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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 and potential investors that, based on the Company's preliminary review of the unaudited consolidated management accounts of the Group, which have not been reviewed or audited by the Company's auditors, the Group is expected to record an unaudited profit attributable to owners of the Company of not less than HK\$12 million for the year ended 31 December 2016. The Group recorded an audited profit attributable to owners of the Company of approximately HK\$175 million in 2015, while the Group would have recorded a loss attributable to owners of the Company of approximately HK\$144 million in 2015 if the combined effect of three non-operating gain items (as set out below) in the aggregate amount of approximately HK\$319 million was excluded. As at 31 December 2016, the Group's financial position remained stable.

The Company is still in the process of finalising the annual results of the Group for the year ended 31 December 2016. The information contained in this announcement is only based on the Company's preliminary review of the consolidated management accounts of the Group for the year ended 31 December 2016 and such information has not been reviewed or audited by the auditors of the Company.

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 and potential investors that, based on the Company’s preliminary review of the unaudited consolidated management accounts of the Group, which have not been reviewed or audited by the Company’s auditors, the Group is expected to record an unaudited profit attributable to owners of the Company of not less than HK\$12 million for the year ended 31 December 2016. The Group recorded an audited profit attributable to owners of the Company of approximately HK\$175 million in 2015, while the Group would have recorded a loss attributable to owners of the Company of approximately HK\$144 million in 2015 if the combined effect of three non-operating gain items (as set out below) in the aggregate amount of approximately HK\$319 million was excluded. As at 31 December 2016, the Group’s financial position remained stable.

Reference is made to the Company’s 2015 annual report, where it was disclosed that the Group recorded a combined gain in an aggregate amount of approximately HK\$319 million due to three non-operating gain items, comprising (i) the acquisition of the 100% equity interest in Triumphant Success Limited (which indirectly holds an 80% equity interest in the Ruyingju Project (如英居項目) located in Panyu District, Guangzhou, the People’s Republic of China (“**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) a foreign exchange gain on the release of exchange reserve of approximately HK\$48 million upon settlement of inter-company balances between the Company and a subsidiary; and (iii) the imputed interest income arising from long-term receivables of approximately HK\$37 million. If the combined effect of the above-mentioned three non-operating gain items was excluded, the Group would have recorded a loss attributable to owners of the Company of approximately HK\$144 million for the year ended 31 December 2015. The non-operating gains under items (i) and (ii) above were of a one-off nature. Further, as mentioned in the Management Discussion and Analysis section in the Company’s 2015 annual report, the said imputed interest income (i.e. item (iii) above) would not occur in 2016. For the year ended 31 December 2016, the Group did not record the above-mentioned three non-operating gains.

Apart from the combined effect of the above-mentioned non-operating gain items recorded for the year ended 31 December 2015, other major items that affected the results of the Group for the year ended 31 December 2016 include the following:

- (i) in respect of the Group’s Renminbi (“**RMB**”) deposit placed in Hong Kong, changes in the exchange rate of HK\$ against RMB generated foreign exchange differences upon currency revaluation. Such foreign exchange differences were recognised in the statement of profit or loss when incurred. RMB depreciated against HK\$ in 2016 and 2015, respectively, which resulted in the recognition of foreign exchange losses by the Group. In 2016, the amount of net foreign exchange losses recorded decreased significantly year-on-year as the Group injected most of its RMB deposits (previously held in Hong Kong) into its subsidiary in the PRC which was responsible for the development of the Buxin Project (布心項目) and thus the effect of change in exchange rate on the consolidated statement of profit or loss of the Group was reduced;
- (ii) there was a decrease in bank interest income in 2016 as compared with that of 2015, mainly due to the decrease in the interest rate on deposit of RMB and the cash and cash equivalents amount of the Group; and

- (iii) with the sale of residential units under the Ruyingju Project in 2016 being stable and the average selling price was higher than that of 2015, the revenue generated from such sale of residential units contributed to the consolidated revenue and results of the Group for the year ended 31 December 2016.

The Company is still in the process of finalising the annual results of the Group for the year ended 31 December 2016. The information contained in this announcement is only based on the Company's preliminary review of the consolidated management accounts of the Group for the year ended 31 December 2016 and such information has not been reviewed or audited by the auditors of the Company. As at the date of this announcement, the Group's consolidated results for the year ended 31 December 2016 have not yet been finalised, and may be subject to necessary adjustments. The Group's financial information for the year ended 31 December 2016, which may be different from the information contained in this announcement, is expected to be published in March 2017.

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, 13 January 2017

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.