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

(Incorporated in Bermuda with limited liability)

(Stock Code: 0124)

INTERIM RESULTS ANNOUNCEMENT
FOR THE SIX MONTHS ENDED 30 JUNE 2014

HIGHLIGHTS

	For the six months ended 30 June		
	2014	2013	Change
	(Unaudited)	(Unaudited)	
Revenue, in thousand HK$	**1,612**	803,591	-99.8%
Profit/(loss) for the period, in thousand HK$	**71,906**	(93,973)	N/A
Basic earings/(loss) per share, in HK cent	**4.2**	(5.5)	N/A

	As at 30 June 2014	As at 31 December 2013	
	(Unaudited)	(Audited)	
Current ratio	**11.5 times**	4.0 times	+187.5%
Gearing ratio[1]	**net cash**	net cash	-
Total assets, in million HK$	**4,679**	5,483	-14.7%
Net asset value per share, in HK$	**2.53**	2.49	+1.6%
Period-end number of employees	**254**	546	-53.5%

Note:

1 Gearing ratio = (Interest-bearing debt - cash and cash equivalents)/Net assets

UNAUDITED INTERIM RESULTS

The board of directors (the "Board of Directors") of Guangdong Land Holdings Limited (the "Company") announces that the unaudited consolidated results of the Company and its subsidiaries (the "Group") for the six months ended 30 June 2014 together with comparative figures are as follows. The interim financial information has not been audited, but has been reviewed by the Company's audit committee and the Company's auditors, Ernst & Young.

Condensed Consolidated Statement of Profit or Loss
For the six months ended 30 June 2014

	Notes	**2014 (Unaudited) HK$'000**	2013 (Unaudited) HK$'000
REVENUE	*4*	**1,612**	803,591
Cost of sales		**-**	(697,909)
Gross profit		**1,612**	105,682
Other income and gains, net		**125,640**	24,752
Selling and distribution expenses		**-**	(121,021)
Administrative expenses		**(45,703)**	(82,710)
Other expenses		**(9,643)**	(13,923)
Finance costs	*5*	**-**	(1,657)
PROFIT/(LOSS) BEFORE TAX	*6*	**71,906**	(88,877)
Income tax expense	*7*	**-**	(5,096)
PROFIT/(LOSS) FOR THE PERIOD		**71,906**	(93,973)
EARNINGS/(LOSS) PER SHARE	*8*		
Basic		**4.2 HK cents**	(5.5) HK cents
Diluted		**N/A**	N/A

Condensed Consolidated Statement of Comprehensive Income
For the six months ended 30 June 2014

	2014 (Unaudited) HK$'000	2013 (Unaudited) HK$'000
PROFIT/(LOSS) FOR THE PERIOD	**71,906**	(93,973)
OTHER COMPREHENSIVE INCOME/(LOSS)		
Other comprehensive income/(loss) to be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of foreign operations	**(5,255)**	50,637
OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD	**(5,255)**	50,637
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD	**66,651**	(43,336)

Condensed Consolidated Balance Sheet
30 June 2014

	30 Jun 2014 (Unaudited) HK$'000	31 Dec 2013 (Audited) HK$'000
NON-CURRENT ASSETS		
Property, plant and equipment	**7,637**	7,205
Investment properties	**29,391**	29,673
Other receivables	**621,821**	608,830
Total non-current assets	**658,849**	645,708
CURRENT ASSETS		
Properties under development	**21,567**	19,812
Prepayments, deposits and other receivables	**900,257**	1,539,073
Restricted bank balances	**190**	695,191
Cash and cash equivalents	**3,060,353**	2,409,213
	3,982,367	4,663,289
Assets as held for sale	**38,180**	174,218
Total current assets	**4,020,547**	4,837,507
CURRENT LIABILITIES		
Other payables and accruals	**(348,291)**	(1,218,771)
Due to the immediate holding company	**(10)**	-
Total current liabilities	**(348,301)**	(1,218,771)
NET CURRENT ASSETS	**3,672,246**	3,618,736
TOTAL ASSETS LESS CURRENT LIABILITIES	**4,331,095**	4,264,444
NON-CURRENT LIABILITIES		
Deferred tax liabilities	**(5,860)**	(5,860)
Net assets	**4,325,235**	4,258,584
EQUITY		
Issued capital	**171,154**	171,154
Reserves	**4,154,081**	4,087,430
Total equity	**4,325,235**	4,258,584

Notes:

(1) Corporation Information

During the period, the Group was involved in property development and investment.

In the prior period, the Group was principally involved in the production, distribution and sales of beer. On 5 February 2013, the Company entered into an agreement with China Resources Snow Breweries Limited for the disposal of the entire equity capital of each of Kingway Brewery (China) Co.,Ltd., Kingway Brewery Group (Chengdu) Co., Ltd., Kingway Brewery (Dongguan) Co., Ltd., Kingway Brewery (Foshan) Co., Ltd., Kingway Brewery (Shan Tou) Co., Ltd., Kingway Brewery (Tianjin) Co., Ltd., Kingway Brewery (Xian) Co., Ltd., Shenzhen Kingway Brewing Co., Ltd. and Guangdong Kingway Sales Limited (all being wholly-owned subsidiaries of the Group and collectively referred to as the "Sale Companies"), for an aggregate sale consideration of RMB4,800.5 million subject to adjustment, and without taking into account the cash and bank balances of the Sale Companies as at 30 September 2012; the related shareholders' loans at an aggregate amount of US$33 million; and certain payable balances of the Sale Companies due to Shenzhen Kingway Brewery Co., Ltd. ("SZB"), a subsidiary of the Group, at an aggregate amount of RMB373.2 million. The above transaction (the "Disposal Transaction") constituted a very substantial disposal for the Company under Chapter 14 of the Listing Rules. Details of the disposal were set out in the Company's circular dated 9 April 2013. Approval of shareholders at the special general meeting held on 9 May 2013 was obtained and the Disposal Transaction was completed on 12 September 2013. Upon completion of the Disposal Transaction, the Group ceased the remaining beer operation conducted under SZB and ceased the beer operation.

(2) Accounting Policies

The unaudited condensed consolidated interim financial information of the Group for the six months ended 30 June 2014 has been prepared in accordance with Hong Kong Accounting Standard 34 "Interim Financial Reporting". The accounting policies and basis of preparation adopted in the preparation of the interim financial information are the same as those used in the annual financial statements for the year ended 31 December 2013, except for the adoption of the new and revised Hong Kong Financial Reporting Standards ("HKFRSs") (which also include Hong Kong Accounting Standards ("HKASs") and Interpretations) as disclosed below.

(2) Accounting Policies (Continued)

<u>Changes in Accounting Policy and Disclosures</u>

The Group has adopted the following new and revised HKFRSs for the first time for the current period's unaudited interim financial information.

HKFRS 10, HKFRS 12 and HKAS 27 (2011) Amendments	Amendments to HKFRS 10, HKFRS 12 and HKAS 27 (2011) –*Investment Entities*
HKAS 32 Amendments	Amendments to HKAS 32 *Financial Instruments: Presentation – Offsetting Financial Assets and Financial Liabilities*
HKAS 36 Amendments	Amendments to HKAS 36 *Impairment of Assets – Recoverable Amount Disclosures for Non-Financial Assets*
HKAS 39 Amendments	Amendments to HKAS 39 *Financial Instruments: Recognition and Measurement – Novation of Derivatives and Continuation of Hedge Accounting*
HK(IFRIC)-Int 21	*Levies*

The adoption of these new and revised HKFRSs has had no significant financial effect on the unaudited interim financial information.

(3) Operating Segment Information

The Group is principally engaged in property development and investment. Prior to the completion of the Disposal Transaction, the Group was engaged in the production, distribution and sale of beer in Mainland China, Hong Kong and overseas. As a result of the Disposal Transaction, the composition of the Group's business segments has changed.

In the current period, the Group's principal business segment is corporate and others segment which comprises corporate income and expenses and property development and investment. In the prior period, the Group's principal business segment was production, distribution and sale of beer. Accordingly, no separate analysis of operating segment information is presented for the current and prior periods.

(4) Revenue

An analysis of revenue is as follows:

	For the six months ended 30 June	
	2014	2013
	(Unaudited)	(Unaudited)
	HK$'000	HK$'000
Invoiced value of goods sold (net of trade discounts, allowances for returns and value-added tax)	**-**	927,189
Beer consumption tax and other taxes	**-**	(123,598)
Gross rental income	**1,612**	-
	1,612	803,591

(5) Finance Costs

Finance costs in the pior period represented interest on bank loans wholly repayable within one year.

(6) Profit/(loss) Before Tax

This is arrived at after charging/(crediting):

	For the six months ended 30 June	
	2014	2013
	(Unaudited)	(Unaudited)
	HK$'000	HK$'000
Depreciation	**306**	80,398
Recognition of prepaid land lease payments	**-**	3,274
Amortisation of reusable packaging materials	**-**	2,612
Foreign exchange loss, net	**36,661**	370
Write-back of provision for inventories	**-**	(1,237)
Bank interest income	**(70,377)**	(1,149)
Imputed interest income	**(18,845)**	-
Gain on disposal of property, plant and equipment under assets held for sale	**(72,060)**	-
Gain on disposal of property, plant and equipment and prepaid land lease payment, net	**-**	(3,905)
Gross and net rental income	**(1,612)**	(3,301)

(7) Income Tax

	For the six months ended 30 June	
	2014	2013
	(Unaudited)	(Unaudited)
	HK$'000	HK$'000
Group:		
Current - Hong Kong	-	492
Current - Mainland China:		
Charge for the period	-	4,516
Underprovision in prior periods	-	371
Deferred	-	(283)
Total tax charge for the period	-	5,096

No provision for Hong Kong profits tax has been made as the Group did not generate any assessable profits arising in Hong Kong during the period (six months ended 30 June 2013: 16.5% on the estimated assessable profits). Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the local jurisdictions in which the Group operates.

(8) Earnings/(loss) Per Share

The calculation of the basic earnings/(loss) per share for the six months ended 30 June 2014 and 2013 are based on:

	For the six months ended 30 June	
	2014	2013
	(Unaudited)	(Unaudited)
	HK$'000	HK$'000
Profit/(loss) for the period	**71,906**	(93,973)

	For the six months ended 30 June	
	2014	2013
	(Unaudited)	(Unaudited)
Number of shares:		
Weighted average number of ordinary shares in issue during the period for the purpose of basic earnings/(loss) per share calculation	**1,711,536,850**	1,711,536,850

The Group had no potentially dilutive ordinary shares in issue during the six months ended 30 June 2014 and 2013.

(9) Interim Dividend

The Board of Directors of the Company resolved not to declare the payment of an interim dividend for the six months ended 30 June 2014 (2013: Nil).

MANAGEMENT DISCUSSION AND ANALYSIS

Results and Key Operating Data

Since the completion of the disposal of the entire equity interests in 9 previous subsidiaries that engaged in the production and sale of beer in September 2013, the Group has changed to focus on the businesses of property development and investment. The Group holds certain investment properties that generate rental income, as well as the Buxin Project which is under development, all of which are located in Shenzhen.

The Group's results for the six months ended 30 June 2014 was derived from the businesses of property development and investment, whereas the results for the corresponding period of last year was derived from the sold businesses of production, distribution and sale of beer.

In the first half of 2014, the Group recorded consolidated revenue of HK$1.61 million derived from the rental income from investment properties (2013: consolidated revenue of HK$804 million derived from the sale of beer), representing a decrease of 99.8% from the corresponding period of last year. During the period under review, the unaudited consolidated profit of the Group was HK$71.91 million (2013: consolidated loss of HK$93.97 million).

The board of directors of the Company resolved not to declare the payment of an interim dividend for the six months ended 30 June 2014 (2013: Nil).

Business and Financial Review

In the first half of 2013, the Group recorded a consolidated loss of HK$93.97 million from the business operation of production, distribution and sale of beer, which has been discontinued since September 2013. During the period under review, the Group did not incur loss generated from that business.

During the period under review, the Group implemented an employee quarters allocation plan as approved by local government and disposed of the staff quarters to the eligible employees who meet certain prerequisites and criteria in accordance with the required procedures and approved prices stipulated by the relevant department of the local government. The disposal contributed a gain of approximately HK$72.06 million to the Group. The disposal process of certain staff quarters has not completed as of 30 June 2014.

Due to the receipt of consideration for the disposal of the 9 previous subsidiaries, the Group recorded a significant increase in the consolidated cash and bank balances from the corresponding period of last year, and the bank interest income for the first half of 2014 was HK$70.38 million (2013: HK$1.15 million), representing an increase of approximately 60 times from the corresponding period of last year. Imputed interest income arising from changes in fair value of long-term other receivables was HK$18.85 million for the first half of 2014 (2013: nil).

Almost all the fund held by the Group were denominated in Renminbi. As a result of the fact that Renminbi suffered a slight depreciation against Hong Kong dollar during the first half of 2014, the Group recorded a foreign exchange loss in its financial statement which is presented in Hong Kong dollar. For the six months ended 30 June 2014, the Group recorded a net foreign exchange loss of HK$36.66 million (2013: HK$0.37 million), representing a significant increase from the corresponding period of last year.

During the period under review, the Group did not record any sale and distribution expenses (2013: HK$121 million). The Group's administrative expenses for the first half of the year was HK$45.70 million (2013: HK$82.71 million), representing a decrease of approximately 44.7% over the same period last year. The decrease in administrative expenses was mainly attributable to the decrease in general administrative expenditures arising from the streamline of corporate structure after the disposal of 9 previous subsidiaries by the Group. The Group had no bank loan during the period under review and therefore did not incur finance costs (2013: HK$1.66 million).

The Buxin Project

During the period under review, the Group worked very closely with the relevant urban renewal authorities to fine tune the urban renewal unit planning proposal, with the aim to facilitating the urban renewal authorities in its reviewing process and to thereby shortening the time needed for the official approval on the urban renewal unit planning proposal to be issued. At the same time, the Group is carrying out the preliminary works for Buxin Project, which mainly include the preliminary planning and design of the project, arrangement and disposal of the existing plant and machinery on the land for development, and tendering for designer and consultant for the project.

With the aim of securing a higher plot ratio for development of the land and other favourable construction indices for the Buxin Project, the Group estimates that the approval procedures for the urban renewal unit planning proposal will complete in the first half of 2015, based on the information currently available and the latest communications with the relevant governmental authorities. The Group anticipates that the construction work will commence in around the second half of 2015 and the pre-sale process will commence in around 2017. The above estimation is based on the information currently available and the Group will update the schedule of the project as appropriate in accordance with the progress of various tasks for the Buxin Project.

Capital Expenditure

The Group's general capital expenditure, on a cash basis, for the period under review was HK$0.90 million (2013: HK$41.65 million). In addition, preliminary expenditures related to the Buxin Project was HK$1.95 million.

Financial Resources and Liquidity

As at 30 June 2014, the Group had cash and bank balances of HK$3.06 billion (including restricted bank balances of HK$0.19 million), almost all of which were denominated in Renminbi. During the period under review, net cash flows from operating activities recorded was HK$6.57 million. The Group was in a sound financial position and possessed sufficient financial resources to finance its existing operation. As at 30 June 2014, none of the assets of the Group was pledged to any creditors and there was no material contingent liability recorded.

Human Resources

As at 30 June 2014, the Group had a total of 254 (31 December 2013: 546) employees. Reasonable remuneration packages based on business performance, market practices and market conditions are offered to employees of the Group. In addition, discretionary bonuses are also granted based on the results of the Group and the performance of individual employees.

Outlook

Against a background of the relatively high speed of growth in the PRC economy and the rising living standards of its people and coupled with urbanisation, the Company believes that there will be an increasing demand for properties which will in turn drive the growth of property development, including the development of commercial real estates.

The Group will concentrate on developing the Buxin Project with the objectives to achieve and attract premium, international, differentiating, congregating and centralising positioning and clientele, complete the disposal of the legacy beer production equipment of the Shenzhen Plant 1 and plant demolishment. Apart from the development of the Buxin Project on hand, the Group will also consider and examine other opportunities of property development and investment in the Mainland China.

Last but not least, the Board of the Company recognises the efforts made by the management and our staff during the period under review. The Company is confident in its business prospects in the future under the leadership of the Board, and will proactively drive the development of its real estate business with the objective to creating better return to its shareholders.

CORPORATE GOVERNANCE AND OTHER INFORMATION

Corporate Governance Code

The Company has complied with the code provisions and, where appropriate, the applicable recommended best practices set out in the Corporate Governance Code contained in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited throughout the six months ended 30 June 2014.

Review of Interim Results

The Audit Committee of the Company has reviewed the unaudited interim financial information of the Group and the Company's interim report for the six months ended 30 June 2014. In addition, the Company's external auditors, Ernst & Young, have also reviewed the aforesaid unaudited interim financial information.

Purchase, Sale and Redemption of Listed Securities

Neither the Company nor any of its subsidiaries have purchased, sold or redeemed any of the Company's listed securities during the six months ended 30 June 2014.

By Order of the Board
HUANG Xiaofeng
Chairman

Hong Kong, 28 August 2014

As at the date of this announcement, the Board comprises three non-executive directors, namely Mr. HUANG Xiaofeng, Mr. HUANG Zhenhai and Mr. LUO Fanyu; two executive directors, namely Mr. YE Xuquan 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.