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GUANGDONG INVESTMENT LIMITED
(粵 海 投 資 有 限 公 司)

(Incorporated in Hong Kong with limited liability)
 (Stock Code: 00270)

UNAUDITED FINANCIAL INFORMATION
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2021

The board of directors (the “Board”) of Guangdong Investment Limited (the “Company”) is pleased to announce the unaudited financial information of the Company and its subsidiaries (the “Group”) for the nine months ended 30 September 2021 (the “Period”) together with the comparative figures.

Unaudited financial highlights			
	<u>For the nine months ended 30 September</u>		
	2021	2020	Changes
	(Unaudited)	(Unaudited)	
	HK\$'000	HK\$'000	%
Revenue	<u>22,154,543</u>	<u>16,094,460</u>	+37.7
<i>Changes in fair value of investment properties</i>			
	<u>649,059</u>	<u>(97,906)</u>	
Profit before tax	<u>8,093,482</u>	<u>6,619,577</u>	+22.3
Profit attributable to owners of the Company	<u>4,728,707</u>	<u>3,886,304</u>	+21.7
	<u>30 September 2021</u>	<u>31 December 2020</u>	Changes
	(Unaudited)	(Audited)	
	HK\$'000	HK\$'000	%
Total Assets	<u>115,537,704</u>	<u>89,600,542</u>	+28.9
Equity attributable to owners of the Company	<u>45,460,535</u>	<u>44,227,798</u>	+2.8

Notes:

- (1) *The financial information has not been audited or reviewed by the Company's auditor.*
- (2) *The financial information relating to the year ended 31 December 2020 included in this announcement as comparative information does not constitute the statutory annual consolidated financial statements of the Company for that year but is derived from those consolidated financial statements. Further information relating to these statutory financial statements required to be disclosed in accordance with section 436 of the Hong Kong Companies Ordinance (Chapter 622) is as follows:*

The Company has delivered the consolidated financial statements for the year ended 31 December 2020 to the Registrar of Companies as required by section 662(3) of, and Part 3 of Schedule 6 to, the Hong Kong Companies Ordinance (Chapter 622). The Company's auditor has reported on those consolidated financial statements. The auditor's report was unqualified; did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its report; and did not contain a statement under sections 406(2), 407(2) or 407(3) of the Hong Kong Companies Ordinance (Chapter 622).

- (3) *This announcement is made by the Company on a voluntary basis in order to further enhance the Company's level of corporate governance and transparency. The Company will continue to publish financial information quarterly in subsequent financial years.*

PERFORMANCE HIGHLIGHTS

The unaudited consolidated revenue of the Group for the Period was HK\$22,155 million (2020: HK\$16,094 million), an increase of 37.7% as compared with the same period last year. The increase in revenue was mainly attributable to a better performance in water resources business, property investment and development business and road and bridge business during the Period.

The unaudited consolidated profit before tax for the Period increased by 22.3% to HK\$8,093 million (2020: HK\$6,620 million), which was mainly due to a better performance in water resources business and property investment and development business during the Period. The net gain arising from fair value adjustments for investment properties was HK\$649 million (2020: net deficit of HK\$98 million), causing an addition in profit before tax by HK\$747 million for the Period. The net exchange loss of the Group for the Period amounted to HK\$30 million (2020: HK\$6 million). Net finance costs of the Group for the Period was HK\$175 million (2020: net interest income of HK\$92 million). The unaudited consolidated profit attributable to owners of the Company for the Period increased by 21.7% to HK\$4,729 million (2020: HK\$3,886 million).

As at 30 September 2021, the unaudited equity attributable to owners of the Company was HK\$45,461 million (31 December 2020: HK\$44,228 million (audited)), increased by approximately HK\$1,233 million during the Period. The changes for the Period mainly represented the unaudited consolidated profit for the Period attributable to owners of the Company of HK\$4,729 million, dividends distributed during the Period of HK\$3,888 million and the other comprehensive gain of HK\$455 million in relation to the exchange differences on translation of foreign operations as a result of Renminbi appreciation.

A summary of the performance of the Group's major businesses during the Period is set out as follows:

Water Resources

Dongshen Water Supply Project

The profit contribution from the Dongshen Water Supply Project continued to form a significant part of the Group's profit. As at 30 September 2021, the Company's interest in GH Water Supply (Holdings) Limited ("GH Water Holdings") was 96.04% (31 December 2020: 96.04%). GH Water Holdings holds a 99.0% interest in Guangdong Yue Gang Water Supply Company Limited, the owner of the Dongshen Water Supply Project.

The designed annual capacity of Dongshen Water Supply Project is 2.423 billion tons. Total volume of water supply to Hong Kong, Shenzhen and Dongguan during the Period amounted to 1.911 billion tons (2020: 1.672 billion tons), an increase of 14.3%, which generated a revenue of HK\$5,315 million (2020: HK\$4,963 million), an increase of 7.1% over the same period last year.

The revenue from water sales to Hong Kong for the Period increased by 1.3% to HK\$3,997 million (2020: HK\$3,945 million). The revenue from water sales to Shenzhen and Dongguan areas for the Period increased by 29.5% to HK\$1,318 million (2020: HK\$1,018 million). The profit before tax for the Period, excluding net exchange differences and net finance costs, of the Dongshen Water Supply Project was HK\$3,509 million (2020: HK\$3,334 million), 5.2% higher than that in the same period last year.

Other Water Resources Projects

Apart from the Dongshen Water Supply Project, the Group has a number of subsidiaries and associates which are principally engaged in water distribution, sewage treatment operation and waterworks construction in the People's Republic of China (the "PRC").

On 20 April 2021, the Group completed the acquisition of 53% equity interest of 嘉誠環保工程有限公司 (Jiacheng Environmental Engineering Company Limited[▲]) ("Jiacheng Environmental Engineering") and its subsidiaries ("Jiacheng Environmental Engineering Group"). Jiacheng Environmental Engineering Group is mainly engaged in environmental engineering works in Henan Province and Hebei Province, the PRC. Pursuant to the share transfer agreements, an aggregate amount of no more than RMB3,970 million (equivalent to approximately HK\$4,766 million), comprising share transfer considerations, guarantee for bank refinancing and commitments to provide financial assistance to existing and new water investment projects, is contemplated to be provided by the Group. The total designed water supply capacity and designed waste water processing capacity of its existing water projects are 50,000 tons per day and 468,000 tons per day, respectively. In addition, Jiacheng Environmental Engineering has successfully bid for certain water resources projects and the total designed waste water processing capacity of these potential projects is 320,000 tons per day. Further details of the transaction are set out in the Company's announcement dated 19 April 2021. Other than the above investment, the Group also successfully bid/contracted for seven new water resources projects respectively located in Jieyang City, Yunfu City and Kaiping City of Guangdong Province, Pizhou City and Xuyi County of Jiangsu Province, Nanchang County of Jiangxi Province and Danzhou City of Hainan Province, the PRC, with total designed water supply capacity and waste water processing capacity of 517,000 tons per day and 108,000 tons per day, respectively. The expected total investment amount of these projects is approximately RMB2,691 million (equivalent to approximately HK\$3,230 million).

The total designed water supply capacity of the water supply plants and the total designed waste water processing capacity of the sewage treatment plants of the Group's Other Water Resources Projects as at 30 September 2021 are 12,929,000 tons per day (31 December 2020: 12,412,000 tons per day) and 2,635,200 tons per day (31 December 2020: 1,739,200 tons per day), respectively.

Capacity of Water Resources Projects in Operation

The water supply capacity of the water supply plants and the waste water processing capacity of the sewage treatment plants operated by each of the subsidiaries and associates of the Company are as follows:

<u>Name of subsidiaries of the Company</u>	<u>Water supply capacity (tons per day)</u>	<u>Waste water processing capacity (tons per day)</u>
東莞市清溪粵海水務有限公司 (Dongguan Qingxi Guangdong Water Co., Ltd. ▲)	290,000	-
梅州粵海水務有限公司 (Meizhou Guangdong Water Co., Ltd. ▲)	310,000	250,000
Yizheng Yuehai Water Supply Co., Ltd.	150,000	-
Gaoyou GDH Water Co., Ltd.	150,000	-
Baoying GDH Water Co., Ltd.	130,000	-
海南儋州粵海自來水有限公司 (Hainan Danzhou Guangdong Tap Water Co., Ltd. ▲)	100,000	-
梧州粵海江河水務有限公司 (Wuzhou Guangdong Jianghe Water Co., Ltd. ▲)	355,000	-
Zhaoqing HZ GDH Water Co., Ltd.	120,000	-
遂溪粵海水務有限公司 (Suixi Guangdong Water Co., Ltd. ▲)	70,000	-
海南儋州粵海水務有限公司 (Hainan Danzhou Guangdong Water Co., Ltd. ▲)	100,000	20,000
豐順粵海水務有限公司 (Fengshun Guangdong Water Co., Ltd. ▲)	73,500	-
盱眙粵海水務有限公司 (Xuyi Guangdong Water Co., Ltd. ▲)	100,000	-
Wuzhou GDH Environmental Protection Development Co., Ltd.	-	140,000
東莞市常平粵海環保有限公司 (Dongguan Changping Guangdong Huanbao Co., Ltd. ▲)	-	70,000
開平粵海水務有限公司 (Kaiping Guangdong Water Co., Ltd. ▲)	-	50,000
五華粵海環保有限公司 (Wuhua Guangdong Huanbao Co., Ltd. ▲)	-	40,000
東莞市道滘粵海環保有限公司 (Dongguan Daojiao Guangdong Huanbao Co., Ltd. ▲)	-	40,000
興寧粵海環保有限公司 (Xingning Guangdong Huanbao Co., Ltd. ▲)	-	3,000
開平粵海污水處理有限公司 (Kaiping Guangdong Sewage Treatment Co., Ltd. ▲)	-	25,000
五華粵海清源環保有限公司 (Wuhua Guangdong Qingyuan Huanbao Co., Ltd. ▲)	-	15,000
汕尾粵海環保有限公司 (Shanwei Guangdong Huanbao Co., Ltd. ▲)	-	30,000
高州粵海水務有限公司 (Gaozhou Guangdong Water Co., Ltd. ▲)	100,000	-
江西粵海公用事業集團有限公司 (Jiangxi Guangdong Public Utilities Holdings Co., Ltd. ▲) and its subsidiaries	781,500	81,000
五華粵海綠源環保有限公司 (Wuhua Guangdong Luyuan Huanbao Co., Ltd. ▲)	-	11,000
六盤水粵海環保有限公司 (Liupanshui Guangdong Huanbao Co., Ltd. ▲)	-	115,000
昆明粵海水務有限公司 (Kunming Guangdong Water Co., Ltd. ▲)	24,000	20,000
雲浮粵海水務有限公司 (Yunfu Guangdong Water Co., Ltd. ▲)	50,000	-
大埔粵海環保有限公司 (Dapu Guangdong Huanbao Co., Ltd. ▲)	-	21,900
韶關粵海綠源環保有限公司 (Shaoguan Guangdong Luyuan Huanbao Co., Ltd. ▲)	-	28,500
陽山粵海環保有限公司 (Yangshan Guangdong Huanbao Co., Ltd. ▲)	-	11,300
雲浮市自來水有限公司 (Yunfu City Water Supply Co., Ltd. ▲)	105,000	-
雲浮市粵海環保有限公司 (Yunfu City Guangdong Huanbao Co., Ltd. ▲)	-	60,000
雲浮市雲安區怡源環保有限公司 (Yunfu City Yunan District Yiyuan Huanbao Co., Ltd. ▲)	-	10,000
雲浮市粵海清源環保有限公司 (Yunfu City Guangdong Qingyuan Huanbao Co., Ltd. ▲)	-	15,000
郁南縣粵海環保有限公司 (Yunan County Guangdong Huanbao Co., Ltd. ▲)	-	20,000
陽江粵海環保有限公司 (Yangjiang Guangdong Huanbao Co., Ltd. ▲)	-	20,000
揭陽粵海水務有限公司 (Jieyang Guangdong Water Co., Ltd. ▲)	460,000	-
普寧粵海水務有限公司 (Puning Guangdong Water Co., Ltd. ▲)	370,000	-
潮州市粵海環保有限公司 (Chaozhou Guangdong Huanbao Co., Ltd. ▲)	-	20,000
廣東粵海韶投水務有限責任公司 (Guangdong Shaotou Water Co., Ltd. ▲)	674,000	-
吳川粵海環保有限公司 (Wuchuan Guangdong Huanbao Co., Ltd. ▲)	-	25,000
平遠粵海水務有限公司 (Pingyuan Guangdong Water Co., Ltd. ▲)	20,000	-
Jiacheng Environmental Engineering Group	10,000	403,000
Total as at 30 September 2021	<u>4,543,000</u>	<u>1,544,700</u>
Total as at 30 September 2020	<u>2,833,500</u>	<u>986,400</u>

<u>Name of associates of the Company</u>	<u>Water supply capacity (tons per day)</u>
Foundation Gang-Wu (Changzhou) Water Supply Co., Ltd	600,000
Guangzhou Nansha GDH Water Co., Ltd.	430,000
汕頭市粵海水務有限公司 (Shantou Guangdong Water Co., Ltd. ▲)	920,000
Total as at 30 September 2021	<u>1,950,000</u>
Total as at 30 September 2020	<u>1,920,000</u>

Capacity of Water Resources Projects under Construction

The water supply capacity of the water supply plants and the waste water processing capacity of the sewage treatment plants under construction by each of the subsidiaries and associate of the Company as at 30 September 2021 are as follows:

<u>Name of subsidiaries of the Company</u>	<u>Water supply capacity (tons per day)</u>	<u>Waste water processing capacity (tons per day)</u>
恩施粵海水務有限公司 (Enshi Guangdong Water Co., Ltd. ▲)	400,000	-
湛江市鶴地供水營運有限公司 (Zhanjiang Hedi Water Supply Operation Co., Ltd. ▲)	1,060,000	-
邳州粵海水務有限公司 (Pizhou Guangdong Water Co., Ltd. ▲)	250,000	-
荔浦粵海水務有限公司 (Lipu Guangdong Water Co., Ltd. ▲)	80,000	-
豐順粵海水務有限公司 (Fengshun Guangdong Water Co., Ltd. ▲)	50,000	-
惠來粵海清源環保有限公司 (Huilai Guangdong Qingyuan Huanbao Co., Ltd. ▲)	-	8,500
惠來粵海綠源環保有限公司 (Huilai Guangdong Luyuan Huanbao Co., Ltd. ▲)	-	20,000
汕尾粵海清源環保有限公司 (Shanwei Guangdong Qingyuan Huanbao Co., Ltd. ▲)	-	200,000
五華粵海碧源環保有限公司 (Wuhua Guangdong Biyuan Huanbao Co., Ltd. ▲)	-	40,000
湘陰粵海水務有限公司 (Xiangyin Guangdong Water Co., Ltd. ▲)	200,000	-
揭陽粵海水務有限公司 (Jieyang Guangdong Water Co., Ltd. ▲)	100,000	-
普寧粵海水務有限公司 (Puning Guangdong Water Co., Ltd. ▲)	100,000	-
海南儋州粵海自來水有限公司 (Hainan Danzhou Guangdong Tap Water Co., Ltd. ▲)	-	3,500
平遠粵海水務有限公司 (Pingyuan Guangdong Water Co., Ltd. ▲)	20,000	-
揭陽粵海四航國業水務有限公司 (Jieyang Guangdong Sihang Guoye Water Co., Ltd. ▲)	220,000	-
邳州粵海環保有限公司 (Pizhou Guangdong Huanbao Co., Ltd. ▲)	-	35,000
Jiacheng Environmental Engineering Group	-	65,000
雲浮市雲安粵海城鄉供水有限公司 (Yunfu City Yunan Guangdong Urban and Rural Water Supply Co., Ltd. ▲)	35,000	-
Total	<u>2,515,000</u>	<u>372,000</u>

<u>Name of associate of the Company</u>	<u>Water supply capacity (tons per day)</u>
興化粵海水務有限公司 (Xinghua Guangdong Water Co., Ltd. ▲)	<u>430,000</u>

Revenue of Other Water Resources Projects for the Period in aggregate increased by 98.9% to HK\$6,813,845,000 (2020: HK\$3,425,202,000), of which income from construction services amounted to HK\$3,788,114,000 (2020: HK\$1,820,265,000). The growth was mainly attributable to additional returns from those water resources projects newly acquired or launched as well as an increase in construction revenue from those projects under construction. Profit before tax of Other Water Resources Projects for the Period, excluding the net exchange differences and net finance costs, amounted to HK\$1,077,509,000 (2020: HK\$624,368,000) in aggregate, 72.6% higher than that in the same period last year.

New Water Resources Project

After the end of the reporting period, the Group successfully bid for a new water resources project located in Shanwei City of Guangdong Province, the PRC. The designed water supply capacity of this project is 410,000 tons per day. The expected total investment amount of this project is approximately RMB856 million (equivalent to approximately HK\$1,028 million).

Property Investment and Development

Mainland China

GDH Teem

As at 30 September 2021, the Group held an effective interest of 76.13% in 廣東粵海天河城(集團)股份有限公司 (GDH Teem (Holdings) Limited[▲]) (“GDH Teem”), the property owner of Teem Plaza. Teem Plaza comprises a shopping mall, an office building and a hotel. The shopping mall and the office building are held for investment purposes by the Group.

Revenue of GDH Teem’s property investment business mainly comprises rental income from both the shopping mall (including rentals from the department stores operated by the Group) and the office building of Teem Plaza. During the Period, revenue of GDH Teem decreased by 1.6% to HK\$756,303,000 (2020: HK\$768,721,000), which was mainly due to the drop in property management fee income following the disposal of 廣東粵海天河城商業管理有限公司 (GDH Teem Commercial Management Co., Ltd.[▲]) outweighed the increase in rental income due to recovery from the COVID-19 pandemic (the “Pandemic”) during the Period, and the increase in the Hong Kong dollar equivalent of revenue from rental operation as a result of increase in average exchange rate of Renminbi by 8.0% compared with that in the same period last year. The profit before tax for the Period, excluding changes in fair value of investment properties and net interest income, increased by 7.5% to HK\$568,959,000 (2020: HK\$529,057,000).

The shopping mall of Teem Plaza, known as the Teemall, had an average occupancy rate of nearly 99.9% during the Period (2020: 99.9%). The mall is successful in retaining existing brand-name tenants and attracting new ones.

The office building of Teem Plaza, known as Teem Tower, with an average occupancy rate of 94.7% (2020: 95.7%) during the Period, had a total revenue for the Period of HK\$166,935,000 (2020: HK\$149,731,000), increasing by 11.5%. The profit before tax for the Period, excluding changes in fair value of investment properties, increased by 9.9% to HK\$144,018,000 (2020: HK\$131,041,000).

Panyu GDH Plaza

The Group's effective interest in 廣州市萬亞投資管理有限公司 (Guangzhou City Wanye Investment Management Company Limited[▲]) ("Wanye") is 31.06%. 廣州粵海天河城投資有限公司 (Guangzhou YueHai Tianhecheng Investment Co., Ltd. [▲]), a 60%-owned subsidiary of GDH Teem, directly holds 68% interest in Wanye.

Wanye owns a parcel of land in Panyu Wanbo Central Business District, which has been developed into a large-scale integrated commercial project with a total gross floor area ("GFA") of approximately 383,000 sq.m. (including car-parking spaces) and is now known as Panyu GDH Plaza. As at 30 September 2021, the cumulative land and development cost incurred by the Group for Panyu GDH Plaza amounted to approximately HK\$3,744 million (31 December 2020: approximately HK\$3,706 million).

The development of the commercial residential units and offices of Panyu GDH Plaza with a total GFA of approximately 166,000 sq.m. (including car-parking spaces) had been completed and are available for sale, of which properties with GFA of approximately 109,700 sq.m. are held for sale. As at 30 September 2021, sales contracts for accumulated GFA of approximately 109,200 sq.m. (31 December 2020: approximately 102,800 sq.m.) had been signed, in which properties with accumulated GFA of approximately 109,200 sq.m. (31 December 2020: approximately 99,000 sq.m.) had been delivered, representing 99.5% (31 December 2020: 90.2%) of available completed properties held for sale.

The shopping mall complex of Panyu GDH Plaza, known as Panyu Teemall, comprises two connected shopping areas and it was opened on 25 December 2020 with an occupancy rate of 84.0%. Panyu Teemall has a total GFA of approximately 217,000 sq.m. (including car-parking spaces), of which the commercial area for lease is approximately 144,000 sq.m.. Panyu Teemall had an average occupancy rate of 89.5% (2020: Nil) during the Period.

Revenue of Panyu GDH Plaza for the Period was HK\$543,290,000 (2020: HK\$1,633,107,000), of which income from sales of properties and revenue of Panyu Teemall amounted to HK\$350,934,000 (2020: HK\$1,633,107,000) and HK\$192,356,000 (2020: Nil), respectively. Profit before tax of Panyu GDH Plaza for the Period, excluding changes in fair value of investment properties and net interest income, amounted to HK\$302,552,000 (2020: HK\$866,413,000).

Tianjin Yuehai Teem Shopping Mall

The Group held an effective interest of 76.02% in Tianjin Yuehai Teem Shopping Center Co., Ltd., the property owner of Tianjin Yuehai Teem Shopping Mall. Tianjin Yuehai Teem Shopping Mall, with a total GFA of approximately 205,000 sq.m., of which 145,000 sq.m. was held for rental purposes, is situated at a convenient location above underground railroads and is one of the leading shopping and leisure destinations in the renowned "Binjiang Dao - Heping Road" Commercial District in Tianjin.

Tianjin Yuehai Teem Shopping Mall with tenants ranging from local enterprises to well-known multinationals, had an average occupancy rate of 93.9% (2020: 89.8%) during the Period. Revenue of Tianjin Yuehai Teem Shopping Mall for the Period was HK\$164,193,000 (2020: HK\$120,413,000), increasing by 36.4%. The profit before tax of Tianjin Yuehai Teem Shopping Mall for the Period, excluding changes in fair value of investment properties and net finance costs, was HK\$59,405,000 (2020: HK\$53,498,000), increasing by 11.0%.

Guangdong Land Holdings Limited (“GD Land”)

The Company’s effective interest in GD Land is approximately 73.82%.

On 29 October 2020, GD Land entered into agreements with certain subsidiaries of 廣東粵海控股集團有限公司 (Guangdong Holdings Limited[▲]) (“Guangdong Holdings”), the ultimate holding company of the Company, to acquire 51% interest in 江門粵海置地有限公司 (Jiangmen Yuehai Land Co., Ltd.[▲]) and its 51% outstanding shareholder’s loan at a total consideration of approximately RMB954 million (equivalent to approximately HK\$1,143 million) and 100% interest in 惠陽粵海房產發展有限公司 (Huiyang Yuehai Property Development Co., Ltd.[▲]) at a consideration of approximately RMB274 million (equivalent to approximately HK\$328 million). The two acquisitions were completed in January 2021.

Further, on 26 September 2021, GD Land succeeded in the bid for the land use rights of the land parcel at Baiyun New Town, Baiyun District, Guangzhou City (the “Land Parcel”) through the public listing-for-sale process with consideration amounted to RMB10,187 million (equivalent to approximately HK\$12,279 million). The Land Parcel consists of three pieces of land with an aggregate site area of approximately 116,471 sq.m. and a total GFA included in the calculation of the plot ratio of approximately 506,000 sq.m.. Further details of the transaction are set out in the joint announcement of the Company and GD Land dated 26 September 2021.

Details of the completed properties held for sale, properties held for sale under development and investment properties under development of GD Land are listed below:

Completed Properties Held for Sale

Property project	Location	Use	Interest held by GD Land	Approximate GFA of project (sq.m.)	Accumulated GFA contracted (sq.m.)	Approximate GFA delivered		The proportion of accumulated GFA delivered to GFA available for sale
						Period under review (sq.m.)	Accumulated (sq.m.)	
Northwestern Land of Shenzhen GDH City	Shenzhen City, the PRC	Business apartment/ Commercial	100%	114,654	95,028	65,181	87,340	76.2%
Guangzhou Laurel House	Guangzhou City, the PRC	Residential	100%	65,636	65,636	10,879	65,075	99.1%
Baohuaxuan	Guangzhou City, the PRC	Residential	100%	3,884	3,884	200	3,884	100.0%
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	5,775	796	5,775	71.7%

During the Period, GD Land’s properties recorded total contracted GFA (including completed properties held for sale and properties held for sale under development) and delivered GFA of approximately 123,000 sq.m. (2020: 40,000 sq.m.) and 77,000 sq.m. (2020: 49,000 sq.m.), respectively. Revenue of GD Land for the Period increased by 59.4% to HK\$5,392,554,000 (2020: HK\$3,382,758,000), of which income from sales of properties amounted to HK\$5,377,755,000 (2020: HK\$3,370,829,000). The profit before tax of GD Land for the Period, excluding changes in fair value of investment properties and net finance costs, was HK\$1,845,596,000 (2020: HK\$651,061,000).

Properties Held for Sale under Development and Investment Properties under Development

Property project	Location	Use	Interest held by GD Land	Approximate total site area (sq.m.)	Approximate GFA* (sq.m.)	Progress	Expected completion and filing date
Northern Land of Shenzhen GDH City Project	Shenzhen City, the PRC	Commercial/ Offices/Mall	100%	33,802	146,551	Superstructure of the commercial shopping building and tower topped out, and renovation works in progress	2nd half of 2022
Southern Land of Shenzhen GDH City Project	Shenzhen City, the PRC	Offices/Mall	100%	16,044	199,500	Construction works of tower superstructure and commercial shopping building structure in progress	2023
Chenyuan Road Project	Jiangmen City, the PRC	Residential/ Commercial service	100%	59,705	164,216	Superstructure of most properties topped out, and renovation works in progress	2nd half of 2022
Zhuhai Jinwan Project	Zhuhai City, the PRC	Residential/ Commercial	100%	66,090	166,692	Superstructure construction works of the first phase properties in progress, and earth excavation for other phases underway	2024
Foshan Laurel House Project	Foshan City, the PRC	Residential/ Commercial	100%	43,284	151,493	Superstructure construction works of the first phase properties in progress, and earth excavation for other phases underway	2023
Zhongshan GDH City Project	Zhongshan City, the PRC	Residential	97.64%	98,811	247,028	Superstructure construction works of all properties in progress	2023
Jiangmen Ganhua Project (Jiangmen Land No. 3 - 5)	Jiangmen City, the PRC	Residential/ Commercial	51%	174,538	396,600	Superstructure of some properties on Land No.3 topped out, superstructure construction works of other properties in progress, and superstructure construction works of Land No.4 in progress	2026
Huizhou Dayawan Project	Huizhou City, the PRC	Residential/ Commercial	100%	30,698	92,094	Superstructure construction works, foundation piling works and earthworks in progress	2023

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

Properties Held for Sale under Development which Pre-sale has Commenced

Property project	Location	Use	Interest held by GD Land	Approximate	Approximate GFA	Accumulated	The proportion of accumulated GFA contracted to GFA available for sale	Date of pre-sale
				included in calculation of plot ratio (sq.m.)	contracted			
Chenyuan Road Project	Jiangmen City, the PRC	Residential / Commercial service	100%	164,216	29,433	29,433	17.9%	January 2021
Jiangmen Ganhua Project (Jiangmen Land No. 3 - 5)	Jiangmen City, the PRC	Residential / Commercial	100%	396,600	21,626	21,626	5.5%	May 2021
Zhuhai Jinwan Project	Zhuhai City, the PRC	Residential / Commercial	100%	166,692	8,206	8,206	4.9%	June 2021
Zhongshan GDH City Project	Zhongshan City, the PRC	Residential	97.64%	247,028	3,643	3,643	1.5%	September 2021

Hong Kong

Guangdong Investment Tower

The average occupancy rate of Guangdong Investment Tower for the Period was 90.0% (2020: 98.1%). The total revenue for the Period decreased by 16.2% to HK\$35,875,000 (2020: HK\$42,831,000).

Department Store Operation

As at 30 September 2021, the Group operated six stores with a total leased area of approximately 126,600 sq.m. (31 December 2020: 125,800 sq.m.). The total revenue for the Period increased by 28.9% to HK\$484,136,000 (2020: HK\$375,474,000). The profit before tax for the Period increased by 0.7% to HK\$95,271,000 (2020: HK\$94,607,000). The increase in total revenue and profit before tax for the Period was mainly due to a slight rebound in foot traffic and sales volume as compared to the outbreak of the Pandemic in 2020.

The revenue of the stores operated by the Group for the nine months ended 30 September 2021 was as follows:

	Leased area sq.m.	Revenue for the nine months ended 30 September		Changes %
		2021 HK\$'000	2020 HK\$'000	
Teemall Store	39,800	314,137	246,221	+27.6
Wan Bo Store	20,100	48,053	41,035	+17.1
Ming Sheng Store	11,900	18,589	13,894	+33.8
Dong Pu Store	28,300	69,536	50,940	+36.5
Ao Ti Store	21,500	33,437	21,938	+52.4
Dongguan Store (closed in April 2020)	-	-	1,027	-100.0
Nanhai Store	5,000	384	419	-8.4
	<u>126,600</u>	<u>484,136</u>	<u>375,474</u>	<u>+28.9</u>

Hotel Ownership, Operation and Management

As at 30 September 2021, the Group's hotel management team managed a total of 28 hotels (31 December 2020: 37 hotels), of which three were located in Hong Kong, one in Macau and 24 in Mainland China. As at 30 September 2021, five star-rated hotels, of which two in Hong Kong, one in each of Shenzhen, Guangzhou and Zhuhai, were owned by the Group. Of these five hotels, four were managed by our hotel management team with the exception of Sheraton Guangzhou Hotel in Guangzhou, which was managed by Sheraton Overseas Management Corporation. One new star-rated hotel situated in Zhuhai City was under construction by the Group as at 30 September 2021.

During the Period, the average room rate of Sheraton Guangzhou Hotel was HK\$897 (2020: HK\$832) whereas the average room rate of the remaining four star-rated hotels was HK\$369 (2020: HK\$362). The average occupancy rate of Sheraton Guangzhou Hotel was 70.9% (2020: 57.8%) and that of the other four star-rated hotels was 56.2% (2020: 29.1%) during the Period.

As compared to the outbreak of the Pandemic in 2020, the overall demand for accommodation has recovered slightly. Accordingly, the revenue of hotel ownership, operation and management business for the Period increased by 43.5% to HK\$290,499,000 (2020: HK\$202,481,000). The loss before tax for the Period, excluding changes in fair value of investment properties and net exchange differences, amounted to HK\$33,434,000 (2020: HK\$61,804,000).

Energy Projects

GDH Energy Project

Zhongshan Power (Hong Kong) Limited, a subsidiary of the Company, holds a 75% interest in 中山粤海能源有限公司 (Zhongshan GDH Energy Co., Ltd.[▲]) ("GDH Energy"). GDH Energy has two power generation units with a total installed capacity of 600 MW. Sales of electricity during the Period amounted to 2,235 million kwh (2020: 2,152 million kwh), increasing by 3.9%. Due to increase in sales of electricity and electricity tariff, revenue of GDH Energy project (including intersegment sales) generated from electricity sales and related operations for the Period increased by 29.5% to HK\$1,375,899,000 (2020: HK\$1,062,325,000). Due to large-scale coal supply shortage and continuously escalating coal price in China, coal-fired power producers experienced significant increase in cost of production. The coal-fired power generation industry faces tremendous difficulty in operation since the third quarter of 2021. The profit before tax for the Period, excluding net exchange differences and net finance costs, was HK\$16,215,000 (2020: HK\$205,349,000), a decrease of 92.1%.

Guangdong Yudean Jinghai Power Generation Co., Ltd. ("Yudean Jinghai Power")

The Group's effective interest in Yudean Jinghai Power is 25%. As at 30 September 2021, Yudean Jinghai Power had four power generation units with a total installed capacity of 3,200 MW. Sales of electricity for the Period amounted to 12,086 million kwh (2020: 9,698 million kwh), an increase of 24.6%. Revenue for the Period increased by 39.3% to HK\$5,527,212,000 (2020: HK\$3,967,551,000). Also affected by the significant increase in coal price, the loss before tax of Yudean Jinghai Power for the Period was HK\$132,153,000 (2020: profit before tax of HK\$649,695,000). The Group's share of loss in Yudean Jinghai Power amounted to HK\$31,494,000 (2020: share of profit of HK\$121,818,000) during the Period.

Road and Bridge

Xingliu Expressway

廣西粵海高速公路有限公司 (Guangxi GDH Highway Co., Ltd.▲) (“GDH Highway”) is principally engaged in the operation of the Xingliu Expressway. The Xingliu Expressway comprises a main line which is approximately 100 km in length and three connection lines (to Xingye, Guigang and Hengxian) with an aggregate length of approximately 53 km. As at 30 September 2021, the main structural work of highway enhancement project of Xingliu Expressway had been completed with accumulated construction costs incurred of approximately RMB1,244 million (equivalent to approximately HK\$1,494 million) and it has been fully opened to traffic.

The average daily toll traffic flow of the Xingliu Expressway increased by 30.7% to 22,010 vehicle trips (2020: 16,840 vehicle trips) which was mainly due to the absence of the 79 days toll-free period as announced in the same period last year, the effect of which was partly offset by the impact of closed lanes caused by the highway enhancement project during the Period. The revenue of GDH Highway during the Period amounted to HK\$1,272,177,000 (2020: HK\$362,051,000), increasing by 2.51 times, which was due to the increase in revenue from construction services of HK\$800,555,000 (2020: Nil) arising from the highway enhancement project. Profit before tax during the Period, excluding net interest income, amounted to HK\$257,496,000 (2020: HK\$165,038,000), increasing by 56.0%.

Yinping PPP Project

In 2016, the Company entered into a cooperation agreement with 東莞市謝崗鎮人民政府 (Dongguan City Xiegang Town People’s Government) (the “Xiegang Government”) in respect of a public-private-partnership project (the “Yinping PPP Project”) for the development of certain A-grade highways, connecting roads and municipal roads (not being toll roads) (each a “Project Road” and together, the “Project Roads”) and the related ancillary support services such as drainage, greening and lighting in 銀瓶創新區 (Yinping Innovation Zone) in Dongguan, Guangdong, the PRC. The Company had established Dongguan Yuehai Yinping Development and Construction Limited (“Yuehai Yinping”), a wholly-owned subsidiary of the Company, to perform the Company’s obligations in the Yinping PPP Project.

During the period of construction of the Project Roads (the “Development Period”), the Group shall be responsible for providing funding for the development of the Project Roads (the “Development Costs”) depending on the overall development plan and progress of Yinping Innovation Zone in phases with the total Development Costs not exceeding RMB4.754 billion (equivalent to approximately HK\$5.707 billion). The Xiegang Government shall pay the Development Costs by 10 annual instalments throughout the maintenance period, being ten years (the “Maintenance Period”) from the acceptance of the Project Roads by the Xiegang Government.

During the Development Period, the Group would be entitled to an accrued interest at 8% (compounded annually) from the date of each amount disbursed by Yuehai Yinping that constitutes the Development Costs for such Project Roads until the end of the Development Period of the relevant Project Roads. This amount (the “Accrued Interest Amount”) will be paid by 10 annual instalments throughout the Maintenance Period. In addition, a management fee (the “Management Fee”) equal to 2.5% of the Development Costs will be payable by 10 annual instalments throughout the Maintenance Period and an annual maintenance fee equal to 1.1% of the total Development Costs, will be payable annually over the Maintenance Period by the Xiegang Government. The aggregate of the then outstanding Development Costs, the Accrued Interest Amount and the Management Fee are calculated on an accrued interest at 8% per annum on a reducing balance basis over the Maintenance Period.

As at 30 September 2021, out of a total of eight Project Roads, three Project Roads (31 December 2020: two Project Roads) were completed and two Project Roads (31 December 2020: three Project Roads) were under construction. As at 30 September 2021, Development Costs amounting to approximately RMB1,609 million (equivalent to approximately HK\$1,931 million) (31 December 2020: approximately RMB1,453 million (equivalent to approximately HK\$1,726 million)) have been paid in relation to the Yinping PPP Project.

The total Accrued Interest Amount, Management Fee and maintenance fee of Yuehai Yinping recognised during the Period increased by 61.3% to HK\$114,967,000 (2020: HK\$71,289,000) and profit before tax increased by 78.1% to HK\$112,987,000 (2020: HK\$63,446,000) during the Period.

PROSPECTS

Benefitting from accelerated global vaccination rollout and monetary easing, global economic recovery is expected to continue, though at a slow pace, due to emergence of the delta variant, supply chain disruption, changes in monetary policy as well as risks of inflation spikes. China's economic recovery is expected to continue, though zero-tolerance pandemic control approach and new industry specific regulatory policy adjustments may cause short-term volatilities in the capital markets and interest rates markets, which pose potential risks to business operations. In addition, if coal price continue to rise, it will further affect the Group's energy segment, but the Group's core water business will remain stable. Faced with complex and severe economic environment, the Group will continue to closely monitor policy changes as well as capital market trends, strengthen risk management and seek business expansion opportunities while ensuring a steady growth of its core businesses.

The Group will continue its investments in water resources management, property investment and development as well as infrastructure segments, expanding its core business segments while optimizing its asset portfolio and resource allocation. In accordance with its existing business and resources, the Group endeavours to proactively seek potential opportunities arising from "The Greater Bay Area Initiative", and continue to monitor potential industry consolidation, public-private-partnership projects as well as core business industry chain extension market acquisition opportunities to promote profit growth so as to further enhance the Group's financial performance and create long-term value.

REVIEW OF UNAUDITED FINANCIAL INFORMATION

The unaudited financial information of the Group for the nine months ended 30 September 2021 has been reviewed by the Audit Committee of the Company.

CAUTION STATEMENT

Shareholders of the Company and potential investors should note that all the information contained in this announcement has not been audited. Accordingly, any information contained in this announcement should in no way be regarded as to provide any indication or assurance on the financial results of the Group for the nine months ended 30 September 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
HOU Wailin
Chairman

Hong Kong, 29 October 2021

▲ *The English names 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 of the Company comprises five Executive Directors, namely, Mr. HOU Wailin, Mr. LIN Tiejun, Mr. WEN Yinheng, Mr. TSANG Hon Nam and Ms. LIANG Yuanjuan; three Non-Executive Directors, namely, Mr. CAI Yong, Mr. LAN Runing and Mr. FENG Qingchun; and five Independent Non-Executive Directors, namely, Dr. CHAN Cho Chak, John, Mr. FUNG, Daniel R., Dr. the Honourable CHENG Mo Chi, Moses, Mr. WU Ting Yuk, Anthony and Mr. LI Man Bun, Brian David.