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

(Incorporated in Bermuda with limited liability)

(Stock Code: 0124)

ANNOUNCEMENT OF FINAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2015

HIGHLIGHTS

	For the year ended 31 December		
	2015	2014	Change
Revenue, in thousand HK$	**857,937**	3,422	+24971.2%
Profit for the year attributable to owners of the Company, in thousand HK$	**174,773**	81,773	+113.7%
Basic earnings per share attributable to ordinary equity holders of the Company, in HK cent	**10.21**	4.78	+113.6%
	As at 31 December		
	2015	2014	Change
Current ratio	**6.3 times**	16.7 times	-62.3%
Total assets, in million HK$	**5,841**	4,618	+26.5%
Book value per share[1], in HK$	**2.59**	2.53	+2.4%
Number of employees	**297**	182	+63.2%

Note:

1. Book value per share = Equity attributable to owners of the Company / Number of issued shares

FINANCIAL RESULTS

The board of directors (the "Board") of Guangdong Land Holdings Limited (the "Company") announces the consolidated results of the Company and its subsidiaries (the "Group") for the year ended 31 December 2015 together with comparative figures for 2014 as follows:

Consolidated Statement of Profit or Loss

Year ended 31 December 2015

	Notes	2015 HK$'000	2014 HK$'000
REVENUE	4	**857,937**	3,422
Cost of sales		**(858,054)**	-
Gross profit/(loss)		**(117)**	3,422
Other income and gains, net	4	**258,350**	251,294
Gain on bargain purchase	10	**233,862**	-
Selling and distribution expenses		**(10,141)**	-
Administrative expenses		**(69,461)**	(94,779)
Other operating expenses		**(236,131)**	(69,039)
Finance costs		**-**	-
PROFIT BEFORE TAX	5	**176,362**	90,898
Income tax expense	6	**(4,112)**	(9,125)
PROFIT FOR THE YEAR		**172,250**	81,773
Attributable to:			
Owners of the Company		**174,773**	81,773
Non-controlling interest		**(2,523)**	-
		172,250	81,773
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY	7		
Basic		**10.21 HK cents**	4.78 HK cents
Diluted		**N/A**	N/A

Consolidated Statement of Comprehensive Income

Year ended 31 December 2015

	2015 HK$'000	2014 HK$'000
PROFIT FOR THE YEAR	**172,250**	81,773
OTHER COMPREHENSIVE LOSS		
Other comprehensive loss to be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of foreign operations	**(38,045)**	(2,572)
Release of exchange reserve upon settlement of intercompany balance	**(48,048)**	-
OTHER COMPREHENSIVE LOSS FOR THE YEAR, NET OF TAX	**(86,093)**	(2,572)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	**86,157**	79,201
Attributable to:		
Owners of the Company	**93,571**	79,201
Non-controlling interest	**(7,414)**	-
	86,157	79,201

Consolidated Balance Sheet
31 December 2015

	Note	2015 HK$'000	2014 HK$'000
NON-CURRENT ASSETS			
Property, plant and equipment		**9,328**	7,446
Investment properties		**27,930**	29,559
Deferred tax assets		**22,165**	-
Total non-current assets		**59,423**	37,005
CURRENT ASSETS			
Completed properties held for sale		**1,290,357**	-
Properties under development		**97,279**	25,152
Prepayments, deposits and other receivables		**713,571**	695,726
Restricted bank balances		**470,176**	191
Cash and cash equivalents		**3,209,733**	3,831,580
		5,781,116	4,552,649
Assets held for sale		**-**	28,595
Total current assets		**5,781,116**	4,581,244
CURRENT LIABILITIES			
Trade payables	*9*	**(74,547)**	-
Other payables, accruals and provision		**(339,820)**	(265,444)
Receipt in advance		**(311,373)**	-
Tax payable		**(186,725)**	(9,160)
Total current liabilities		**(912,465)**	(274,604)
NET CURRENT ASSETS		**4,868,651**	4,306,640
TOTAL ASSETS LESS CURRENT LIABILITIES		**4,928,074**	4,343,645

Consolidated Balance Sheet (continued)
31 December 2015

	2015 HK$'000	2014 HK$'000
TOTAL ASSETS LESS CURRENT LIABILITIES	**4,928,074**	4,343,645
NON-CURRENT LIABILITIES		
Deferred tax liabilities	**(318,267)**	(5,860)
Net assets	**4,609,807**	4,337,785
EQUITY		
Equity attributable to owners of the Company		
Issued capital	**171,154**	171,154
Reserves	**4,260,202**	4,166,631
	4,431,356	4,337,785
Non-controlling interest	**178,451**	-
Total equity	**4,609,807**	4,337,785

Notes:

(1) Basis of Preparation

These financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for investment properties, which have been measured at fair value. These financial statements are presented in Hong Kong dollars and all values are rounded to the nearest thousand except when otherwise indicated.

(2) Changes in Accounting Policy and Disclosures

The Group has adopted the following revised standards for the first time for the current year's financial statements.

Amendments to HKAS 19	*Defined Benefit Plans: Employee Contributions*
Annual Improvements to HKFRSs 2010-2012 Cycle	Amendments to a number of HKFRSs
Annual Improvements to HKFRSs 2011-2013 Cycle	Amendments to a number of HKFRSs

In addition, the Company has adopted the amendments to the Rules Governing the Listing of Securities on the Main Board of The Stock Exchange of Hong Kong Limited (the "Listing Rules") relating to the disclosure of financial information with reference to the Hong Kong Companies Ordinance (Cap. 622) during the current financial year. The main impact to the financial statements is on the presentation and disclosure of certain information in the financial statements.

(3) Operating Segment Information

For management purposes, the Group is organised into business units based on their products and activities and has two reportable segments as follows:

(a) the property development and investment segment consists of property development and property investment; and

(b) the other segment consists of corporate and other income and expense items.

(3) Operating Segment Information (continued)

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about the resources allocation and performance assessment. Segment performance is evaluated based on reportable segment profit/(loss), which is a measure of adjusted profit before tax. The adjusted profit before tax is measured consistently with the Group's profit before tax except that interest income is excluded from such measurement.

Segment assets exclude deferred tax assets as these assets are managed on a group basis.

Segment liabilities exclude deferred tax liabilities as these liabilities are managed on a group basis.

During the current and prior years, there were no intersegment transactions.

	Property development and investment		Other		Total	
Year ended 31 December	**2015**	2014	**2015**	2014	**2015**	2014
	HK$'000	HK$'000	**HK$'000**	HK$'000	**HK$'000**	HK$'000
Segment revenue:						
Sales to external customers	**857,937**	3,422	**-**	-	**857,937**	3,422
Segment results	**178,463**	(55,631)	**(174,731)**	(28,333)	**3,732**	(83,964)
Reconciliation:						
Interest income					**172,630**	174,862
Profit before tax					**176,362**	90,898

	Property development and investment		Other		Total	
As at	**31 Dec 2015**	31 Dec 2014	**31 Dec 2015**	31 Dec 2014	**31 Dec 2015**	31 Dec 2014
	HK$'000	HK$'000	**HK$'000**	HK$'000	**HK$'000**	HK$'000
Segment assets	**2,151,462**	303,238	**3,666,912**	4,315,011	**5,818,374**	4,618,249
Reconciliation:						
Unallocated assets					**22,165**	-
Total assets					**5,840,539**	4,618,249
Segment liabilities	**802,610**	24,450	**109,855**	250,154	**912,465**	274,604
Reconciliation:						
Unallocated liabilities					**318,267**	5,860
Total liabilities					**1,230,732**	280,464

(4) Revenue, Other Income and Gains, net

Revenue represents sales of completed properties held for sale and gross rental income received from properties during the year.

An analysis of revenue and other income and gains is as follows:

	2015 HK$'000	2014 HK$'000
REVENUE		
Sale of properties	**857,520**	-
Rental income	**417**	3,422
	857,937	3,422
OTHER INCOME		
Gain on sale of scrap materials	**1,102**	1,359
Bank interest income	**135,975**	136,621
Imputed interest income	**36,655**	38,241
Others	**31**	4,603
	173,763	180,824
GAINS/(LOSS), NET		
Fair value gains on investment properties	**87**	-
Gain on disposal of property, plant and equipment	**17,234**	-
Gain on disposal of assets held for sale	**19,218**	73,384
Release of exchange reserve upon settlement of intercompany balance	**48,048**	-
Foreign exchange differences, net	**-**	(2,914)
	84,587	70,470
	258,350	251,294

(5) Profit Before Tax

The Group's profit before tax is arrived at after charging:

	2015 HK$'000	2014 HK$'000
Cost of properties sold	**858,054**	-
Depreciation	**1,048**	770
Minimum lease payments under operating leases	**2,727**	3,008
Foreign exchange differences, net	**213,715**	2,914
Impairment of other receivables under assets held for sale	**740**	-
Impairment of property, plant and equipment under assets held for sale	**-**	5,800
Adjustments on other receivables	**-**	32,583
Provisions for the disposal transaction of previous brewery subsidiaries	**18,340**	24,547

(6) Income Tax

No provision for Hong Kong profits tax has been made as the Group had no assessable profits arising in Hong Kong during the year (2014: nil). Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the local jurisdictions in which the Group operates.

Land appreciation tax ("LAT") was provided in accordance with the requirements set forth in the relevant the People's Republic of China (the "PRC") laws and regulations. LAT has been provided at ranges of progressive rates of the appreciation values, with certain allowable deductions.

	2015 HK$'000	2014 HK$'000
Current - Hong Kong	**-**	-
Current - Elsewhere	**109,668**	-
LAT in Mainland China	**119,113**	9,125
Deferred	**(224,669)**	-
Total tax charge for the year	**4,112**	9,125

(7) Earnings per Share Attributable to Ordinary Equity Holders of the Company

The calculation of basic earnings per share amount is based on the profit for the year attributable to ordinary equity holders of the Company, and the number of ordinary shares of 1,711,536,850 (2014: 1,711,536,850) in issue during the year.

The Group had no potentially dilutive ordinary shares in issue during the years ended 31 December 2015 and 2014.

(8) Dividend

The Board did not recommend the payment of a final dividend for the year ended 31 December 2015 (2014: nil).

(9) Trade Payables

An aged analysis of the trade payables as at the end of the reporting period, based on the invoice date, is as follows:

	31 Dec 2015	31 Dec 2014
	HK$'000	HK$'000
Within 1 months	**53**	-
1 to 2 months	**-**	-
2 to 3 months	**88**	-
Over 3 months	**74,406**	-
	74,547	-

The trade payables are non-interesting bearing.

(10) Business Combination

On 27 April 2015, the Group acquired a 100% interest in Triumphant Success Limited and its subsidiaries (the "Triumphant Success Group") from GDH Limited, the immediate holding company of the Company. The acquisition was in line with the Group's core business of property development and investment in the PRC. The acquisition was a related party transaction and constituted a connected transaction as defined in Chapter 14A of the Listing Rules.

The purchase consideration for the acquisition in form of cash, was RMB403,091,000 (equivalent to approximately HK$509,674,000) which was fully settled during the year.

(10) Business Combination (continued)

The Group has elected to measure the non-controlling interest in the Triumphant Success Group at the non-controlling interest's proportionate share of the Triumphant Success Group's identifiable net assets. The fair value of the identifiable assets and liabilities of the Triumphant Success Group as at the date of acquisition were as follows:

	Fair value recognised on acquisition HK$'000
Property, plant and equipment	276
Properties under development	1,949,721
Prepayments, deposits and other receivables	31,587
Cash and bank balances	5,677
Trade payables	(112,696)
Other payables and accruals	(5,623)
Amount due to the ultimate holding company	(59,597)
Amounts due to fellow subsidiaries	(138,081)
Interest bearing bank borrowings	(228,186)
Deferred tax liabilities	(513,677)
Shareholder's loan	(189,851)
Total identifiable net assets at fair value	739,550
Non-controlling interest	(185,865)
	553,685
Gain on bargain purchase recognised in the consolidated statement of profit or loss	(233,862)
Assignment of a shareholder's loan	189,851
Satisfied by cash	509,674

As at the date of acquisition, the fair values of the other receivables were also their gross contractual amounts of HK$11,150,000. No other receivables were expected to be uncollectible.

The Group incurred transaction costs of HK$3,542,000 for this acquisition. These costs have been expensed and are included in other operating expenses in the consolidated statement of profit or loss.

(10) Business Combination (continued)

An analysis of cash flows in respect of the acquisition is as follows:

	HK$'000
Cash consideration	(509,674)
Cash and bank balances acquired	5,677
Net outflow of cash and cash equivalents included in cash flows from investing activities	(503,997)
Transaction costs of the acquisition included in cash flows from operating activities	(3,542)
	(507,539)

Since the acquisition, the Triumphant Success Group contributed HK$857,520,000 to the Group's revenue and incurred a loss of HK$12,615,000 which was included in the Group's results for the year ended 31 December 2015.

Had the combination taken place at the beginning of the year, the revenue of the Group and the profit of the Group for the year would have been HK$857,520,000 and HK$169,394,000, respectively.

(11) Contingent Liabilities

As at 31 December 2015, the Group provided guarantees to certain banks in respect of mortgage granted by banks relating to the mortgage loans arranged for purchasers of the Group's properties. Pursuant to the terms of the guarantees, upon default in mortgage payments by these purchasers, the Group is responsible for repaying the outstanding mortgage principals together with the accrued interest and penalty owed by the defaulting purchasers to the banks and the Group is entitled but not limited to take over the legal titles and possession of the related properties. The Group's guarantee period starts from the dates of grant of the relevant mortgage loans and ends upon issuance of the real estate ownership certificates. As at 31 December 2015, the Group's outstanding guarantees amounted to HK$535,596,000 (2014: nil).

According to the master agreement relating to the disposal of brewery subsidiaries in 2013, the Group had undertaken to bear any losses arising from the disposed brewery subsidiaries for additional obligations on, but not limited to, taxes, government levy, staff welfare and uncollectible trade receivables that occurred prior to the date of disposal.

CHAIRMAN'S STATEMENT

Results

During the year under review, the Group is engaged in property development and investment. The Group currently holds certain investment properties and the Buxin Project (a property development project) in Shenzhen, and the Ruyingju Project (a residential property project) in Panyu, Guangzhou.

In 2015, the Group's revenue amounted to HK$858 million (2014: HK$3.42 million), mainly derived from the sales income from the residential units under the Ruyingju Project, whereas the income in 2014 was entirely derived from rental income generated by our investment properties. During the year under review, the Group acquired an 80% interest in the Ruyingju Project that generated a gain on bargain purchase of HK$234 million (2014: nil). The aggregated amount of net exchange losses incurred by the Group and release of exchange reserve upon settlement of intercompany balance during the year under review were HK$166 million (2014: HK$2.91 million), mainly attributable to the depreciation of Renminbi ("RMB") against Hong Kong Dollar in the second half of 2015. Net profit attributable to the owners of the Company for the year under review was HK$ 175 million (2014: HK$81.77 million), representing an increase of approximately 113.7% from the same period of last year.

The Board recommends that no final dividend is to be declared for the year 31 December 2015 (2014: nil) to save funds for the future needs of business development of the Company.

Business Review

The Ruyingju Project is situated in South of Sanzhi Xiangshui Road, Dongxiang Village, Dashi Town, Panyu District, Guangzhou, the PRC. The total site area is approximately 38,771 square meters and the total aggregate gross floor area is approximately 127,597 square meters, with approximately 917 residential units and 651 car-parking spaces available for sale. The Ruyingju Project is located in the Panyu District of Guangzhou with mature transportation network and beautiful environment. The constructions of properties of the Ruyingju Project were completed in November 2015 and 382 of the residential units had been delivered to the customers during the year under review. The gross floor area of the delivered units represents 41.7% of the total saleable area of the residential units.

The Buxin Project is located at Buxin Area, Luohu District, Shenzhen, the PRC. The total site area is about 87,075 square meters. The Buxin Project is an industrial and commercial complex with jewellery as the main theme and will be constructed in two phases and is under development. The urban renewal unit planning proposal related to the Buxin Project had been approved in November 2015. The site development area is approximately 67,903 square meters and the total gross floor area is approximately 436,100 square meters, with a plot ratio of approximately 6.4 times. An additional 30,000 square meters of underground area was granted for commercial properties. Currently, the Group is designing properties of different usages and types in accordance with the approved usage of the land pieces and is negotiating with the Municipal Government of Shenzhen for the details and amount of land premium to be paid. Depending on the progress of such negotiation, the Company will inform its shareholders of further details of the development plan of the project, including the expected completion date of the development, as and when appropriate.

During the year under review, Shenzhen Plant 1 had disposed of its old brewery machinery and equipment and also considered to dispose certain properties it held gradually, including some of the staff dormitories. For the year ended 31 December 2015, the Group had an aggregated gain on disposal of property, plant and equipment as well as assets held for sale amounting to HK$36.45 million.

Outlook

As the economy of the PRC continues to have a medium to high-speed growth rate, coupled with the increasing living standard and urbanization which drives greater demands for properties, the Group believes that it continues to encourage the growth of property development and the real estates sector in the PRC.

Located in Luohu, Shenzhen, the Buxin Project has an enormous development potential, in which the Group will invest with appropriate resources in order to create and release the value of the project.

With satisfactory sales, the Ruyingju Project continues to improve its average selling price, and it is expected that the Ruyingju Project will continue to generate considerable income and cash flow for the Group in the coming year. Most of the gain from the acquisition of the Ruyingju Project was captured in a gain on bargain purchase that was recognised in the statement of profit or loss in 2015. Since the acquisition price paid was determined with reference to the then market value (but at a discount) of the Ruyingju Project, the carrying value (and the future costs of sales) of the Ruyingju properties consists of the development costs and the fair value increases as of the completion date of acquisition. In addition to developing existing Buxin Project and Ruyingju Project, the Group will also consider and study other opportunities in property development and investment in the PRC, with the main focus in Guangdong Province and other first-tier cities in the PRC.

Last but not least, on behalf of the Board, I would like to acknowledge the contribution by the management and its staff during the previous year. Under the leadership of the Board, the Company successfully acquired the Ruyingju Project during the year under review, which increased the quality of the Group's assets and diversified its operating risks. The Group is confident in the prospect of its business development and will actively promote the development of its real estate business in order to create greater returns for its shareholders as we did in the past.

HUANG Xiaofeng
Chairman

Hong Kong, 16 March 2016

MANAGEMENT DISCUSSION AND ANALYSIS

Operational Review

The Group's results for the year ended 31 December 2015 were mainly derived from its business in property development and investment.

According to the information of the National Bureau of Statistics of China, the preliminary figure of the national GDP for 2015 has a year-on-year increase of 6.9%, and the disposable income per capita increased by 8.9% as compared to that of last year. This, coupled with the changes to the fiscal and monetary policies in the PRC, including the adjustment to the tax holiday for business tax on personal housing transfer as well as the continuous downward adjustment to the long-term benchmark lending rate by the People's Bank of China, contributable to a remarkable increase in the property prices in first-tier cities of the PRC in 2015. According to the price index of newly built residential properties in 70 large to mid-sized cities in December 2015, the residential price index of Guangzhou City had an annual increase by approximately 9.1%, and that of Shenzhen City by approximately 46.8%.

The consolidated revenue of the Group for 2015 amounted to HK$858 million (2014: HK$3.42 million). Consolidated revenue for the year under review was mainly derived from the sales income generated by the Ruyingju Project. All the investment properties, ceased to be leased in the second half of 2015. Those investment properties situated in the site of the Buxin Project will form part of the development of the Buxin Project. The rest of the investment properties is considered to be disposed of gradually. During the year under review, the Group's net profit attributable to the owners of the Company was HK$175 million (2014: HK$81.77 million), representing an increase of approximately 113.7% from the same period last year.

In 2015, the Group acquired a 100% equity interest in Triumphant Success Limited and its subsidiaries from GDH Limited, a controlling shareholder of the Company, at a consideration of approximately HK$510 million, based on the fair value of its net asset with a discount (for further details, please refer to the announcement and the circular published by the Company dated 16 March 2015 and 2 April 2015, respectively). The main asset held by Triumphant Success Limited is a 80% interest in the Ruyingju Project located in Panyu District, Guangzhou, the PRC. As the acquisition consideration was less than the fair value of the net asset acquired, a gain on bargain purchase of HK$234 million was recognised in the audited consolidated statement of profit or loss for the year ended 31 December 2015. For further details, please refer to Note 10 to this announcement. Moreover, the Group incurred transaction costs in relation to the acquisition in the amount of approximately HK$3.54 million.

Apart from the aforementioned acquisition, the Company did not make any other significant investments during the year under review.

The Group recorded an aggregated amount of net exchange losses and release of exchange reserve upon settlement of inter-company balance of HK$166 million during the year under review (2014: HK$2.91 million), which is mainly attributable to the depreciation of RMB against HKD in the second half of 2015. As at 31 December 2015, almost all cash and bank balances of the Group were denominated in RMB. The RMB balance is planned to be used mainly for investing in the Buxin Project, in Shenzhen, the PRC. Therefore, from an operational perspective, the Group currently holds RMB for its future business investment in the PRC could minimise the related currency exchange risks. However, the abovementioned exchange difference is created during the currency revaluation in preparation of the Group's consolidated financial statements that use HKD as the reporting currency.

Key Financial Ratios

	Note	**2015**	2014	Change
Profit for the year attributable to owners of the Company, in thousand HK$		**174,773**	81,773	+113.7%
Return on equity, %	*1*	**4.0%**	1.9%	+110.5%
Net assets, in million HK$		**4,610**	4,338	+6.3%

Note:

1. Return on equity = net profit attributable to the owners of the Company/average equity attributable to the owners of the Company

During the year under review, a gain on bargain purchase of HK$234 million was recorded, mainly due to the Company's acquisition of the 80% interest in the Ruyingju Project located in Panyu District, Guangzhou from its controlling shareholder, resulting in the Group's net profit attributable to the owners of the Company amounting to HK$175 million, representing an increase of approximately 113.7% as compared to the same period last year. Return on equity increased by 110.5% over the same period last year. Total net asset increased by 6.3% from 31 December 2014. All the three key financial ratios recorded year-on-year increases.

The Buxin Project

The Buxin Project, in which the Group holds a 100% interest, is an industrial and commercial complex with jewellery as the main theme. In November 2015, the urban renewal unit planning proposal related to the Buxin Project was approved for a site development area of approximately 67,903 square meters and the total gross floor area is approximately 436,100 square meters, with the plot ratio of approximately 6.4 times. An additional 30,000 square meters of underground area was granted for commercial purpose. Currently, the Group is designing properties of different usages and types in accordance with the land use approval and reply, including industrial and commercial usages, research development, business apartment and other auxiliary service facilities.

The Group is negotiating with the Municipal Government of Shenzhen for the details and amount of the land premium pursuant to the approved Buxin Project urban renewal unit proposal. Meanwhile, taking into consideration of the market positioning of the Buxin Project, preparatory works such as preliminary market research and visits from potential customers are underway, we received good responses and supports from the potential customers for the Buxin Project. As various aspects of the work in the Buxin Project make progress, the Group will update its development schedule accordingly.

As at 31 December 2015, the Buxin Project incurred preliminary costs and fees for development in the amount of approximately HK$97.28 million in aggregate (2014: HK$25.15 million), representing a net increase of HK$72.13 million in 2015.

The Ruyingju Project

The Ruyingju Project, in which the Group holds a 80% interest, has 917 residential units and 651 parking spaces for sale, with certain residential units in pre-sale since the end of May 2015. For the year ended 31 December 2015, sale contracts for 534 residential units in aggregate were entered under the Ruyingju Project, with an aggregate floor area sold of approximately 55,000 square meters, representing approximately 58.5% of the total saleable area for residential units.

The properties in the Ruyingju Project were completed in November 2015 and 382 of the residential units were delivered to the customers and revenue was recognised during the year under review. The area of the delivered units was approximately 39,000 square meters, representing approximately 41.7% of the total saleable area of the residential units.

In 2015, the Group has recognised a gain on bargain purchase of HK$234 million from the acquisition of the Ruyingju Project. Most of the gain from the Ruyingju Project was captured in such a gain on bargain purchase. Since the acquisition price paid was determined with reference to the then market value (but at a discount) of the Ruyingju Project, the carrying value the Ruyingju properties consists of its development costs and the fair value increases as of the completion date of acquisition. With satisfactory sales, the Ruyingju Project continues to see an improvement in its average selling price. It is expected that most of the remaining residential units in the Ruyingju Project will be sold in 2016 and the average selling price (in RMB) will be higher than that in 2015 because of the expected increase in the general improvement in property prices and the better quality and location of the remaining residential units. The actual number of properties that could be delivered depends on the timing and process of the sales. It is expected that the majority of the residential units to be sold will be delivered to the customers in 2016.

Operating Income, Expenses and Finance Costs

During the year under review, the Group's bank interest income was HK$136 million (2014: HK$137 million), representing a decrease of 0.7% as compared with the same period last year. During the year under review, the imputed interest income from fair value changes of other receivables amounted to HK$36.65 million (2014: HK$38.24 million), representing a decrease of 4.2% as compared with the same period last year. Such income will no longer be incurred in 2016 from the other receivables currently held by the Group. An aggregated gain on disposal of property, plant and equipment and assets held for sale during the year under review was HK$36.45 million in total (2014: HK$73.38 million).

In 2015, the Group's selling and distribution expenses were HK$10.14 million (2014: nil) associated with the sale of the Ruyingju residential properties. The Group's administrative expenses in 2015 was HK$69.46 million (2014: HK$94.78 million), representing a decrease of 26.7% as compared to that in 2014. The decrease in administrative expenses was mainly attributable to the decrease in wages and related expenditures resulting from the progressive implementation of staff redundancy plan in 2014.

In respect of the completion of the transactions related to the disposal of the equity interests in nine previous subsidiaries engaged in production and sale of beer by the Group in 2013, the Group made an additional net provision of HK$18.34 million during the year under review.

During the year under review, 廣州市番禺粵海房地產有限公司 (Guangzhou Panyu Yuehai Real Estate Company Limited), a newly acquired subsidiary of the Company holding the Ruyingyu Project, has obtained bank loans. As the interest of the bank loans of HK$7.73 million accrued from the date of the acquisition has been fully capitalised, the Group recorded no finance costs during the year. For the same period last year, the Group did not have any borrowing from banks, and, therefore recorded no finance costs.

Capital Expenditure

The Group's general capital expenditure paid in 2015 was approximately HK$4.31 million (2014: HK$1.05 million), representing an increase of 310.5% than that in 2014.

Financial Resources and Liquidity

As at 31 December 2015, the equity attributable to owners of the Company was HK$4.43 billion (2014: HK$4.34 billion), representing an increase of 2.1% over that in 2014. Based on the number of ordinary shares in issue as at 31 December 2015, the net asset value per share of the Company at the end of the year was HK$2.59 (2014: HK$2.53 per share), representing an increase of 2.4% over that in 2014.

As at 31 December 2015, the Group had cash and bank balances of HK$3.68 billion (2014: HK$3.83 billion), representing a decrease of 3.9% year-on-year. The aforementioned amount included restricted bank balances of HK$470 million (2014: HK$0.19 million) principally associated with an amount received from the sales but yet delivery of the Ruyingju Project. Of the Group's cash and bank balances as at 31 December 2015, 99.8% was in RMB, 0.1% was in HK$ and 0.1% in USD. Net cash flows generated from operating activities for the year were HK$520 million (2014: net cash flows used in operating activities of HK$240 million).

As most of the transactions from the Group's PRC daily operations are denominated in Renminbi, currency exposure from these transactions is low. During the year under review, the Group did not perform currency hedge of the transactions. The consolidated financial statements of the Group are presented in Hong Kong dollars, and changes in exchange rate of HK$ against RMB generated exchange differences upon currency revaluation. With the development of the Buxin Project of the Group located in Shenzhen, the PRC, capital injection to the Buxin Project will be made by the Group as and when appropriate. The impact of exchange difference arising on changes in exchange rate of HK$ against RMB on the consolidated statement of profit or loss of the Group will be diminishing.

As at 31 December 2015, the Group did not have any outstanding bank loan. Given the Group's existing cash and bank balances, the Group will have sufficient financial resources to finance its existing continuing operations in the coming year. The Group will review its funding needs according to progress of business development from time to time so as to ensure that adequate financial resources will be available to support its business development.

None of the assets of the Group was pledged to any creditors. Except for the disclosure in Note 11 of this announcement regarding the guarantee made in relation to the mortgage of the sold property of approximately HK$536 million (2014: nil) and undertakings made in the master sales agreement relating to the disposal of brewery subsidiaries, there was no material contingent liability recorded as at the end of 2015.

Risks and Uncertainties

Given that the Group is engaged in property development and investment in Mainland China, risks and uncertainties of its business are principally associated with property market and property prices in Mainland China, and the Group's revenue in the future will be directly affected by such risks and uncertainties. Property market in Mainland China is affected by a number of factors which include economic conditions, property supply and demand, fiscal and monetary policies and taxation policies of the government. The gross domestic product (GDP) of Mainland China has maintained a year-on-year growth though the growth rate has been slowed down gradually. Currently, the property projects of the Group are all located in tier-1 cities with different categories and usage, effectively diversifying operational risks.

The Buxin Project in Shenzhen has relatively prolonged development period, and the Company may seek external fund to partially finance its development. As such, the financing channels and financing costs will be subject to the prevailing market conditions and the Group's financial position. As at 31 December 2015, the Group did not have any outstanding interest-bearing loan.

As property sector has a relatively long product development cycle, the Group's future profit and cash flow will be highly volatile.

Policy and Performance on Environmental Protection

The Group has strictly observed rules and regulations promulgated by the government, including the regulations on environmental protection, social and governance. During the year under review, the business activities of the Group in Mainland China were engaged principally in property construction and demolition. Regarding the completed construction of the Ruyingju properties during the year under review, the Group has obtained the approval of completion and acceptance from the Environmental Protection Bureau of Panyu, Guangzhou. For the demolition works of the land lots of the Buxin Project, demolition sites have strictly observed the laws and regulations of the relevant regions in Mainland China, including but not limited to environmental protection, sewage treatment and noise control. The Group has also commissioned green experts to preserve trees and other vegetation for the purpose of environmental protection.

In furtherance of on-going fine-tuning the policies on environmental protection, social and governance, the Group has established communication with stakeholders, such as employees, customers, business partners, investors and governmental authorities, by conducting surveys, group discussions and interviews, allowing the Group to identify important topics for the Group to envisage the changes in operational environment, and consequently achieving the goals of sustainable development and proper risk management.

Human Resources

The Group had 297 (2014: 182) employees as at the end of 2015. The total employee remuneration and provident fund contributions (excluding directors' remuneration) of the continuing operations in 2015 was HK$55.92 million (2014: HK$63.38 million). Various basic benefits were provided to the Group's staff with an incentive policy which was designed to remunerate staff by combined references to the Group's operating results as well as the performance of the individual staff member.

CORPORATE GOVERNANCE CODE

The Group recognizes the importance of achieving the highest standard of corporate governance consistent with the needs and requirements of its businesses and the best interest of all of its stakeholders and is fully committed to doing so. It is also with these objectives in mind that the Group has applied the principles of the code provisions of the Corporate Governance Code (the "CG Code") contained in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules").

In the opinion of the directors of the Company, the Company was in compliance with the applicable code provisions in the CG Code for the year ended 31 December 2015 and, where appropriate, the applicable recommended best practices of the CG Code, save and except for code provision A.6.7 as a non-executive director was unable to attend the special general meeting of the Company held on 24 April 2015, and an executive director and a non-executive director were unable to attend the annual general meeting of the Company held on 19 June 2015 as they had other engagements.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed and no transfer of shares will be effected during the period from Wednesday, 22 June 2016 to Friday, 24 June 2016, both days inclusive, for determining the shareholders' eligibility to attend and vote at the Annual General Meeting of the Company to be held on Friday, 24 June 2016.

In order to qualify for attending and voting at the forthcoming Annual General Meeting of the Company to be held on Friday, 24 June 2016, unregistered holders of shares of the Company should ensure that all transfers documents accompanied by the relevant share certificates must be lodged with the Company's Branch Share Registrar in Hong Kong, Tricor Tengis Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, for registration not later than 4:30 p.m. on Tuesday, 21 June 2016.

REVIEW OF ANNUAL RESULTS

The annual results of the Group for the year ended 31 December 2015 have been reviewed by the Audit Committee of the Company.

PURCHASE, SALE AND REDEMPTION OF LISTED SECURITIES

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the year ended 31 December 2015.

By Order of the Board
Guangdong Land Holdings Limited
HUANG Xiaofeng
Chairman

Hong Kong, 16 March 2016

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