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: 00124)

Unaudited Financial Information for the three months ended 31 March 2021

The board of directors (the "**Board**") of Guangdong Land Holdings Limited (the "**Company**") announces the unaudited financial information of the Company and its subsidiaries (the "**Group**") for the three months ended 31 March 2021 together with comparative figures. This announcement is made by the Company on a voluntary basis in pursuance of its policy to achieve a higher level of corporate governance.

FINANCIAL HIGHLIGHTS

	For the three months ended 31 March		
	2021	2020	
	HK$ '000	HK$ '000	Change
Revenue	**1,424,922**	441,053	+223.1%
Gross profit	**609,471**	76,846	+693.1%
Fair value gain on investment properties	**26,518**	25,076	+5.8%
Profit/(loss) attributable to owners of the Company	**212,254**	(4,207)	N/A
	As at 31 March 2021	As at 31 December 2020	
	HK$ '000	HK$ '000	Change
Total assets	**27,917,186**	20,862,719	+33.8%
Equity attributable to owners of the Company	**7,005,142**	6,835,783	+2.5%
Net asset value per share#	**HK$4.09**	HK$3.99	+2.5%

Net asset value per share = Equity attributable to owners of the Company ÷ Number of issued shares

RESULTS

For the three months ended 31 March 2021, the consolidated revenue of the Group was approximately HK$1,425 million (three months ended 31 March 2020: HK$441 million), representing an increase of approximately 223.1% from the same period last year. The increase in revenue was mainly attributable to the increase in the sale of gross floor area ("**GFA**") of properties held for sale. During the period under review, the Group recorded a profit attributable to owners of the Company of approximately HK$212 million (three months ended 31 March 2020: loss of approximately HK$4 million). During the period under review, profit attributable to owners of the Company before taking into account of the fair value gains on investment properties and the relevant deferred tax expense was approximately HK$192 million (three months ended 31 March 2020: loss of approximately HK$23 million).

The major factors that affected the said results of the Group for the three months ended 31 March 2021 include the following:

(a) properties built on the Northwestern Land of the GDH City Project has been filed for completion (竣工備案) and the Group has started to deliver properties to the purchasers in June 2020. During the period under review, certain revenue and profit of the Group came from the sale of such properties;

(b) an increase in the selling and marketing expenses as well as administrative expenses of approximately HK$83.30 million and HK$33.65 million, respectively, when comparing with the same period last year due to the increase in sales activities and the expansion of business structure of the Group; and

(c) an increase in interest-bearing loans and profit before tax render the increase in finance costs recognised in the profit or loss account and income tax expenses of approximately HK$16.04 million and HK$207 million, respectively, when comparing with the same period last year.

BUSINESS REVIEW

Completed Properties Held for Sale

Property project	Location	Use	Interest held by the Group	Appro-ximate GFA of the project	Accu-mulated GFA contracted	Approximate GFA delivered		The proportion of accumulated GFA delivered to GFA available for sale
						Period under review	Accu-mulated	
				(sq. m.)	(sq. m.)	(sq. m.)	(sq. m.)	
Northwestern Land of the GDH City	Shenzhen City, the PRC	Business apartment/ Commercial	100%	114,654	57,534	10,861	33,020	28.8%
Laurel House	Guangzhou City, the PRC	Residential	100%	65,636	63,992	7,536	61,732	94.1%
Baohuaxuan	Guangzhou City, the PRC	Residential	100%	3,884	3,884	97	3,781	97.3%
Ruyingju	Guangzhou City, the PRC	Residential	80%	94,617	94,617	193	94,617	100.0%
Ruyingju	Guangzhou City, the PRC	Car-parking spaces	80%	8,052	5,180	194	5,173	64.2%

During the period under review, the Group's properties recorded a total GFA contracted (include both completed properties held for sale and properties held for sale under development) and delivered of approximately 32,000 square metres ("**sq. m.**") and 19,000 sq. m. respectively.

Properties Held for Sale and Investment Properties under Development

Property project	Location	Use	Interest held by the Group	Approxi-mate total site area (sq. m.)	Approxi-mate GFA* (sq. m.)	Progress	Expected completion and filing date
Northern Land of the GDH City Project	Shenzhen City, the PRC	Commercial/ Offices/Mall	100%	33,802	146,551	Commercial properties superstructure topped out, and construction works of tower superstructure in progress	2nd half of 2022
Southern Land of the GDH City Project	Shenzhen City, the PRC	Offices/Mall	100%	16,044	199,500	Construction works of tower superstructure and commercial shopping building’s basement structure in progress	2023
Chenyuan Road Project	Jiangmen City, the PRC	Residential/ Commercial service	100%	59,705	164,216	Main structure construction for the first phase properties topped out, main structure construction of buildings for the second to fourth phases underway	2nd half of 2022
Zhuhai Jinwan Project	Zhuhai City, the PRC	Residential/ Commercial	100%	66,090	166,692	Main structure construction for the first phase properties and piling works for other phases underway	2024
Foshan Laurel House Project	Foshan City, the PRC	Residential/ Commercial	100%	43,284	151,493	Preliminary works such as site formation and establishing of temporary construction facilities underway	2023
Zhongshan GDH City Project	Zhongshan City, the PRC	Residential	80%	98,811	247,028	Preliminary works such as site formation and establishing of temporary construction facilities underway	2023
Jiangmen Ganhua Project (Jiangmen Land No. 3 - 5)	Jiangmen City, the PRC	Residential/ Commercial	51%	174,538	396,600	Construction permit has been obtained and main structure construction underway	2026
Huizhou Dayawan Project	Huizhou City, the PRC	Residential/ Commercial	100%	30,698	92,094	Earthworks and foundation pit support works underway	2023

**Note: Including (1) underground commercial of the GDH City Project with a GFA of 30,000 sq. m.; and (2) common area and area transfer to the government of each project.*

The GDH City Project

The Group holds the GDH City Project, which is a multi-functional commercial complex with jewelry as the main theme, located in Luohu District, Shenzhen City in the People's Republic of China ("**PRC**" or "**Mainland China**"). The project, which is in close proximity to the urban highways and subway stations and adjoins Weiling Park, is surrounded by several municipal parks within a radius of 1.5 kilometres and enjoys convenient transportation and superb landscape resources.

The filing for completion of construction of the first phase of the GDH City Project and delivery of properties to customers were made in June 2020. The construction of the second phase development has been in full swing. On the Northern Land development, the superstructure of the offices units and the commercial shopping building has been topped out and the superstructure of the office tower is under construction; and regarding "Guangdong Land Building (粵海置地大廈)" under the Southern Land development, the superstructure of the office tower and the basement structure of the commercial shopping building are under construction. In respect of the sale of properties under the first phase of the GDH City Project, as at 31 March 2021, the accumulated aggregate GFA of properties contracted for sale amounted to approximately 57,534 sq. m., representing approximately 50.2% of the total GFA available for sale.

As at 31 March 2021, the cumulative development costs and direct expenses of the GDH City Project amounted to approximately HK$6,448 million (31 December 2020: HK$6,174 million), representing a net increase of approximately HK$274 million during the period under review.

The Laurel House Project and the Ruyingju Project

Total GFA of residential units of the Laurel House Project delivered to customers during the period under review amounted to approximately 7,536 sq. m. (Three months ended 31 March 2020: 4,690 sq. m.), representing an increase of approximately 60.7% as compared to the same period last year. As at 31 March 2021, all the residential units of the Ruyingju Project have been delivered to customers.

As at 31 March 2021, occupancy rate in respect of the commercial properties of the Laurel House Project was approximately 88.1%.

The Chenyuan Road Project

The Chenyuan Road Project has a site area of approximately 59,705 sq. m. and a maximum total GFA included in the calculation of the plot ratio of approximately 164,216 sq. m. The proposed types of properties, including residential units, commercial units, and car-parking spaces, will all be for sale. The project commenced construction in the second quarter of 2020 and is being developed in phases. As at 31 March 2021, the main structure construction for the first phase properties has topped out and the main structure construction of buildings for the second to fourth phases was underway.

Pre-sale of properties of the first phase of development has been commenced in January 2021. During the period under review, the aggregate GFA of properties contracted for sale amounted to approximately 11,809 sq. m.

The Zhuhai Jinwan Project

The Zhuhai Jinwan Project is located at west of Jinhui Road and north of Jinhe East Road in Jinwan District, Zhuhai City, the PRC with a site area of approximately 66,090 sq. m. and a maximum total GFA included in the calculation of plot ratio of approximately 166,692 sq. m. It is planned for commercial and residential uses, and the properties to be built thereon will all be for sale. The project is located in an area with high value potentials that will facilitate the future development of the project. It is expected that there will be sound living and educational amenities in the area. With the significant advantage in terms of location resources, the project enjoys promising market prospects.

During the period under review, the comprehensive construction permit of property development has been obtained. Currently, the main structure construction works for the first phase properties are underway. It is expected that the project would meet the pre-sale conditions in the first half of 2021. Foundation piling works for other phases of property development are underway and the filing for completion of construction of the project is expected to be made in 2024.

The Foshan Laurel House Project

The Foshan Laurel House Project is located at west of Wenhua Road, south of Liming 2nd Road, Chancheng District, Foshan City, the PRC with a site area of approximately 43,284 sq. m. and a maximum total GFA included in the calculation of the plot ratio of approximately 151,493 sq. m. It is planned for residential use, compatible with commercial use. In addition, a nursery with area of 4,860 sq. m. is entrusted to be built for the project and gratuitously transferred to the government of Chancheng District, Foshan City upon completion.

The project is positioned as a modern, top-notch and strong central area of Foshan City, ideal for living, starting business and fostering innovation. In addition, the project is adjacent to Wanhua Station, the interchange station of Line 2 and Line 3 of Foshan Metro and enjoys easy access to well-established educational, medical and commercial facilities nearby, making it well-positioned to be developed into a residential community near metro and featuring quality lifestyle. With the significant advantage in terms of location resources, the project boasts promising market prospects.

During the period under review, the project was performing preliminary works such as site formation and establishing of temporary construction facilities, etc. It is expected that the construction permit for the project will be obtained in the first half of 2021 and the filing for completion of construction works will be made in 2023.

The Zhongshan GDH City Project

The Zhongshan GDH City Project has a site area of approximately 98,811 sq. m. and a maximum total GFA included in the calculation of the plot ratio of approximately 247,028 sq. m. It is planned for town residential use. The project sits in the core centre of the Guangdong-Hong Kong-Macao Greater Bay Area, and is the bridgehead at the west bank of the Pearl River connecting to the Shenzhen-Zhongshan Bridge. It therefore has been experiencing rapid development, generating huge demand for the property market. The project enjoys a superior seaview and rich ecological landscape resources, which, coupled with the increasingly developed educational, medical and commercial facilities in the area, makes it suitable to be developed into a low-density, eco-friendly quality residential community. With the significant advantage in terms of location, industries and transportation resources, the project has promising market prospects.

During the period under review, the project was performing preliminary works such as site formation and establishing of temporary construction facilities, etc. It is expected that the construction permit for the project will be obtained in 2021 and the filing for completion of construction works will be made in 2023. In January 2021, the Group established a subsidiary to develop the project and advance the development and construction works of the land parcel.

Material Acquisition – Jiangmen Yuehai and Huiyang Yuehai

On 29 October, 2020, the Group acquired from the subsidiaries of 廣東粵海控股集團有限公司 (Guangdong Holdings Limited), the ultimate controlling shareholder of the Company, (i) 51% interest in 江門粵海置地有限公司 (Jiangmen Yuehai Land Co., Ltd.) ("**Jiangmen Yuehai**") and its shareholder's loan at a total consideration of approximately RMB954 million (equivalent to approximately HK$1,086 million); and (ii) 100% interest in 惠陽粵海房產發展有限公司 (Huiyang Yuehai Property Development Co., Ltd.) ("**Huiyang Yuehai**") at a consideration of approximately RMB274 million (equivalent to approximately HK$316 million).

Jiangmen Yuehai mainly holds three adjourning parcels of land located at the east of Ganbei Road, Pengjiang District, Jiangmen City, Guangdong Province, the PRC with an aggregate GFA of approximately 396,600 sq. m. (the "**Jiangmen Land No. 3 - 5**"). The Jiangmen Land No. 3 - 5 has been approved for city and town residential and other commercial and service uses. In addition, there is a parcel of land adjacent to the Jiangmen Land No. 3 - 5 with an aggregate GFA of approximately 41,597 sq. m. (the "**Jiangmen Land No. 6**"), which has been approved for medical and health, and commercial service uses; and, subject to the approval of the relevant government authorities in accordance with the policy of "Three Olds" Renovation (「三舊」改造) in relation to, among other things, the resettlement of the residents. Jiangmen Yuehai shall be entitled to acquire the relevant land use right in respect of Jiangmen Land No. 6 without paying any land premium. The project will be split into three-phase of construction. The filing for completion of construction of the project is expected to be made in December 2026. It is expected the pre-sale for properties of the first phase of development will be conducted in May 2021.

Huiyang Yuehai mainly holds the Huizhou Dayawan Project through its wholly-owned subsidiary, 惠州市粵海房地產開發有限公司 (Huizhou City Yuehai Property Development Co., Ltd.). With an estimated aggregate GFA of approximately 92,094 sq. m., the project is positioned to be a quality urban residential community with natural slope land garden view. The filing for completion of construction of the Huizhou Dayawan Project is expected to be made in 2023 and the pre-sale of the Huizhou Dayawan Project is expected to commence in March 2022.

The acquisitions of Jiangmen Yuehai and Huiyang Yuehai constituted a connected transaction and a major transaction of the Company under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, and were approved by the shareholders of the Company by way of poll at the special general meeting of the Company held on 15 December 2020. For details of the acquisitions, please refer to the circular of the Company dated 25 November 2020. The acquisitions of Jiangmen Yuehai and Huiyang Yuehai were completed on 13 January 2021 and 18 January 2021, respectively. From the dates of completion, the assets, liabilities, results and cash flows of these companies are included in the consolidated financial statements of the Company.

FINANCIAL REVIEW

As at 31 March 2021, the total assets of the Group was approximately HK$27.92 billion (31 December 2020: HK$20.86 billion), representing an increase of approximately 33.8% from the year-end of 2020. Based on the number of shares in issue as at 31 March 2021, the net asset value per share attributable to owners of the Company at the end of the period was approximately HK$4.09 (31 December 2020: HK$3.99) per share, representing an increase of approximately 2.5% over the year-end of 2020.

As at 31 March 2021, the Group had total outstanding interest-bearing loans of approximately HK$12.76 billion (31 December 2020: HK$7.76 billion) with a gearing ratio [1] of approximately 115.3% (31 December 2020: 73.7%). As at 31 March 2021, the Group's financial position remained stable, and the aggregate available banking and other facilities to the Group were RMB1,903 million (equivalent to approximately HK$2,252 million). The Group reviews its funding needs from time to time according to the future development of the GDH City Project and other businesses and consider obtaining funds through various financing means and channels so as to secure adequate financial resources for business development.

[1] Gearing ratio = (Interest-bearing loans + Lease liabilities - Cash and cash equivalents) ÷ Net assets

OUTLOOK

The trend of Coronavirus Disease 2019 ("**COVID-19**" or "**pandemic**") has been under control overall. The world gradually turns to the post-pandemic period. The global economy changed from partial recovery to global recovery. The PRC government insists implantation of both the continuous prevention of the pandemic and the specific emergency measures simultaneously to strictly prevent the concentrated COVID-19 outbreak and the spread of sporadic cases, with the free vaccination program underway. With the stark results in respect of the prevention of COVID-19 pandemic, the national economy showed a strong recovery trend in Mainland China. According to the published figures from the National Bureau of Statistics for the first quarter of 2021, the gross domestic product of the PRC increased over 18% from the same period last year. According to the PRC government report of 2021, the continuity, stability and sustainability of the macro-economic policy will be upheld to facilitate the economic system operates within a reasonable range. In the medium to long run, the fundamental upward trend of the economy of the PRC has not changed and the economic growth is still fall in a stable passage.

Entering 2021, the PRC government continues to adhere to the overarching principles that "housing is for living in, not for speculation" and "property policies should be city-specific". The introduction of the loans concentration regulations for the property sector (房地產貸款集中度規定) (established a maximum loan proportion for property sector and personal mortgage in five classes of institutions, including seven large-scale state-owned enterprise ("**SOE**") banks, seventeen medium-scale SOE banks, small-scale SOE banks and non-Rural Credit Cooperative and non-Rural Cooperative Banks, Rural Credit Cooperative and Rural Cooperative Banks, as well as village and town banks) and core-city land supply "Two Concentration" (兩集中) (concentrate publishing of sales announcements and the frequency of sales announcements for residential land parcels should not exceed three times in 2021; and centralise the organisation of all sales activities) policy, with a view to stabilise the land prices, property prices and expectation, resulted in the healthy development of the property market.

In the first quarter of 2021, sale of GFA of the residential properties in Mainland China doubled when comparing to the same period last year. The demand for property purchase from residents was released rapidly. Overall sales in the real estate market showed a positive trend. In the late first quarter, influenced by the policy of "Two Concentration" of land supply in some of the core cities in the PRC, the land supply volume from local governments were about the same as that of last year and the related transaction amounts as well as the land prices exhibited a slight increase. Following the concentration of land supply policy implementation in the second quarter in various cities, it is expected that there would be certain increase in land supply volume from local governments. In general, the sound fundamentals of China's economy in the long run coupled with steady property development and investment will continue to facilitate the steady and healthy development of the real estate industry in Mainland China.

The Group currently enjoys a healthy financial position, the support of a robust controlling shareholder and ample project and financial resources. In March 2021, the Board has recommended the payment of a dividend for the first time after the change of the Group's business to reward its supportive shareholders. As the sole capital development platform for the property development business of Guangdong Province's largest offshore conglomerate, GDH Limited, the Group will seize the market opportunity to further actively strive for and leverage on the resources of the controlling shareholder of the Company as well as the role and advantages of a listed company, and to capitalise on its well-established professional capacity, industry experience and abundant resources with a rational deployment to actively and prudently seek for business. We will actively seize the window period of land bank supply to expand our land bank.

Under the leadership of the Board, 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 shareholders of the Company as we did in the past.

CAUTION STATEMENT

The Board wishes to remind shareholders of the Company and potential investors that the above financial information is based on the Company's internal records and management accounts. The above financial information for the three months ended 31 March 2021 has not been audited or reviewed by the external auditor of the Company. Accordingly, any information contained in this announcement should in no way be regarded as to provide any indication of or assurance on the financial information of the Group for the three months ended 31 March 2021.

Shareholders of the Company and potential investors are urged to exercise caution in dealing in the securities of the Company and are recommended to consult their own professional advisers if they are in doubt as to their investment positions.

By Order of the Board
Guangdong Land Holdings Limited
XU Yeqin
Chairman

Hong Kong, 28 April 2021

In this announcement, the English names of the PRC entities are translations of their Chinese names, and are included herein for identification purposes only. In the event of any inconsistency, the Chinese names shall prevail.

As at the date of this announcement, the Board comprises five Executive Directors, namely Mr. XU Yeqin, Mr. LI Yonggang, Mr. WU Mingchang, Ms. ZHU Guang and Mr. ZHANG Jun; and three Independent Non-Executive Directors, namely Mr. Alan Howard SMITH, Mr. Felix FONG Wo and Mr. Vincent Marshall LEE Kwan Ho.