as at 30 June 2016.

The Company is still in the process of finalising the unaudited consolidated financial statements of the Group for the six months ended 30 June 2016. Thus, the information contained in this announcement is only based on the Company's preliminary evaluation of the unaudited consolidated management accounts of the Group for the six months ended 30 June 2016, which have not been reviewed by the Company's auditors. Financial information and other details of the Group for the six months ended 30 June 2016 will be disclosed in the Company's interim results announcement for that period which is expected to be published in August 2016.

Shareholders of the Company 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, 14 July 2016

As at the date of this announcement, the Board comprises one non-executive director, namely Mr. HUANG Xiaofeng; three executive directors, namely Ms. ZHAO Chunxiao, Mr. WU Mingchang and Mr. LI Wai Keung; and three independent non-executive directors, namely Mr. Alan Howard SMITH, Mr. Felix FONG Wo and Mr. Vincent Marshall LEE Kwan Ho.