

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



**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 THREE MONTHS ENDED 31 MARCH 2023**

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 three months ended 31 March 2023 (the “Period”) together with the comparative figures.

<b>Unaudited financial highlights</b>			
	<b><u>For the three months ended 31 March</u></b>		
	<b>2023</b>	<b>2022</b>	<b>Changes</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>	
	<b>HK\$'000</b>	<b>HK\$'000</b>	<b>%</b>
<b>Revenue</b>	<b><u>5,332,649</u></b>	<b><u>5,506,568</u></b>	<b>-3.2</b>
<i>Changes in fair value of investment properties</i>	<b><i>311,008</i></b>	<b><i>265,250</i></b>	
<b>Profit before tax</b>	<b><u>2,044,184</u></b>	<b><u>2,306,555</u></b>	<b>-11.4</b>
<b>Profit attributable to owners of the Company</b>	<b><u>1,284,561</u></b>	<b><u>1,487,428</u></b>	<b>-13.6</b>
	<b>31 March 2023</b>	<b>31 December 2022</b>	<b>Changes</b>
	<b>(Unaudited)</b>	<b>(Audited)</b>	
	<b>HK\$'000</b>	<b>HK\$'000</b>	<b>%</b>
<b>Total Assets</b>	<b><u>144,173,830</u></b>	<b><u>133,514,620</u></b>	<b>+8.0</b>
<b>Equity attributable to owners of the Company</b>	<b><u>45,460,833</u></b>	<b><u>43,328,642</u></b>	<b>+4.9</b>

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 2022 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 will deliver the consolidated financial statements for the year ended 31 December 2022 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 (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\$5,333 million (2022: HK\$5,507 million), a decrease of 3.2% as compared with the same period last year. The decrease in revenue was mainly attributable to a drop of revenue from construction services in water resources business during the Period.

The unaudited consolidated profit before tax of the Group for the Period decreased by 11.4% to HK\$2,044 million (2022: HK\$2,307 million), which was mainly due to a decrease in property investment and development business. The net gain arising from fair value adjustments for investment properties was HK\$311 million (2022: HK\$265 million) and the net exchange loss of the Group for the Period amounted to HK\$12 million (2022: HK\$12 million). Net finance costs of the Group for the Period was HK\$234 million (2022: HK\$127 million). The unaudited consolidated profit attributable to owners of the Company for the Period decreased by 13.6% to HK\$1,285 million (2022: HK\$1,487 million).

As at 31 March 2023, the unaudited equity attributable to owners of the Company was HK\$45,461 million (31 December 2022: HK\$43,329 million (audited)), increased by approximately HK\$2,132 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\$1,285 million and the other comprehensive income of HK\$849 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*

Total volume of water supply to Hong Kong, Shenzhen and Dongguan during the Period amounted to 589 million tons (2022: 558 million tons), increased by 5.6%, with a revenue of HK\$1,720 million (2022: HK\$1,733 million), a decrease of 0.8% over the same period last year.

The revenue from water sales to Hong Kong for the Period increased by 1.3% to HK\$1,368 million (2022: HK\$1,350 million). As a result of the drop of exchange rate of Renminbi against Hong Kong dollars of 7.4% over the same period last year, the revenue from water sales to Shenzhen and Dongguan areas decreased by 8.1% to HK\$352 million (2022: HK\$383 million) during the Period. The profit before tax for the Period, excluding net exchange differences and net finance costs, of the Dongshen Water Supply Project was HK\$1,112 million (2022: HK\$1,121 million), 0.8% lower 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").

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 31 March 2023 were 15,893,200 tons per day (31 December 2022: 15,893,200 tons per day) and 3,342,900 tons per day (31 December 2022: 3,342,900 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 Group were as follows:

<u>Name of subsidiaries of the Group</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.▲)	310,000	-
Zhaoqing HZ GDH Water Co., Ltd.	130,000	-
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.▲)	123,500	-
盱眙粵海水務有限公司 (Xuyi Guangdong Water Co., Ltd.▲)	150,000	-
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.▲)	-	66,000
東莞市道滘粵海環保有限公司 (Dongguan Daojiao Guangdong Huanbao Co., Ltd.▲)	-	40,000
開平粵海污水處理有限公司 (Kaiping Guangdong Sewage Treatment Co., Ltd.▲)	-	25,000
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
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
雲浮市粵海水務自來水有限公司 (Yunfu City Guangdong Water Supply Co., Ltd.▲)	100,000	-
雲浮市粵海水務發展有限公司 (Yunfu City Guangdong Water Development Co., Ltd.▲) (formerly known as 雲浮市粵海環保有限公司 (Yunfu City Guangdong Huanbao Co., Ltd.▲))	-	145,000
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.▲)	560,000	-
普寧粵海水務有限公司 (Puning Guangdong Water Co., Ltd.▲)	500,000	-
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.▲)	40,000	-
河北粵海水務集團有限公司 (Hebei Guangdong Water Group Co., Ltd.▲) and its subsidiaries	10,000	453,000
邳州粵海水務有限公司 (Pizhou Guangdong Water Co., Ltd.▲)	250,000	-

## Capacity of Water Resources Projects in Operation (continued)

<u>Name of subsidiaries of the Group</u> (continued)	<u>Water supply capacity</u> (tons per day)	<u>Waste water processing capacity</u> (tons per day)
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
信宜粵海水務有限公司 (Xinyi Guangdong Water Co., Ltd.▲)	134,200	-
揭西粵海水務有限公司 (Jiexi Guangdong Water Co., Ltd.▲)	70,000	-
五華粵海碧源環保有限公司 (Wuhua Guangdong Biyuan Huanbao Co., Ltd.▲)	-	40,000
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.▲)	24,600	-
河源市粵海水務有限公司 (Heyuan City Guangdong Water Co., Ltd.▲)	100,000	-
無錫德寶水務投資有限公司 (Wuxi Debao Water Investment Co., Ltd.▲)	-	225,700
汕尾粵海水務有限公司 (Shanwei Guangdong Water Co., Ltd.▲)	250,000	-
東莞常平粵海水務有限公司 (Dongguan Changping Guangdong Water Co., Ltd.▲)	280,000	-
中山市新涌口粵海水務有限公司 (Zhongshan City Xinyongkou Guangdong Water Co., Ltd.▲)	120,000	-
中山市橫欄粵海水務有限公司 (Zhongshan City Henglan Guangdong Water Co., Ltd.▲)	140,000	-
中山市南鎮粵海水務有限公司 (Zhongshan City Nanzhen Guangdong Water Co., Ltd.▲)	130,000	-
清遠市龍塘粵海水務有限公司 (Qingyuan City Longtang Guangdong Water Co., Ltd.▲)	50,000	-
Guangzhou Nansha GDH Water Co., Ltd.	<u>550,000</u>	-
Total as at 31 March 2023	<u>6,951,800</u>	<u>1,925,900</u>
Total as at 31 March 2022	<u>5,047,200</u>	<u>1,623,200</u>

<u>Name of associates of the Group</u>	<u>Water supply capacity</u> (tons per day)
Foundation Gang-Wu (Changzhou) Water Supply Co., Ltd	600,000
汕頭市粵海水務有限公司 (Shantou Guangdong Water Co., Ltd.▲)	920,000
興化粵海水務有限公司 (Xinghua Guangdong Water Co., Ltd.▲)	<u>430,000</u>
Total as at 31 March 2023	<u>1,950,000</u>
Total as at 31 March 2022	<u>2,380,000</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 of the Group as at 31 March 2023 were as follows:

<u>Name of subsidiaries of the Group</u>	<u>Water supply capacity</u> (tons per day)	<u>Waste water processing capacity</u> (tons per day)
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	-
荔浦粵海水務有限公司 (Lipu Guangdong Water Co., Ltd.▲)	80,000	-
汕尾粵海清源環保有限公司 (Shanwei Guangdong Qingyuan Huanbao Co., Ltd.▲)	-	200,000
湘陰粵海水務有限公司 (Xiangyin Guangdong Water Co., Ltd.▲)	200,000	-
海南儋州粵海自來水有限公司 (Hainan Danzhou Guangdong Tap Water Co., Ltd.▲)	-	3,500
揭陽粵海國業水務有限公司 (Jieyang Guangdong Guoye Water Co., Ltd.▲)	220,000	-
邳州粵海環保有限公司 (Pizhou Guangdong Huanbao Co., Ltd.▲)	-	35,000
河北粵海水務集團有限公司 (Hebei Guangdong Water Group Co., Ltd.▲) and its subsidiaries	-	15,000

## Capacity of Water Resources Projects under Construction (continued)

<u>Name of subsidiaries of the Group</u> (continued)	<u>Water supply capacity</u> <u>(tons per day)</u>	<u>Waste water processing capacity</u> <u>(tons per day)</u>
信宜粵海水務有限公司 (Xinyi Guangdong Water Co., Ltd. ▲)	100,000	-
開平粵海淨水有限公司 (Kaiping Guangdong Water Purification Co., Ltd. ▲)	-	25,000
汕尾粵海供水有限公司 (Shanwei Guangdong Water Supply Co., Ltd. ▲)	410,000	-
河源市粵海水務有限公司 (Heyuan City Guangdong Water Co., Ltd. ▲)	<u>200,000</u>	<u>-</u>
Total	<u>2,670,000</u>	<u>278,500</u>

Revenue of Other Water Resources Projects for the Period in aggregate decreased by 5.7% to HK\$2,059,645,000 (2022: HK\$2,183,905,000), of which income from construction services amounted to HK\$552,220,000 (2022: HK\$785,731,000). The decrease was mainly due to the decrease of construction services. As a result of the drop of exchange rate of Renminbi against Hong Kong dollars of 7.4% over the same period last year, profit before tax of Other Water Resources Projects for the Period, excluding the net exchange differences and net finance costs, amounted to HK\$494,183,000 (2022: HK\$502,503,000) in aggregate, 1.7% lower than that in the same period last year.

## Property Investment and Development

### Mainland China

#### GDH Teem

As at 31 March 2023, 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<sup>▲</sup>) (“Guangdong Teem”) and its subsidiaries, and held an effective interest of 76.02% in Tianjin Yuehai Teem Shopping Center Co., Ltd. (collectively the “GDH Teem”). GDH Teem operates several shopping malls in the PRC which included Teem Plaza, Panyu Teemmall, Guangzhou Comic City, Shenzhen Teemmall and Tianjin Teemmall.

Revenue of GDH Teem’s property investment and development business mainly comprises rental income (including rentals from the department stores operated by the Group) from properties held and income from sale of properties. The revenue of GDH Teem’s property investment business for the Period decreased by 15.3% to HK\$352,100,000 (2022: HK\$415,909,000), which was mainly due to the drop of exchange rate of Renminbi against Hong Kong dollars of 7.4% over the same period last year and the rent concession granted to tenants. The profit before tax, excluding changes in fair value of investment properties, net interest income and other operating income, of GDH Teem’s property investment business for the Period decreased by 25.0% to HK\$201,868,000 (2022: HK\$269,133,000).

The revenue of GDH Teem’s property investment business during the Period was as follows:

	Area for lease sq.m.	Average occupancy rate %	Revenue for the three months ended 31 March		Changes %
			2023 HK\$'000	2022 HK\$'000	
Teem Plaza - Teemmall	106,000	99.3	169,308	241,285	-29.8
Teem Plaza - TeemTower	88,000	89.0	44,036	57,653	-23.6
Panyu Teemmall	144,000	95.2	58,723	63,710	-7.8
Tianjin Teemmall	145,000	93.5	51,801	53,261	-2.7
Guangzhou Comic City (acquired in June 2022)	23,000	90.2	10,247	-	+100.0
Shenzhen Teemmall (opened in December 2022)	<u>58,700</u>	93.2	<u>17,985</u>	<u>-</u>	<u>+100.0</u>
	<u>564,700</u>		<u>352,100</u>	<u>415,909</u>	<u>-15.3</u>

On 27 April 2023, Guangdong Teem, as the tenant, entered into the Lease Agreement with 廣東粵海城市投資有限公司 (Guangdong Yuehai City Investment. Co., Ltd. <sup>▲</sup>) (“Guangdong Yuehai City”), a subsidiary of 廣東粵海控股集團有限公司 (Guangdong Holdings Limited<sup>▲</sup>), the ultimate controlling shareholder of the Company, as the landlord, in relation to the lease of a shopping centre and the related facilities located at No. 21 of Zhujiang West Road, Zhujiang New Town, Tianhe District, Guangzhou, the PRC (the “Premises”), with a total gross floor area of approximately 30,000 sq.m.. The rent payable by Guangdong Teem to Guangdong Yuehai City shall be calculated as 75% of the net income, to be generated from the operation of the Premises. The Lease Agreement has a term of 20 years from the date thereof (subject to the right of early termination by each party in accordance with the terms of the Lease Agreement).

*Guangdong Land Holdings Limited (“GD Land”)*

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

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:

General Information of the Projects

<b>Name of the property project</b>	<b>Status</b>	<b>Use</b>	<b>Interest held by GD Land</b>	<b>Approximate gross floor area (“GFA”) of project (sq. m.)</b>	<b>Approximate GFA included in calculation of plot ratio* (sq. m.)</b>	<b>Expected completion and filing date</b>
<b>Shenzhen City</b>						
Shenzhen GDH City (Northwestern Land)	Completed	Business apartment/ Commercial	100%	167,376	122,083	N/A
Shenzhen GDH City (Northern Land)	Completed	Commercial/ Offices	100%	219,864	153,126	N/A
Shenzhen GDH City (Southern Land)	Under development	Commercial/ Offices	100%	255,185	206,386	2023
<b>Guangzhou City</b>						
Guangzhou GDH Future City	In sale	Residential/ Commercial/ Offices	100%	728,549	506,000	2026
Guangzhou Laurel House (Car-parking spaces)	Completed	Car-parking spaces	100%	N/A	N/A	N/A
Ruyingju (Car-parking spaces)	Completed	Car-parking spaces	80%	N/A	N/A	N/A
Baohuaxuan (Car-parking spaces)	Completed	Car-parking spaces	100%	N/A	N/A	N/A
<b>Foshan City</b>						
Foshan Laurel House	In sale	Residential	100%	203,171	151,493	2024
Foshan Jihua	Under development	Residential/ Commercial/ Offices	51%	150,382	118,122	2026
<b>Zhuhai City</b>						
Zhuhai Laurel House	In sale	Residential/ Commercial	100%	249,918	166,692	2024
<b>Zhongshan City</b>						
Zhongshan GDH City	In sale	Residential	97.64%	321,456	247,028	2025
<b>Jiangmen City</b>						
Jiangmen One Mansion	Completed	Residential/ Business apartment/ Commercial	100%	222,684	164,216	N/A
Jiangmen One Mansion (Car-parking spaces)	Completed	Car-parking spaces	100%	N/A	N/A	N/A
Jiangmen GDH City (Land No. 3)	Completed	Residential	51%	163,511	122,331	N/A
Jiangmen GDH City (Land No. 4)	In sale	Residential/ Commercial	51%	299,623	207,419	2026



## General Information of the Projects (continued)

Name of the property project	Status	Use	Interest held by GD Land	Approximate GFA of project (sq. m.)	Approximate GFA included in calculation of plot ratio* (sq. m.)	Expected completion and filing date
Jiangmen GDH City (Land No. 5)	Under development	Residential	51%	89,201	63,150	2026
<b>Huizhou City</b>						
Huizhou One Mansion	In sale	Residential/Commercial	100%	140,163	92,094	2024

The asterisk (\*) denotes that the approximate GFA includes (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.

## Sales of the Projects

Name of the property project	Approximate GFA available for sale (sq. m.)	Approximate GFA contracted		The proportion of accumulated GFA contracted to GFA available for sale	Approximate GFA delivered		The proportion of accumulated GFA delivered to GFA available for sale
		Period under review (sq. m.)	Accumulated (sq. m.)		Period under review (sq. m.)	Accumulated (sq. m.)	
<b>Shenzhen City</b>							
Shenzhen GDH City (Northwestern Land)	114,986	1,277	101,955	88.7%	150	100,778	87.6%
Shenzhen GDH City (Northern Land)	84,246	-	-	0.0%	-	-	0.0%
Shenzhen GDH City (Southern Land)	N/A	N/A	N/A	N/A	N/A	N/A	N/A
<b>Guangzhou City</b>							
Guangzhou GDH Future City	495,240	11,051	37,390	7.5%	N/A	N/A	N/A
Guangzhou Laurel House (Car-parking spaces)	2,764	-	2,644	95.7%	-	2,644	95.7%
Ruyingju (Car-parking spaces)	8,052	24	6,526	81.0%	24	6,526	81.0%
Baohuaxuan (Car-parking spaces)	245	38	38	15.5%	25	25	10.2%
<b>Foshan City</b>							
Foshan Laurel House	146,240	13,009	52,813	36.1%	N/A	N/A	N/A
Foshan Jihua	118,122	N/A	N/A	N/A	N/A	N/A	N/A
<b>Zhuhai City</b>							
Zhuhai Laurel House	145,558	9,189	43,552	29.9%	N/A	N/A	N/A

Sales of the Projects (continued)

Name of the property project	Approximate GFA available for sale (sq. m.)	Approximate GFA contracted		The proportion of accumulated GFA contracted to GFA available for sale	Approximate GFA delivered		The proportion of accumulated GFA delivered to GFA available for sale
		Period under review (sq. m.)	Accumulated (sq. m.)		Period under review (sq. m.)	Accumulated (sq. m.)	
<b>Zhongshan City</b>							
Zhongshan GDH City	237,560	10,749	40,276	17.0%	N/A	N/A	N/A
<b>Jiangmen City</b>							
Jiangmen One Mansion	158,407	11,051	82,686	52.2%	8,122	61,404	38.8%
Jiangmen One Mansion (Car-parking spaces)	41,834	N/A	N/A	N/A	N/A	N/A	N/A
Jiangmen GDH City (Land No. 3)	119,606	10,616	60,442	50.5%	26,590	40,551	33.9%
Jiangmen GDH City (Land No. 4)	205,078	370	4,387	2.1%	-	-	0.0%
Jiangmen GDH City (Land No. 5)	62,254	N/A	N/A	N/A	N/A	N/A	N/A
<b>Huizhou City</b>							
Huizhou One Mansion	89,240	3,430	4,969	5.6%	N/A	N/A	N/A

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 71,000 sq.m. (2022: 27,000 sq.m.) and 35,000 sq.m. (2022: 6,000 sq.m.), respectively. Revenue of GD Land for the Period increased by 11.5% to HK\$431,118,000 (2022: HK\$386,718,000), of which income from sales of properties amounted to HK\$423,689,000 (2022: HK\$381,265,000). The net gain arising from fair value adjustments for investment properties was HK\$238,669,000 (2022: HK\$168,208,000). The profit before tax of GD Land for the Period, excluding changes in fair value of investment properties and net finance costs, was HK\$2,970,000 (2022: HK\$77,128,000).

***Hong Kong***

*Guangdong Investment Tower*

The average occupancy rate of Guangdong Investment Tower for the Period was 90% (2022: 100%). The total revenue for the Period decreased by 9.4% to HK\$12,034,000 (2022: HK\$13,284,000).

## Department Store Operation

As at 31 March 2023, the Group operated five stores (31 December 2022: six stores) with a total leased area of approximately 210,400 sq. m. (31 December 2022: 222,300 sq. m.). The total revenue for the Period decreased by 16.4% to HK\$163,049,000 (2022: HK\$194,927,000). Due to cost and expense savings, the profit before tax for the Period, excluding changes in fair value of investment properties and gain on lease modification, increased by 54.5% to HK\$34,863,000 (2022: HK\$22,562,000).

The revenue of the stores operated by the Group during the Period was as follows:

	Leased area sq. m.	Revenue for the three months ended 31 March		Changes %
		2023 HK\$'000	2022 HK\$'000	
Teemmall Store	42,000	105,224	132,575	-20.6
Wan Bo Store	20,100	15,759	16,970	-7.1
Ming Sheng Store (closed in March 2023)	-	7,134	5,925	+20.4
Dong Pu Store	28,300	17,907	22,378	-20.0
Ao Ti Store	21,500	12,751	13,622	-6.4
Hua Du Store (opened in January 2022)	98,500	4,274	3,457	+23.6
	<u>210,400</u>	<u>163,049</u>	<u>194,927</u>	<u>-16.4</u>

## Hotel Ownership, Operation and Management

As at 31 March 2023, the Group's hotel management team managed a total of 21 hotels (31 December 2022: 24 hotels), of which three were located in Hong Kong and eighteen in Mainland China. As at 31 March 2023, six hotels, of which two in each of Hong Kong and Zhuhai and one in each of Shenzhen and Guangzhou, were owned by the Group. Of these six hotels, four were managed by our hotel management team whereas the Holiday Inn Zhuhai City Center located in Zhuhai was operated under franchise arrangement and Sheraton Guangzhou Hotel located in Guangzhou was managed by another hotel management group.

During the Period, the average room rate of Sheraton Guangzhou Hotel was HK\$1,153 (2022: HK\$835) whereas the average room rate of the remaining five hotels was HK\$621 (2022: HK\$257). The average occupancy rate of Sheraton Guangzhou Hotel was 95.7% (2022: 70.3%) and that of the other five hotels was 61.5% (2022: 52.0%) during the Period.

With the easing of China's anti-pandemic policy, hotel industry is showing a sign of good recovery. The revenue of hotel ownership, operation and management business for the Period increased by 91.9% to HK\$140,113,000 (2022: HK\$73,019,000). The profit before tax for the Period, excluding changes in fair value of investment properties and net exchange differences, amounted to HK\$22,217,000 (2022: loss before tax of HK\$28,956,000).

## Energy Projects

### *GDH Energy Project*

Zhongshan Power (Hong Kong) Limited, a subsidiary of the Company, holds a 75% interest in 中山粵海能源有限公司 (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 592 million kwh (2022: 572 million kwh), increased by 3.5%. As a result of the drop of exchange rate of Renminbi against Hong Kong dollars of 7.4% over the same period last year, revenue of GDH Energy Project (including intersegment sales) generated from electricity sales and related operations for the Period decreased by 6.7% to HK\$404,247,000 (2022: HK\$433,466,000). As a result of the fluctuation in coal price, the loss before tax of GDH Energy for the Period, excluding net finance costs, was HK\$12,528,000 (2022: profit before tax of HK\$16,718,000).

### *Guangdong Yudean Jinghai Power Generation Co., Ltd. (“Yudean Jinghai Power”)*

The Group’s effective interest in Yudean Jinghai Power is 25%. As at 31 March 2023, 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 3,146 million kwh (2022: 2,764 million kwh), an increase of 13.8%. Revenue for the Period increased by 10.9% to HK\$1,743,721,000 (2022: HK\$1,571,951,000). Yudean Jinghai Power recorded a loss before tax of HK\$7,192,000 (2022: HK\$79,994,000) for the Period. The Group’s share of loss in Yudean Jinghai Power amounted to HK\$1,349,000 (2022: HK\$14,999,000) during the Period, representing a decrease of 91.0%.

## 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.

The average daily toll traffic flow of the Xingliu Expressway increased by 10.1% to 28,948 vehicle trips (2022: 26,303 vehicle trips). The revenue of GDH Highway during the Period amounted to HK\$175,279,000 (2022: HK\$180,755,000), decreased by 3.0%. Profit before tax during the Period, excluding net finance costs, amounted to HK\$95,951,000 (2022: HK\$98,495,000), decreased by 2.6%. As a result of the drop of exchange rate of Renminbi against Hong Kong dollars of 7.4%, revenue and profit before tax decreased over the same period last year.

### *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 Province, the PRC. Each Project Road will be budgeted for and developed separately and subject to the approval of the Xiegang Government. 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.

As at 31 March 2023, four Project Roads (31 December 2022: four Project Roads) were completed and one Project Road (31 December 2022: one Project Road) was under construction. As at 31 March 2023, the cumulative development costs in relation to the Yinping PPP Project amounted to approximately RMB1,918 million (equivalent to approximately HK\$2,191 million) (31 December 2022: approximately RMB1,881 million (equivalent to approximately HK\$2,105 million)).

The total interest in the Development Period, management fee, maintenance fee and interest in the Maintenance Period of Yuehai Yinping recognised during the Period increased by 4.9% to HK\$33,756,000 (2022: HK\$32,176,000) and profit before tax increased by 8.7% to HK\$30,789,000 (2022: HK\$28,332,000) during the Period.

## **PROSPECTS**

The current global economic recovery trend is better than expected, the tension in the global supply chain has eased. However, there are persistent uncertainties in the macroeconomic and geopolitical environment, the tightening of monetary policy in developed economies continues, and global risk aversion is on the rise. With the impact of the epidemic subsided and the deployment of stabilizing economic policies, China's economic operation shows a trend of stabilization and recovery as a whole. While the external environment is becoming more complex, China's economic recovery is still facing the challenges of insufficient demand and weak foundation. Faced with uncertain prospects for the economic recovery impact on human mobility, logistics, business operations, capital markets, interest rates and exchange rate market fluctuations due to the treacherous pandemic, the Group will adhere to the development strategy of “balancing progress and stability and enhancing quality and efficiency”, maintain stable growth of its core operations and strengthen its risk management capabilities to create long-term value for its stakeholders.

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 Company’s financial performance and create long-term value.

## **REVIEW OF UNAUDITED FINANCIAL INFORMATION**

The unaudited financial information of the Group for the three months ended 31 March 2023 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 three months ended 31 March 2023.

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.

▲ *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.*

By Order of the Board  
**HOU Wailin**  
Chairman

Hong Kong, 27 April 2023

*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 four Independent Non-Executive Directors, namely, Dr. CHAN Cho Chak, John, Mr. FUNG, Daniel R., Dr. the Honourable CHENG Mo Chi, Moses and Mr. LI Man Bun, Brian David.*